



## Euro Medium Term Note Programme

On 28th 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 29th October 1997 (whereby, *inter alia*, the Programme was increased to U.S.\$2,000,000,000), on 18th December 1998 (whereby, *inter alia*, the Programme was increased to U.S.\$3,000,000,000), on 28th June 2000, on 6th August 2001, on 6th August 2002, on 29th July 2003, on 1st October 2003 (whereby the Programme was increased to U.S.\$5,000,000,000), on 29th July 2004, on 2nd March 2005 (whereby the Programme was increased to U.S.\$8,000,000,000) on 29th September 2005, on 22nd August 2006, on 13th November 2007 as supplemented by a Supplement dated 16th May 2008, on 9th June 2009, on 6th July 2010 as supplemented by a Supplement dated 14th 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 and on the date hereof. This Base Prospectus (the "Base Prospectus") supersedes the Base Prospectus dated 24 June 2013 prepared by the Issuer in connection with the Programme. Any Notes issued under the Programme are issued subject to the provisions set out herein. This does not affect 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, Luxembourg Notes, Senior Notes and Subordinated 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 either as senior obligations of the Issuer ("Senior Notes") or as subordinated obligations of the Issuer ("Subordinated Notes"). Subordinated Notes will be issued as Upper Tier II Subordinated Notes (subject to the prior approval of the terms thereof by the *Commission de Surveillance du Secteur Financier* (the "CSSF"), or Lower Tier II Subordinated Notes or Tier III Subordinated Notes (in each case as described in the Terms and Conditions of the Euro Notes or Terms and Conditions of the Luxembourg Notes, as applicable). 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 (save in the case of Subordinated Notes, which shall be governed by Luxembourg 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 and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of Directive 2003/71/EC as amended (which included the amendments made by Directive 2012/73/EU (the "2010 PD Amending Directive") to the extent that such amendments have been implemented in a Relevant Member State of the European Economic Area) (the "Prospectus Directive").

Notes issued under the Programme may be (i) admitted to trading on a regulated market in the European Economic Area or offered in the European Economic Area 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 European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive ("Exempt Notes"). 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 regulated market of the Luxembourg Stock Exchange (the "Luxembourg Regulated Market"). Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the 12 months from the date 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 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 (the "Markets in Financial Instruments Directive"). 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 ECONOMICAL 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 139 or 182, 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 Brussels Regulated Market will also be published on the website of Euronext ([www.nyx.com](http://www.nyx.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 Principal Paying Agent (see "Documents available" on page 302 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 of each Tranche 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 issue date thereof with or in the name of a nominee for a depositary or a common depositary on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") and/or 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. 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 issue date thereof with, and will be registered in the name of, or in the name of a nominee for a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or 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 ICSDs acting as common safekeeper. 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 A2 with a stable outlook (Moody's France S.A.S. ("Moody's")), A+ with a negative creditwatch (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).

Standard & Poor'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). Moody's credit ratings in respect of the Programme are: (i) A2 (Senior Unsecured) and (ii) Ba1 (Subordinated).

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

#### **S&P**

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. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. An obligor rated A-1 by S&P has strong capacity to meet its financial commitments. It is rated in the highest category by S&P. A S&P "negative" outlook means a rating may be lowered.

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. An 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. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

#### **Moody's**

Obligations rated 'A' by Moody's are judged to be upper-medium grade and are subject to low credit risk. Obligations rated 'Baa' by Moody's are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. 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. 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.

#### **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 the level that would trigger a rating action, but which may do so if such trends continue. The majority of Fitch outlooks are generally Stable, which is consistent with the historical migration experience of ratings over a one- to two-year period. 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, if circumstances warrant such an action.

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. Ratings in respect of Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes and Tier III Subordinated Notes will be sought from Moody's, S&P and Fitch at the time of issuance of any such Notes. 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 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 Non-exempt 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 the French Annual Report 2012, the English Annual Report 2012 and the French Annual Report 2013 (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. Websites and url references referred to herein do not form part of the 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 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)).

In accordance with Article 16.2 of the Prospectus Directive, investors who have already agreed to purchase or subscribe for Notes before this Base Prospectus is published have the right, exercisable within two working days after the publication of this Base Prospectus, to withdraw their acceptances. Investors should be aware, however, that the law of the jurisdiction in which they have accepted an offer of Notes may provide for a longer time limit.

Each Tranche (as defined herein) of Non-exempt Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the "**Conditions**") as completed by a document specific to such Tranche called Final Terms or (in the case of Exempt Notes only) completed, amended and/or supplemented by a document specific to such Tranche called Pricing Supplement or 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 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 there has been no adverse change or any event reasonably likely to involve any adverse change in the prospects or financial or trading position of the Issuer since the date thereof 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. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "**Subscription and Sale**" below).*

*The Notes issued under the Programme are not 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"). The Notes issued under the Programme are neither issued nor guaranteed by a Swiss financial intermediary.***

*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 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, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant 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 section applies to both Exempt Notes and Non-exempt Notes 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	<b>Warning</b>	<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	<b>Consent for use of Base Prospectus</b>	[Not Applicable][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> ".]
		[ <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 (www.bgl.lu) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer] [and any financial intermediary which is 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):

Element		
		<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> ").
<b>B.2</b>	Domicile/ legal form/ legislation/ country of incorporation	The Issuer was incorporated with limited liability 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>B.4b</b>	Trend information	<b>Macro-economic environment</b>



Element	Title	
		<p>Market and macroeconomic conditions affect BGL's results. The nature of BGL's business makes it particularly sensitive to market and macroeconomic conditions in Europe, which have been difficult and volatile in recent years.</p> <p>In 2013, the global economy began to move towards equilibrium, with several emerging countries slowing down and a slight recovery in the developed countries. In 2013, global economic conditions remained generally stable as compared to 2012. IMF and OECD economic forecasts<sup>1</sup> for 2014 generally indicate a renewal of moderate growth in developed economies albeit less strong and uniform in the Euro-zone. Their analysts consider that uncertainties remain regarding the strength of the recovery, particularly in light of the U. S. Federal Reserve's announcement in December 2013 that it would gradually reduce ("taper") its stimulus program, and in the Euro-zone, where a risk of deflation exists.</p> <p>Within the Euro-zone, sovereign credit spreads continued to decrease in 2013 following the decrease recorded in 2012 from the previous historically high levels. The financial condition of certain sovereigns has markedly improved but there remains uncertainty as to the solvency of some others.</p> <p><b>Laws and Regulations Applicable to Financial Institutions</b></p> <p>Laws and regulations applicable to financial institutions that have an impact on BGL have significantly evolved in the wake of the global financial crisis. The measures that have been proposed and/or adopted in recent years include more stringent capital and liquidity requirements (particularly for large global banking groups such as the BNP Paribas Group), taxes on financial transactions, restrictions and taxes on employee compensation, limits on the types of activities that commercial banks can undertake and ring-fencing or even prohibition of certain activities considered as speculative within separate subsidiaries, restrictions on certain types of financial products, increased internal control and reporting requirements, more stringent conduct of business rules, mandatory clearing and reporting of derivative transactions, requirements to mitigate risks in relation to over-the-counter derivative transactions and the creation of new and strengthened regulatory bodies. The measures that were recently adopted, or in some cases proposed and still under discussion, that have or are likely to affect BGL, include in particular the EU Directive and</p>

<sup>1</sup> See in particular: IMF – World Economic Outlook Update – January 2014 and G20 Note on Global Prospects and Policy Challenges – February 2014, OECD – The Global Economic Outlook – November 2013

Element	Title					
		<p>Regulation on prudential requirements “CRD IV” dated 26 June 2013 and many of whose provisions have been applicable since 1 January 2014; the proposals of technical regulatory and execution rules relating to the Directive and Regulation CRD IV published by the EBA; the Luxembourg banking law; the public consultation for the reform of the structure of the EU banking sector of 2013 and the European Commission’s proposed regulation on structural measures designed to improve the strength of EU credit institutions of 29 January 2014; the proposal for a regulation on indices used as benchmarks in financial instruments and financial contracts; the European single supervisory mechanism; the European proposal for a single resolution mechanism and the proposal for a European Directive on bank recovery and resolution; the final rule for the regulation of foreign banks imposing certain liquidity, capital and other prudential requirements adopted by the U.S. Federal Reserve; the proposal of the U.S. Federal Reserve relating to liquidity ratios of large banks; and the “Volcker” Rule imposing certain restrictions on investments in or sponsorship of hedge funds and private equity funds and proprietary trading activities (of U.S. banks and to some extent non-U.S. banks) that was recently adopted by the U.S. regulatory authorities. 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>				
<b>B.5</b>	Description of the Group	<p>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 75 countries and has almost 185,000 employees, including over 141,000 in Europe. BNPP is the parent company of the BNP Paribas Group (the "<b>BNPP Group</b>").</p>				
<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>					
		<table border="1"> <thead> <tr> <th data-bbox="710 1935 1082 2007">31/12/2013</th> <th data-bbox="1082 1935 1458 2007">31/12/2012</th> </tr> </thead> <tbody> <tr> <td data-bbox="710 2007 1082 2072">Revenues</td> <td data-bbox="1082 2007 1458 2072">1,123.4</td> </tr> </tbody> </table>	31/12/2013	31/12/2012	Revenues	1,123.4
31/12/2013	31/12/2012					
Revenues	1,123.4					
	Revenues	1,400.3				

Element	Title		
	Cost of risk	(48.8)	(60.6)
	Net Income, Group share	336.9	266.4
	Common Equity Tier 1 Ratio	25.7%	22.84%
	Tier 1 Ratio	25.7%	22.84%
	Total consolidated balance sheet	41,148.2	44,436.9
	Consolidated loans and receivables due from customers	25,869.9	27,292.9
	Consolidated items due to customers	19,444.8	19,721.1
	Shareholder equity (Group share)	5,697.1	5,570.7
	<p><b>Statements of no significant or material adverse change</b></p> <p>There has been no significant change in the financial or trading position of the Issuer since 31 December 2013 and there has been no material adverse change in the prospects of the Issuer since 31 December 2013.</p>		
<b>B.13</b>	Events impacting the Issuer's solvency	Not applicable, as at the date of this Base Prospectus and to the best of the Issuers' 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 2013.	
<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 investment 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>	
<b>B.15</b>	Principal activities	BGL is active in the following areas: Retail Banking ( <i>Banque de détail et des entreprises Luxembourg</i> ), Investment Solutions including, <i>inter alia</i> , Wealth Management and Personal Investors and Corporate and Investment Banking/Treasury.	

Element	Title	
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 A+ with a negative creditwatch (Standard &amp; Poor's Credit Market Services France S.A.S ("<b>S&amp;P</b>")), A2 with a stable outlook (Moody's France S.A.S ("<b>Moody's</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>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). Moody's credit ratings in respect of the Programme are: (i) A2 (Senior Unsecured) and (ii) Baal (Subordinated).</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/[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	The Notes have terms and conditions relating to, among other matters:
		<p><b><i>Status and Subordination</i></b></p> <p>The Notes are [Senior Notes ("<b>Senior Notes</b>")/Lower Tier II Subordinated Notes ("<b>Lower Tier II Subordinated Notes</b>") /Tier III Subordinated Notes ("<b>Tier III Subordinated Notes</b>")].</p> <p>[<i>Insert in the case of Senior Notes: Senior Notes constitute direct, unconditional, unsubordinated and [insert in the case of Euro Notes only: (subject to the provisions of the Issuer's negative pledge below)] 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.</i>]</p>
		[[Lower Tier II Subordinated Notes][Tier III Subordinated Notes] constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Lower Tier II Subordinated Notes and the Tier III Subordinated Notes shall at all times rank equally with all other Senior Subordinated Obligations (as defined below).
		In the event of the liquidation of the Issuer, the rights of the holders of the Lower Tier II Subordinated Notes and the Tier III Subordinated Notes shall rank ahead of:

Element	Title	
		<p>(a) those persons whose claims are in respect of any class of equity (including preference shares) of the Issuer;</p> <p>(b) the claims of the holders of Upper Tier II Subordinated Notes (such Notes being Exempt Notes); and</p> <p>(c) creditors whose claims are in respect of any obligations of the Issuer that rank or are expressed to rank (whether only in the winding up of the Issuer or otherwise) junior to Senior Subordinated Obligations, but shall be subordinated to the claims of all Senior Creditors (as defined below).</p> <p>As used herein:</p> <p><b>"Senior Creditors"</b> means all creditors of the Issuer who are cash depositors or other general, unsubordinated creditors; and</p>
		<p><b>"Senior Subordinated Obligations"</b> means all indebtedness and monetary obligations of the Issuer present and future that rank or are expressed to rank junior in right of payment (whether only in the event of the winding up of the Issuer or otherwise) to the claims of Senior Creditors but that are not subordinated so as to rank in point of subordination junior to any other obligations of the Issuer.]</p>
		<p><b><i>Taxation</i></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 in the place of payment 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 Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.</p>

Element	Title	
		<p><b><i>[Insert in the case of Euro Notes: Issuer's negative pledge</i></b></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 Senior 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>[Insert in the case of Senior Notes: Events of default</i></b></p> <p>The terms of the Senior Notes will contain, amongst others, the following events of default:</p> <p>(a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;</p>
		<p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(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;</p>
		<p>(f) (i) any loan or other present or future indebtedness</p>

Element	Title	
		<p>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><i>[Insert in the case of Lower Tier II Subordinated Notes or Tier III Subordinated Notes: Enforcement</i></b></p> <p>The terms of the [Lower Tier II Subordinated Notes][Tier III Subordinated Notes] will contain, amongst others, the following provisions:</p> <p>(a) Liquidation</p> <p>If a judgment is made or an effective resolution is passed for the dissolution and liquidation of the Issuer, the holder of a [Lower Tier II Subordinated Note][Tier III Subordinated Note] may give written notice to the Agent that such Note is due and payable, whereupon the same shall become forthwith due and payable at the relevant Early Redemption Amount (together with accrued interest (if any) to the date of redemption).</p>



Element	Title	
		<p>(b) Non Payment</p> <p>If the Issuer does not make payment for a period of 7 days or more after the due date for payment of principal, premium (if any) or for a period of 14 days or more after an Interest Payment Date for the payment of interest due in respect of the [Lower Tier II Subordinated Notes][Tier III Subordinated Notes] or any other subordinated Note, any relevant Noteholder may ask the relevant authorities to institute proceedings in Luxembourg (but not elsewhere) in accordance with Luxembourg Law for the dissolution and liquidation of the Issuer (although the relevant authorities are not in any way bound to do so).</p> <p>(c) Breach of Obligations</p> <p>To the extent permitted by applicable law and the terms of the Notes, a Noteholder may institute proceedings against the Issuer to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes or the Coupons but the institution of such proceedings shall not have the effect that the Issuer shall not be obliged to pay any sum(s) sooner than would otherwise have been payable by it.</p>
		<p>(d) Other Remedies</p> <p>No remedy against the Issuer other than as described above, shall be available to the Noteholders for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons.]<sup>2</sup></p> <p><b>Governing law</b></p> <p><i>[Insert in the case of Senior Notes which are Euro Notes: The Senior Notes which are Euro Notes and all non-contractual obligations arising out of or in connection with them are governed by English law.]</i></p> <p><i>[Insert other than in the case of Senior Notes which are Euro Notes: The Luxembourg Notes and Euro Notes which are Lower Tier II Subordinated Notes and the Tier III</i></p>

<sup>2</sup> In the case of an issue-specific summary relating to a derivative security, repeat summary of Meeting and Representative of Holders provisions from Element C.9 here

Element	Title	
		Subordinated Notes are governed by Luxembourg law.]

Element	Title	
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> <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>].] [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] 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/[●] per cent. of their nominal amount/an amount calculated by reference to the performance of [<i>insert inflation index / inflation indices</i>] [<i>insert foreign exchange rate</i>]]. [The Note is an [FI FX Vanilla Note][FI Inflation Note]].</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</p>

Element	Title	
		<p>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:</i> The Notes may be redeemed early at the option of the [Issuer (an "<b>Issuer Call</b>")][Noteholders (a "<b>Noteholder Put</b>")] 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.]</p> <p>[<i>Include if Inflation Index-Linked Notes:</i> 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).]</p> <p>[<i>Include if Foreign Exchange (FX) Rate-Linked Notes:</i> The Notes may also be redeemed early following the occurrence of certain disruption events relating to the underlying foreign exchange rate(s).]</p> <p><b>[Insert in the case of Tier III Subordinated Notes: Deferral of payments in respect of Tier III Subordinated Notes</b></p> <p>In respect of Tier III Subordinated Notes, the Issuer will not make any payment on its due date if, after making such payment, the Issuer would be in breach of its integrated capital adequacy ratio ("<b>Integrated Capital Adequacy Ratio</b>") as defined in Circular 06/273 of the CSSF (as amended) on the definition of own funds ratios pursuant to Article 56 of the Luxembourg Law of 5 April 1993 on the financial sector (as amended). In such circumstances the Issuer shall, by notice in writing (a "<b>Deferral Notice</b>") to the holders of Tier III Subordinated Notes, defer the due date for payment of any principal or interest in respect of such Notes and, accordingly, on the giving of a Deferral Notice the due date for such payments shall be so deferred. The Issuer shall, to the extent possible, issue each Deferral Notice at least five Luxembourg Business Days prior to the relevant due date if such due date is to be deferred.]</p>
		<p><b>Representative of holders</b></p> <p>[<i>Insert for Senior Notes:</i> Not Applicable – No representative of the Noteholders has been appointed by the Issuer.</p> <p>[<i>Insert for Subordinated Notes:</i> Please see "<i>Meetings</i>" below.]</p> <p>Please also refer to Element C.8.</p>

Element	Title	
		<b>Meetings</b>
		<p><i>[Insert for Senior Notes: The terms of the Senior 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.]</i></p>
		<p><i>[Insert for Lower Tier II Subordinated Notes or Tier III Subordinated Notes: The terms of the [Lower Tier II Subordinated Notes][Tier III Subordinated Notes] specify that Noteholders will belong to a masse (the "<b>Masse</b>") pursuant to applicable Luxembourg law. Representatives ("<b>Representatives</b>") may be appointed by a general meeting of the Noteholders (a "<b>Masse Meeting</b>") or by a court. Subject to the provisions of Luxembourg law, decisions of the Noteholders will be voted upon at Masse Meetings and Noteholders who do not vote or attend such Masse Meetings or who vote in a manner contrary to the binding majority will be bound by decisions of the Masse.]</i></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>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>3</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 - 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 <i>[insert relevant unregulated market]</i>].]</p>
<b>[C.15]</b>	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]].</p>

<sup>3</sup> Delete when completing issue-specific summary

Element	Title	
		[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]].]
		[Not Applicable – there are no underlying reference assets applicable to the Notes.]  [Please also refer to Element C.9.].]
[C.16]	Exercise date/final reference date	The maturity date of the Notes will be [ <i>insert date</i> ] (the “ <b>Maturity Date</b> ”).]
[C.17]	Settlement procedure of derivative securities	These Notes are cash settled.]
[C.18]	Return on derivative securities	See item C.8 above for the rights attaching to the Notes.
		[Information on interest in relation to the Notes is set out in Element C.9 above.] <sup>4</sup>
		<p><b>Final Redemption</b></p> <p>[<i>Insert other than for an Undated Subordinated Note: Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount.</i>]</p>
		<p>[The Final Redemption Amount applicable to the Notes is an amount per Note equal to [par][the Calculation Amount multiplied by [<i>insert percentage</i>][the Final Payout.</p> <p>The Notes are [FI FX Vanilla Notes][FI Inflation Notes]. Accordingly, the Final 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>
		<b>[Automatic Early Redemption]</b>
		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.

<sup>4</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>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.</p> <p>[The Automatic Early Redemption Payout is [Target Automatic Early Redemption][FI Underlying Automatic Early Redemption][FI Coupon Automatic Early Redemption]. 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 a Target Automatic Early Redemption: the Cumulative Coupon is equal to or greater than [●] (the "<b>Automatic Early Redemption Percentage</b>")][insert in the case of a FI Underlying Automatic Early Redemption: the [specify Underlying Reference Level] is equal to or greater than [●] (the "<b>Automatic Early Redemption Percentage Down</b>") and less than or equal to [●] (the "<b>Automatic Early Redemption Percentage Up</b>")][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 than [●] (the "<b>Automatic Early Redemption Percentage</b>")][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] (the "<b>Automatic Early Redemption Level</b>")].</i> ["<b>Automatic Early Redemption Valuation Date</b>" means [●], subject to adjustment.]</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 Calculation Agent equal to the sum of the values for each underlying reference as the product of (a) <i>[specify the</i></p>

Element	Title	
		<i>Underlying Reference Level]</i> of such underlying reference on such Automatic Early Redemption Valuation Date and (b) the relevant weighting.]
		[" <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.]
		[" <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.]]
[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 Element C.9 and Element [C.18 above, as applicable.]
[C.20]	Underlying	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]].]

## 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 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> <p>(a) Difficult market and economic conditions could in</p>



Element	Title	
		<p>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.</p>
		<p>(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.</p> <p>(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 or other factors.</p> <p>(d) 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.</p> <p>(e) BGL may incur significant losses on its trading and investment activities due to market fluctuations and volatility.</p> <p>(f) BGL may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.</p> <p>(g) Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibility leading to material losses.</p> <p>(h) Significant interest rate changes could adversely affect BGL's net banking income or profitability.</p> <p>(i) The soundness and conduct of other financial institutions and market participants could adversely affect BGL.</p> <p>(j) BGL's competitive position could be harmed if its reputation is damaged.</p> <p>(k) An interruption in or a breach of BGL's information systems may result in lost business and other losses.</p> <p>(l) Unforeseen external events can interrupt BGL's operations and cause substantial losses and additional costs.</p> <p>(m) BGL is subject to extensive and evolving regulatory regimes in the countries and regions in</p>

Element	Title	
		<p>which it operates.</p> <p>(n) 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>(o) BGL's hedging strategies may not prevent losses.</p> <p>(p) Risks and uncertainties connected to the integration and optimization of the operations of BGL following its acquisition by BNP Paribas.</p> <p>(q) Intense competition in the financial services industry could adversely affect BGL revenues and profitability.</p> <p>(r) Litigation or other proceedings or actions may adversely affect BGL's business, financial condition and results of operations.</p> <p>(s) A deterioration of the credit rating of BNP Paribas of its debt quality could adversely affect BGL.</p> <p>(t) Risks and uncertainties connected to the discussions of BNP Paribas with the US Department of Justice and the New York County District Attorney's Office may impact BGL.</p> <p>(u) 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>(v) BGL has significant counterparty risk exposure and exposure to systemic risks.</p> <p>(w) Uncertainty linked to fair accounting value and use of estimates by BGL.</p>
[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</p>

Element	Title	
		<p>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,] [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 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),][ there may be discrepancies between the register of Registered Notes kept at the specified office of the Registrar and the register of Registered Notes maintained at the Issuer’s registered office and a Luxembourg court could rule that the Issuer Register prevails,][ 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</p>

Element	Title	
		<p>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)] 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 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: exposure to an inflation index, market disruption,]</i><i>[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]</i> <i>[Insert in the case of Underlying Interest Rate-Linked Notes: exposure to an interest rate]</i>], 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 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</p>

Element	Title	
		<p>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,] [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 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),][ there may be discrepancies between the register of Registered Notes kept at the specified office of the Registrar and the register of Registered Notes maintained at the Issuer’s registered office and a Luxembourg court could rule that the Issuer Register prevails,][ the only means through which a Holder can realise value from the Notes prior to its Maturity Date</p>

Element	Title	
		<p>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)] 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 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: exposure to an inflation index, market disruption,]</i><i>[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]</i> <i>[Insert in the case of Underlying Interest Rate-Linked Notes: exposure to an interest rate]</i>], 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. [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.]]</p>

## Section E – Offer

Element	Title	
<b>E.2b</b>	Use of proceeds	The net proceeds from each issue of Notes will be applied 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>5</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>[Summarise any public offer, copying the language from paragraphs 9(h) and 11 of Part B of the Final Terms.]</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> <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.]</p>

<sup>5</sup> Delete in the case of an issue-specific summary

Element	Title	
E.7	Expenses charged to the investor by the Issuer or an Offeror	Not Applicable – No expenses will be charged to investors by the Issuer.



## 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 in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus factors which could materially adversely affect its business and ability to make payments due under the Notes.*

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

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

*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). BGL could be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting capital, credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, inflation or deflation, sovereign debt rating downgrades, restructurings or defaults, or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, 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.

European markets have recently experienced significant disruptions as a result of concerns regarding the ability of certain countries in the Euro-zone to refinance their debt obligations and of the financial assistance provided to certain European Union member states. These disruptions have contributed to 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 near-term economic prospects of 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 obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in,

certain of the countries that have been most significantly affected by the current crisis. BGL is also active in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis has had, and may continue to have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and therefore on the environment in which BGL operates.

If economic conditions in Europe or in other parts of the world were to deteriorate, particularly in the context of an exacerbation of the sovereign debt crisis (such as a sovereign default), BGL could be required to record additional impairment charges on its sovereign debt holdings or record further losses on sales thereof, and 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, currency exchange rates and stock market indices, and on BGL's liquidity and ability to raise financing on acceptable terms.

### **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**

Legislation and regulations recently have been enacted or proposed with a view to introducing a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the financial crisis, the impact of the new measures could be to change 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, taxes on financial transactions, restrictions and taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and, potentially, investment banking activities more generally), restrictions on certain types of financial products such as derivatives, and the creation of new and strengthened regulatory bodies.

Certain measures that have been or are in the process of being adopted, and will be applicable to BGL, prudential frameworks such as Basel 3 and Capital Requirements Directive 4, the requirements in relation to them announced by the European Banking Authority, will increase BGL's regulatory capital and liquidity requirements and may limit its permissible leverage. BGL has announced certain measures in relation to these requirements; ensuring and maintaining compliance with them in the future may lead BGL to take various measures, such as further reducing its balance sheet or bolstering its capital base, that could weigh on its profitability and adversely affect its financial condition and results of operations.

Some of the new regulatory measures are proposals that are under discussion and that are subject to revision, and would in any case need adaptation to each country's regulatory framework by national regulators. As a result, it is not possible to predict which proposed new measures will ultimately be adopted, what their final form will be or what impact they will have on BGL. Depending on the nature and scope of regulatory measures that are ultimately adopted, they could (in addition to having the effects noted above) affect BGL's ability to conduct (or impose limitations on) certain types of activities, its ability to attract and retain talent (particularly in its investment banking and financing businesses) and more generally its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations. Finally, it is difficult to predict what impact these measures might have on financial market conditions. It is conceivable that they could trigger or exacerbate future financial crises, particularly if they required significantly enhanced disclosure of risks or problem loan exposures that could be misinterpreted by investors, hence heightening their concern about banks and therefore restricting their sources of financing.

### **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 or other factors**

The Euro-zone sovereign debt crisis as well as the general macroeconomic environment adversely affected the availability and cost of funding for European banks in 2011. 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.

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.

**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 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 uses its best efforts 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 increases in non-performing assets or for other reasons, as was the case in the second half of 2008 and throughout 2009. 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 may incur significant losses on its trading and investment activities due to market fluctuations and volatility**

BGL maintains trading and investment positions in the debt, currency, commodity and equity markets, and in private equity, property and other assets. 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 losses on its trading and investment activities. There can be no assurance that this extreme volatility and market disruption will not re-occur in the near future but BGL has taken action, where possible, to decrease the trading exposure and to decrease the size of the potential losses on its trading 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 trading and 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 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 expose it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. BGL may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn net revenues 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 of operations and financial condition.

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

Market downturn can lead to a decline in the volume of transactions that BGL executes for its clients and, therefore, to a decline in its net banking income from this activity. 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 any BGL fund may result in increased withdrawals and reduced inflows, which would reduce the revenues BGL receives from its asset management business.

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.

### **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. 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 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, have led 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. Many of these transactions expose BGL to credit risk in the event of default of a group 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.

In addition, 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 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. 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 lost business and other losses**

As with most other banks, BGL relies heavily on communications and information systems to conduct its business. 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. The occurrence of any failures or interruptions could have an adverse effect on BGL's financial condition and results of operations.

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

Unforeseen events such as political and social unrest, severe natural disasters, terrorist attacks or other states of emergency could lead to an abrupt interruption of BGL's operations and, to the extent not covered by insurance, could cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to additional costs (such as relocation of employees affected) and increase the BGL's costs (particularly insurance premiums).

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

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 legal or regulatory requirements. Besides damage to the BGL's reputation and private rights of action, non-compliance could lead to significant fines, 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.

More generally, 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;
- 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.

**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 behavior, valuations, assumptions or estimates. Some of BGL's qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. 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 modeling 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. 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.

## **Risks and uncertainties connected to the integration and optimisation of the operations of BGL following its acquisition by BNP Paribas**

The integration of the operations of BGL following its acquisition by BNP Paribas is ongoing. It is a process that is complex, expensive and that presents a number of challenges for the management of BGL and BNP Paribas, their staff and potentially their customers. Although the integration is currently achieving all the foreseen objectives, the integration may not be able to achieve the anticipated synergies or other expected benefits of the acquisition. The expected business growth opportunities, revenue benefits, cost synergies and other operational efficiencies and other benefits expected from the integration may not develop or may be delayed. To the extent that higher integration costs are incurred or lower revenue benefits or fewer cost savings are achieved than was expected, BNP Paribas' and BGL's operating results, financial conditions and prospects and share price may suffer.

While the legal acquisition has already occurred, the technical integration of BGL and BNP Paribas, including the integration of the banks' IT systems and other processes is ongoing and is expected to take some time to be fully completed. The potential for future growth of the integrated entity will depend on a number of factors, including the ability of BGL and BNP Paribas to integrate the operating systems, achieve synergies in a timely manner and control costs.

Challenges may also be faced with respect to obtaining required approvals of various regulatory agencies, retaining key employees, redeploying resources in different areas of operations to improve efficiency, unifying financial reporting and internal control procedures, minimising diversion of management attention from ongoing business concerns, addressing differences between BGL's and BNP Paribas' business culture, processes, controls, procedures, systems, accounting practices and implementation of accounting standards.

## **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 KBC Bank, 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, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favorable terms. 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.

### **Risks connected to the discussions of BNP Paribas with the U.S. Department of Justice and the New York County District Attorney's Office, among other U.S. Regulators and law enforcement and other governmental authorities, related to U.S. Dollar payments involving parties subject to U.S. sanctions**

Following discussions with the U.S. Department of Justice and the New York County District Attorney's Office, among other U.S. regulators and law enforcement and other governmental authorities, BNP Paribas ("**BNPP**"), the parent company of BGL, conducted over several years an internal, retrospective review of certain U.S. dollar payments involving countries, persons and entities that could have been subject to economic sanctions under U.S. law in order to determine whether BNPP had, in the conduct of its business, complied with such laws. The review identified a significant volume of transactions that, even though they were not prohibited by the laws of the countries of the BNPP entities that initiated them, were denominated in U.S. dollars and therefore potentially considered impermissible under U.S. regulations, in particular, those of the Office of Foreign Assets Control (OFAC). Having presented the findings of this review to the U.S. authorities in December, in accordance with IFRS requirements BNPP recorded a provision of USD 1.1 billion (EUR 0.8 billion) in its financial statements for the fourth quarter of 2013. The U.S. authorities had not passed upon the adequacy or reasonableness of such provision. The discussions that have taken place since then demonstrate that a high degree of uncertainty exists as to the nature and amount of penalties that the U.S. authorities could impose on BNPP following completion of the ongoing process. The amount of the fines is likely to be far in excess of the amount of the provision. BNPP continues the discussions. Although not involved in those discussions, BGL may be impacted by their outcome.

### **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.

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.

## **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 or 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 as 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 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 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) significantly changes to exchange rates (including changes due to devaluation of the note currency 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 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 termination 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, an inflation index, a basket of inflation indices, one or more currencies (including exchange rates or swap indices between currencies or composite currencies), one or more interest rates, formulae or other variables (the "**Underlying Reference**"). Notes where the principal 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. In particular, in 2008 the global economy entered the most severe downturn for 80 years. Economic conditions remain fragile, and there is a risk that major economies may suffer a "double dip" recession where the improvements in a number of markets reverse. Such a deterioration in market conditions could adversely affect the price of the Notes or have another 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) **Because the Global Notes are held by or on behalf of Euroclear and/or Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.** Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or a common safekeeper, as the case may be, for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg, as the case may be, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg as the case may be.

While the Notes are represented by one or more Global Notes the Issuer will discharge their payment obligations under the Notes by making payments to the common depositary for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

- (d) **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.
- (e) **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.
- (f) **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.

- (g) **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. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency 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, in the case of Exempt Notes only, 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 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 following paragraph is relevant to Exempt Notes only:

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 country where the Notes are transferred. 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.

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

*Withholding under the EU Savings Directive.*

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In March 2014, a draft bill was submitted to the Luxembourg parliament which intends to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a paying agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.*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). 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 would apply 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 exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

A joint statement issued in May 2014 by ten of the eleven participating member states indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating member states. It may therefore be altered prior to any implementation. 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. 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.

### **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.

According to Luxembourg company law, the Issuer is obliged to maintain a register of the Registered Notes at its registered office (the "**Issuer Register**"). Ownership in respect of the Registered Notes is, according to Luxembourg company law, established by the relevant registration (*inscription*) in the Issuer Register. Pursuant to the Agency Agreement the Registrar has undertaken to notify the Issuer forthwith of any changes made to the Register to enable it to update the Issuer Register. Accordingly, the registrations in the Register



should, in principle, match the recordings in the Issuer Register. However, there may be a delay in updating the Issuer Register and discrepancies in recordings cannot be excluded.

It is generally held that the registrations made in the Issuer Register constitute a means to prove ownership in respect of the Registered Notes. While Luxembourg case law suggests that such registrations in the Issuer Register are not an irrebuttable presumption (*présomption irréfragable*) of title to the Registered Notes, it cannot be excluded that, in the case of discrepancies between that Register and Issuer Register, a Luxembourg court would rule that the Issuer Register prevails over 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 held by or on behalf of one or more clearing systems specified in the applicable Final Terms (each a "**Relevant Clearing System**"), either in the form of a Global Note or Global Certificate which 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 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 risk is that 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 or any securities deliverable in respect of the Notes. Notes which are held by or on behalf of a Relevant Clearing System will be transferable only in accordance with the rules and procedures for the time being of the Relevant Clearing System.

Holders of beneficial interests in the Global Notes or Global Certificates 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, holders of beneficial interests in the Global Notes or Global Certificates 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.

**Trading in the clearing systems**

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the Relevant Clearing System at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

**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 Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). 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, save that the Terms and Conditions of Subordinated Notes which are Euro Notes are governed by Luxembourg 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.

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

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (together the "**ICSDs**"), in all but the most remote circumstances, it is not expected that 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. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer or registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

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

The U.S. Hiring Incentives to Restore Employment Act (the "**HIRE Act**") imposes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. While significant aspects of the application of the relevant provisions of the HIRE Act to the Notes are uncertain, 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 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 6 May, 2014, the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD will come into force following its publication in the Official Journal of the EU, which is expected to be in June 2014. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institutions failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including Senior Notes and Subordinated Notes) to equity (the "**general bail-in tool**"), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be less than its liabilities; it is or likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as Subordinated Notes at the point of non-viability and before any other resolution action is taken ("**non-viability loss absorption**"). Any shares issued to holders of Subordinated Notes upon any such conversion into equity may also be subject to any application of the general bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments (such as Subordinated Notes) are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016.

The powers set out in the BRRD impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, holders of Senior Notes and Subordinated Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool and, in the case of Subordinated Notes, non-viability loss absorption, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under the 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 reserved 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 on 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 an Underlying Reference;
- 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 value of the Notes and the amount of redemption amount, interest and/or premium, if any, 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 and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing. 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.

## **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.

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

The market values of Notes issued at a substantial discount or premium from their principal 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 both 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.

## **Subordinated Notes**

### *(a) The Issuer's obligations under the Subordinated Notes are subordinated*

If the Issuer is declared insolvent and any applicable winding up, bankruptcy, insolvency or other similar or analogous proceedings are initiated, such Issuer will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors and depositors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the relevant subordinated Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Notes. The Issuer's obligations under the Upper Tier II Subordinated Notes will be subordinated and will rank junior in priority in payment to Lower Tier II Subordinated Notes and Tier III Subordinated Notes and the Coupons and Talons relating to them.

The Issuer's obligations under the Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. Senior Liabilities means all of the Issuer's liabilities which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent. Dated Subordinated Notes which are Upper Tier II Subordinated Notes will be redeemed at maturity only with the prior approval of the CSSF.

### *(b) Under certain conditions, payment may or must be deferred*

#### *– Tier III Subordinated Notes*

If in making any payment of principal or interest on its due date, the Issuer would, after making such payment, be in breach of its Integrated Capital Adequacy Ratio (as defined in Condition 6.9 of the Euro Notes or Condition 5.8 of the Luxembourg Notes, as the case may be), then the Issuer must defer the payment of any principal or interest on the Tier III Subordinated Notes.

The Issuer will pay any Payment Arrears or Additional Interest (as defined in Condition 6.9 of the Euro Notes or Condition 5.8 of the Luxembourg Notes, as the case may be) on all Tier III Subordinated Notes outstanding as soon as, after giving effect to such payments, it no

longer would be required to defer payments of principal or interest under the terms described above.

– Upper Tier II Subordinated Notes

The Issuer reserves the right to defer payment of interests in respect of Upper Tier II Subordinated Notes with the prior approval of the CSSF.

(c) *Non Payment under Subordinated Notes*

Principal and interest due under Upper Tier II Subordinated Notes (*fonds propres complémentaires*) within the meaning of circular 06/273 as amended may be used by the Issuer in certain circumstances to absorb its losses.

If the Issuer does not make payment for a period of 7 days or more after the due date for the payment of principal or premium (if any) or for a period of 14 days or more after an Interest Payment Date for the payment of interest due in respect of any of the Subordinated Notes on such date, Noteholder(s) of Subordinated Notes have limited rights against the Issuer in the event of any such failure to pay (see Condition 10.2 of the Euro Notes or Condition 9.2 of the Luxembourg Notes).

Any deferral of interest payments will likely have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of the interest deferral provision of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

(d) *Subordinated Notes may be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Issuer*

The Bank Recovery and Resolution Directive contemplates that Subordinated Notes may be subject to non-viability loss absorption, in addition to the application of the general bail-in tool. See "*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*" above.

**Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-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) *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; and
- (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.

(d) *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.

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

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

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

### *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;
  - (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*) 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 the Markets in Financial Instruments Directive (Directive 2004/39/EC); 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 completed with the relevant information) (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 as if it were a relevant Dealer;



- III. ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by that 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/or the relevant Dealer;
- 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 such information (including, without limitation, documents and records maintained pursuant to paragraph (VI) above) upon written request from the Issuer or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer or the relevant Dealer:
  - (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 rules published by any regulator of competent jurisdiction from time to time; 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,

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;

- 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 such 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. ensure that Investors understand the rights associated with an investment in the Notes;
- XIII. 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;
- XIV. 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
- XV. 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 indemnify each of the Issuer and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against 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) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary 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; and
- (C) agrees and accepts that:
- I. the contract between the Issuer and the financial intermediary formed upon acceptance by the 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 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), 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.

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

**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 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

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 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 this Base Prospectus and must be read in conjunction with this Base Prospectus. For a Tranche of Notes which is the subject of a Pricing Supplement, that Pricing Supplement will, for the purposes of that Tranche only, complete and/or supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of (a) Final Terms are the Conditions as completed or (b) a Pricing Supplement are the Conditions as completed, supplemented, amended and/or replaced, in each case, to the extent described in the relevant Final Terms or Pricing Supplement, as the case may be.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be 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.

Each Drawdown Prospectus may be constituted either (a) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (b) by a registration document containing the necessary information relating to the Issuer, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note.

## 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. 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). 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, 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, or on, such Notes, as more fully described under "**Form of the 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 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 the Markets in Financial Instruments Directive.

Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the 12 months from the date 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 the Markets in Financial Instruments Directive.

Application may also be made to Euronext Brussels for Notes issued under the Programme during the 12 months from the date 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 the Markets in Financial Instruments Directive.

## 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 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 2013 (in French) (the "**French Annual Report 2013**") including the:

Audit Report	set out at page 45
Consolidated Profit and Loss Account	set out at page 46
Statement of Consolidated Net Income and Changes in Assets and Liabilities Recognised Directly in Consolidated Equity	set out at page 47
Consolidated Balance Sheet	set out at page 48
Statement of Changes in the Consolidated Shareholders Equity from 1 January 2012 to 31 December 2013	set out at pages to 49 to 51
Consolidated Cash Flow Statement	set out at pages 52 to 53
Notes to the Consolidated Financial Statements	set out at pages 54 to 172

- (b) the Annual Report of the Issuer for the year ended 31 December 2012 (in French) (the "**French Annual Report 2012**") including the:

Audit Report	set out at page 39
Consolidated Profit and Loss Account	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	set out at page 42
Statement of Changes in Consolidated Equity from 1 January 2011 to 31 December 2012	set out at pages 43 to 45
Consolidated Cash Flow Statement	set out at pages 46 to 47
Notes to the Consolidated Financial Statements	set out at pages 48 to 164

- (c) the Annual Report of the Issuer for the year ended 31 December 2012 (in English) (the "**English Annual Report 2012**") including the:

Audit Report	set out at page 39
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Consolidated Profit and Loss Account	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	set out at page 42
Statement of Changes in Consolidated Equity from 1 January 2011 to 31 December 2012	set out at pages 43 to 45
Consolidated Cash Flow Statement	set out at pages 46 to 47
Notes to the Consolidated Financial Statements	set out at pages 48 to 164

- (d) 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**"). For the avoidance of doubt, the only pages relevant to the investors are the ones specified as comprising the 2013 Conditions. The rest of the base prospectus dated 24 June 2013 and the supplement dated 9 October 2013 do not form part of this Base Prospectus as this information is not relevant for the investors,

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) and (c) 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.

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 or in a document which is incorporated by reference in this Base Prospectus. 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 original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**" and together with Euroclear, the "**ICSDs**") 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 one of the ICSDs acting as common safekeeper.

On 13 June 2006 the European Central Bank (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 will 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 will 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 or another entity approved by Euroclear or Clearstream, Luxembourg, as indicated in the Final Terms.

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 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 if the Temporary Global Note is not intended to be issued in NGN form 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 unless such certification 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 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) to or to the order of the Agent 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 only (a) in the case of Senior Notes, upon the happening of any of the events defined in the Terms and Conditions as "Events of Default", (b) if the applicable Final Terms specifies "in the limited circumstances described in the Permanent Global Note" then 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, (c) if 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 Definitive Notes, or (d) if the Issuer so elects (in the case of Notes with denominations of below EUR 100,000 (or the equivalent in other currencies) only). 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 depository 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 a new safekeeping structure ("NSS") (the Notes represented by such Global Certificate instead being issued under the classic safekeeping structure or "CSS"), as specified in the relevant Final Terms, will be deposited on the issue date thereof with and will be registered in the name of, or in the name of a nominee for a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or 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, on or around the relevant issue date, will be deposited with and registered in the name of one of ICSDs acting as common safekeeper.

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. From 1 October, 2010, new issues of debt securities in global registered form and cleared through Euroclear and Clearstream, Luxembourg, will only be 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 or another entity approved by Euroclear or Clearstream, Luxembourg, as indicated in the Final Terms.

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 Clearing System Business Day (being a 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 principal 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 only (a) if unless the Notes represented by the Global Certificate are Senior Notes which are Euro Notes, upon the happening of any of the events defined in the Terms and Conditions as "Events of Default", (b) if the applicable Final Terms specifies "in the limited circumstances described in the Global Certificate" then 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, (c) if the Issuer has or will become subject to adverse tax consequences to which the Issuer would not be subject were the Notes represented by Individual Certificates, or (d) if the Issuer so elects.

Whenever the Global Certificate is to be exchanged for Individual Certificates, such Individual Certificates will be issued in an aggregate nominal amount equal to the nominal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete

and deliver such Individual Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the specified office of the Registrar. 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.

If:

- (a) Individual Certificates have not been issued and delivered by 8.00 p.m. (Luxembourg time) on the fifteenth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Certificate; 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 of principal falling due with all accrued interest thereon 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 fifteenth 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 being entitled to interest in the Notes (each a "**Relevant Account Holder**") shall acquire the right ("**Direct Rights**") under the deed of covenant dated on or about 24 June 2014 (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 and nothing in the Deed of Covenant shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the holder of the Global Certificate.

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.

#### *General*

A Euro Note may be accelerated by the holder thereof in certain circumstances described in "Terms and Conditions of the Euro Notes — Events of Default and Enforcement". In such circumstances and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated on or about 24 June 2014 executed by the Issuer, where any Note governed by English law is represented by a Global Note or a Global Certificate, the holder of such Global Note or the registered holder of such Global Certificate may cause such Global Note or Global Certificate, as the case may be, or a portion of it, to become due and payable by stating in the notice to the Agent the principal amount of Notes which is being declared due and payable. If payment has not been made in respect of any such Note within 15 days from the giving of such notice, the Global Note will become void or, with respect to the Notes represented by the Global Certificate, the Determination Date will occur and the persons entitled to the relevant Notes, or the accountholders with Euroclear, Clearstream, Luxembourg or any other relevant clearing system, as the case may be, will, *inter alia*, acquire direct enforcement rights against the Issuer, and the Issuer shall not in such circumstances be obliged to issue Definitive Notes or, as the case may be, Individual Certificates in respect of the relevant Notes.

## 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 depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**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.*

**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 24 June 2014 [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. 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).] The Base Prospectus 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 Principal Paying Agent and Luxembourg Listing Agent at 33, rue de Gasperich, L-5826 Hesperange, Luxembourg. The applicable Final Terms (in the case of 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 "**Luxembourg Regulated Market**")) 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 Principal Paying Agent and Luxembourg Listing Agent at 33, rue de Gasperich, L-5826 Hesperange, Luxembourg. Copies of the applicable Final Terms (in the case of Notes listed and admitted to trading on Euronext Brussels, which is the regulated market of Euronext Brussels the "**Belgian Regulated Market**")) may be obtained from the registered office of BNP Paribas Fortis SA/NV at Montagne du Parc 3, 1000 Brussels, Belgium. [The applicable Final Terms (in the case of Notes listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange) 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 Principal Paying Agent and Luxembourg Listing Agent at 33, rue de Gasperich, L-5826 Hesperange, 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 a post – 1 July 2012 approved Base Prospectus to tap a previous issue under a previously approved Base Prospectus, the final terms in the post-1 July 2012 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] which are incorporated by reference in the Base Prospectus dated 24 June 2014. 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 24 June 2014 [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 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 Principal Paying Agent and Luxembourg Listing Agent in Luxembourg at 33, rue de Gasperich, L-5826 Hesperange, Luxembourg. The applicable Final Terms (in the case of 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 "**Luxembourg Regulated Market**")) 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 Principal Paying Agent and Luxembourg Listing Agent in 33, rue de Gasperich, L-5826 Hesperange, Luxembourg. Copies of the applicable Final Terms (in the case of Notes listed and admitted to trading on Euronext Brussels, which is the regulated market of Euronext Brussels (the "**Belgian Regulated Market**")) may be obtained from the registered office of BNP Paribas Fortis SA/NV at Montagne du Parc 3, 1000 Brussels, Belgium. [The applicable Final Terms (in the case of Notes listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange) 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 Principal Paying Agent and Luxembourg Listing Agent in 33, rue de Gasperich, L-5826 Hesperange, Luxembourg.]

[Investors should note that if a supplement to or an updated version of the Base Prospectus referred to above is published at any time during the 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 these Final Terms. Any investors who have indicated acceptances of the offer of Notes to which this Final Terms relates 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.]<sup>6</sup>

*[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*

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<sup>6</sup> Include in respect of issues of Notes for which the offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.

*(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 32 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 principal 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]  
[Non-Interest Bearing]  
(further particulars specified below)
10. Redemption/Payment Basis: [[100] [●] per cent.] of its principal amount]  
[Inflation Index-Linked Redemption]  
[Foreign Exchange (FX) Rate-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: [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]/[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]/[Non-Interest Bearing] on [*insert date.*]] [Not Applicable]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]  
[Not Applicable]
13. [(a)] Status of the Notes: [Senior Notes/Subordinated Notes]
- (b) [If subordinated Notes, whether, Lower Tier II Subordinated Notes or Tier III Subordinated Notes, and whether such Notes are dated or undated: Lower Tier II Subordinated Notes/Tier III Subordinated Notes/Dated Subordinated Notes/Undated Subordinated Notes]]
14. Calculation Agent responsible for calculating interest and/or redemption amounts due: [Applicable/Not Applicable]
15. Knock-in Event<sup>7</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.]
- 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) Level: [Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]/[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: [●]]

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

- [Single Resettable Knock-in  
 Knock-in Observation Date: [●]  
 Resettable Adjustment: [+/-][●]]
- [Multiple Resettable Knock-in  
 Resettable Knock-in Period: [●]  
 Knock-in Observation Date(s): [●]  
 Resettable Adjustment: [+/-][●]]
- (c) Knock-in Period Beginning Date: [specify]
- (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]]
- (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]
- (h) Knock-in Period Ending Date Day 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]]/[Valuation Time]/[Any time on a Knock-in Determination Day]/Not applicable]
- (j) Knock-in Observation Price Source: [specify]
- (k) Disruption Consequences: [Applicable/Not applicable]
16. Knock-out Event<sup>8</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.]]
- [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) Level: [Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]/[Not Applicable]
- (b) Knock-out Level /Knock-out Range [specify][[From and including/From but

<sup>8</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

- Level: excluding][*specify*][to and including/to but excluding][*specify*]/[FX Knock-out Level:
- [Knock-out Average Value  
Knock-out Averaging Dates: [●]]
- [Single Resettable Knock-out  
Knock-out Observation Date: [●]  
Resettable Adjustment: [+/-][●]]
- [Multiple Resettable Knock-out  
Resettable Knock-out Period: [●]  
Knock-out Observation Date(s): [●]  
Resettable Adjustment: [+/-][●]]
- (c) Knock-out Period Beginning Date: [*specify*]
- (d) Knock-out Period Beginning Date Convention: [Applicable/Not applicable]
- (e) Knock-out Determination Period: [*specify*]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6]]
- (f) Knock-out Determination Day(s): [*specify*]/[Each [Scheduled Trading Day/Business Day] in the Knock-out Determination Period]
- (g) Knock-out Period Ending Date: [*specify*]
- (h) Knock-out Period Ending Date Convention: [Not Applicable/Applicable]
- (i) 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]
- (j) Knock-out Observation Price Source: [*specify*]
- (k) Disruption Consequences: [Applicable/Not applicable]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

### 17. General Interest Provisions:

- (a) Interest Payment Date(s) [/Specified Period<sup>9</sup>]: [●] in each year [adjusted in accordance with the Business Day Convention set out in (d) below] [for the purpose of payment only<sup>10</sup>] *or* [Not subject to adjustment as the Business Day Convention in (d) below is specified to be Not Applicable]

<sup>9</sup> Relevant for Floating Rate Notes only.

<sup>10</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.

*(If applicable, identify any Additional Business Centre(s) for the purpose of payment)*

- (b) Interest Period Dates: [●]
- (c) Day Count Fraction: [[Actual/Actual (ICMA)],[Actual/Actual]/[Actual/365(Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (e) Interest Accrual Period: [●]
- (f) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]): [●]
- (g) Minimum Interest Rate: [[●] per cent. per annum]/[Not Applicable]]
- (h) Maximum Interest Rate: [[●] per cent. per annum]/[Not Applicable]]
- (i) Accrual to Redemption: [Applicable]/[Not Applicable]
- (j) Additional Business Centre(s) [*insert*] [Not Applicable]
- (k) Rate of Interest: [If applicable: Payout Conditions [1.1, 1.2, 1.6, 2 and 3] apply.]
- [Fixed Rate]
- [Floating Rate]
- [[Inflation Index/Foreign Exchange (FX) Rate/Underlying Interest Rate]-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 [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: [●]]

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: [●]

[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 [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.

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: [●]

Floor: [●]

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

[Averaging: [Applicable/Not applicable]

[Averaging Dates: *[specify]*]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]]

[Initial Average Value:

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 2: [●] 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 per Underlying Reference]]
FI Digital Floor Level:	[[●]/
[FX Digital Level:	
[FX Digital Average Value:	
FX Averaging Dates:	[specify]]/
[Single Resettable Level:	
FX Digital Observation Date(s):	[specify]
Resettable Adjustment:	[+/-][●]]]]
[Multiple Resettable Level:	
Resettable Period:	[specify]
FX Digital Observation Date(s):	[specify]
Resettable Adjustment:	[+/-] [●]]
FI Interest Valuation Date(s):	[specify]
[Averaging:	[Applicable/Not applicable]
[Averaging Dates:	[specify]]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]/

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not  
Consequences: Applicable]

Strike Period: [●]]]

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

Digital Cap Percentage 1: [●] per cent.

Digital Cap Percentage 2: [●] 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 per Underlying Reference*]]

FI Digital Cap Level: [[●]/

[FX Digital Level:

[FX Digital Average Value:

FX Averaging [specify]/  
Dates:

[Single Resettable Level:

FX Digital [specify]  
Observation  
Date(s):

Resettable [+/-][●]]

Adjustment:

[Multiple Resettable  
Level:

Resettable [specify]  
Period:

FX Digital [specify]  
Observation  
Date(s):

Resettable [+/-] [●]  
Adjustment:

FI Interest Valuation [specify]  
Date(s):

[Averaging: [Applicable/Not  
applicable]

[Averaging Dates: [specify]]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]/

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not  
Consequences: Applicable]

Strike Period: [●]]

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

Target Coupon [●] per cent.  
Percentage:

Target Determination [specify]  
Date:

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

Gearing: [●]

Cap: [●]

Floor: [●]

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]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]]

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not  
Consequences: Applicable]

Strike Period: [●]]]

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

Digital Plus Percentage [●] per cent.  
1:

Digital Plus Percentage [●] per cent.  
2:

Gearing: [●]

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 per Underlying  
Reference]]

FI Digital Plus Level: [[●]/

[FX Digital Level:

[FX Digital Average  
Value:

FX Averaging [specify]/  
Dates:

[Single Resettable  
Level:

FX Digital [specify]  
Observation  
Date(s):

Resettable [+/-][●]  
Adjustment:

[Multiple Resettable  
Level:

Resettable [specify]  
Period:

FX Digital [specify]  
Observation  
Date(s):

Resettable [+/-][●]  
Adjustment:

FI Interest Valuation [specify]  
Date(s):

[Averaging: [Applicable/Not  
applicable]

Averaging Dates: [specify]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]/

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not  
Consequences: Applicable]

Strike Period: [●]]]

[Rate:

[Fixed Rate]

- [Floating Rate]]
18. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs 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]
19. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs 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) Specified Period: [ ]
- (b) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (c) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable delete the remaining subparagraphs 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)*

- (d) 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)*

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

20. 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)*

21. **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).*

[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: [●]

22. **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 a]/[the] "Subject Currency") [is/are]: [specify]
- (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: [●]
- (j) Averaging Date(s): [●] [Not Applicable]
- (k) Strike Date: [●] [Not Applicable]
- (l) Optional Additional Disruption Events: [(The following Optional Additional Disruption Events apply to the Notes:]  
[Increased Cost of Hedging]
- (m) Trade Date: [●]

23. **Underlying Interest Rate-Linked Interest Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

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

- (a) Underlying Interest Rate 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 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.)*

## 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

- (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 [ ] 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]*

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) [ ] 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]*

27. **Final Redemption Amount**

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

*(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 and 3] apply.]*

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

Gearing: [●]

Cap: [●]

Floor: [●]

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

FI Redemption Valuation Dates: [specify]

Averaging: [Applicable/Not Applicable]

Averaging Dates: [specify]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]/

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not  
Consequences: Applicable]

Strike Period: [●]]

FI Constant [●]  
Percentage 1

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

FI Redemption Valuation [●]  
Date(s):

Strike Date: [●]]

28. **Automatic Early Redemption<sup>11</sup>:**

[Applicable/Not applicable]

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

(a) Automatic Early Redemption Event: [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"]

(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]

<sup>11</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

[[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: [●]]

(d) Automatic Early Redemption [specify]  
Date(s):

(e) Automatic Early Redemption Level: [specify]

(f) Automatic Early Redemption [[●] per cent.][Not Applicable]  
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:

*[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) Observation Price Source: [specify][Not Applicable]

(k) Underlying Reference Level: [Official level]/[Official close]/[last price]/[Bid price]/[Asked price]/[Standard Underlying Reference Level]

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: [●] / [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]
- (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]
- (k) Strike Date(s): [specify][Not Applicable]
- (l) Observation Date(s): [specify][Not Applicable]
- (m) Observation Period: [specify][Not Applicable]
- (n) Optional Additional Disruption [(The following Optional Additional Disruption  
Events: Events apply to the Notes:]  
  
[Increased Cost of Hedging]
- (o) Trade Date: [●]

### 31. Early Redemption Amount

- (a) Early redemption for taxation [Applicable/Not Applicable/As per Conditions]  
reasons: *(If Not Applicable, delete the remaining sub-paragraphs of this paragraph and insert "do not apply" in paragraph 38)*
- [Early Redemption Amount per Calculation Amount payable on redemption: [100][●] per cent. of its principal amount][Market Value plus Costs] [Not Applicable]
- Minimum Notice Period: *[insert period]*
- Maximum Notice Period: *[insert period]*
- (b) Early redemption on event of default:
- [Early Redemption Amount per Calculation Amount payable on redemption: [100][●] per cent. of its principal amount][Market Value plus 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 principal amount][Market Value plus Costs]

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

32. (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 on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]]

### **[Registered Notes**

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

33. [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.]*
34. 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)*
35. 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.]
36. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
37. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions in Condition [4 [if Euro Notes]]/[3 [If Luxembourg Notes] apply]
38. 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 [is expected to 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: [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 [14 May 2012 / *insert date of latest update*] by ESMA (<http://esma.europa.eu/page/List-registered-and-certified-CRAs>).

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. 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 [ ]

*(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 and Foreign Exchange (FX) Rate-Linked Notes) – PERFORMANCE OF INFLATION INDEX/FOREIGN EXCHANGE (FX) RATE, – 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] 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:] [*specify*]
- (d) [Information on inflation index/foreign exchange rate:] [*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) 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 Offer Jurisdictions: [*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)*]
- Offer Period [specify period] (the "Offer Period").
- Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: [*Insert names and addresses of financial intermediaries receiving consent (specific consent)*]



General Consent: [Not Applicable][Applicable]

Other Authorised Offeror Terms: [Not Applicable][Add here any other Authorised Offeror Terms]

*(Authorised Offeror Terms should only be included here where General Consent is applicable.)*

*(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) Name and address of entities which have a firm commitment to act as intermediaries in secondary trading\*\*:  
[specify][Not Applicable]

## 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 the 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) and 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.

**11. TERMS AND CONDITIONS OF THE 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:

- (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.*

**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.

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 24 June 2014 [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.

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 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 Principal Paying Agent at 33, rue de Gasperich, L-5826 Hesperange, 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 35 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 principal 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*

- Date): *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]  
 [Variable Interest Rate]  
 [Non-Interest Bearing]  
 [Other (specify)]  
 (further particulars specified below)
10. Redemption/Payment Basis: [[100] [●] per cent.] of its principal amount]  
 [Inflation Index-Linked Redemption]  
 [Foreign Exchange (FX) Rate-Linked Redemption]  
 [Underlying Interest Rate-Linked Redemption]  
 [specify other]  
 [(further particulars specified below)]
11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis] [Not Applicable]*
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]  
 [Not Applicable]
13. [(a)] Status of the Notes: [Senior Notes/Subordinated Notes]
- (b) [If subordinated Notes, whether Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes or Tier III Subordinated Notes, and whether such Notes are dated or undated. [Upper Tier II Subordinated Notes/Lower Tier II Subordinated Notes/Tier III Subordinated Notes/Dated Subordinated Notes/Undated Subordinated Notes]]
14. Calculation Agent responsible for calculating interest and/or redemption amounts due: [Applicable/Not Applicable]

15. Knock-in Event<sup>12</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.]]
- [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) Level: [Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]
- (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: [●]]  
[Single Resettable Knock-in  
Knock-in Observation Date: [●]]  
Resettable Adjustment: [+/-][●]]  
[Multiple Resettable Knock-in  
Resettable Knock-in Period: [●]]  
Knock-in Observation Date(s): [●]]  
Resettable Adjustment: [+/-][●]]]
- (c) Knock-in Period Beginning Date: *[specify]*
- (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]]
- (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]*
- (h) Knock-in Period Ending Date Day 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]]/[Valuation Time]/[Any time on a Knock-in Determination Day]/Not applicable]

<sup>12</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.



- (j) Knock-in Observation Price *[specify]*  
Source:
- (k) Disruption Consequences: [Applicable/Not applicable]
16. Knock-out Event<sup>13</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.]]
- [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) Level: [Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]
- (b) 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: [●]]  
[Single Resettable Knock-out  
Knock-out Observation Date: [●]]  
Resettable Adjustment: [+/-][●]]  
[Multiple Resettable Knock-out  
Resettable Knock-out Period: [●]  
Knock-out Observation Date(s): [●]  
Resettable Adjustment: [+/-][●]]]
- (c) Knock-out Period Beginning Date: *[specify]*
- (d) Knock-out Period Beginning Date Convention: [Applicable/Not applicable]
- (e) Knock-out Determination Period: *[specify]*/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6] ]
- (f) Knock-out Determination Day(s): *[specify]*/[Each [Scheduled Trading Day/Business Day] in the Knock-out Determination Period]
- (g) Knock-out Period Ending Date: *[specify]*
- (h) Knock-out Period Ending Date Convention: [Not Applicable/Applicable]

<sup>13</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

- (i) 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]
- (j) Knock-out Observation Price [specify]  
Source:
- (k) Disruption Consequences: [Applicable/Not applicable]

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

**17. General Interest Provisions:**

- (a) Interest Payment Date(s): [●] in each year [adjusted in accordance with the Business Day Convention as set out in (d) below] [for the purpose of payment only<sup>14</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) Interest Period Dates: [●]
- (c) Day Count Fraction: [[Actual/Actual (ICMA)],[Actual/Actual]/[Actual/365(Fixed)],[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (e) Interest Accrual Period: [●]
- (f) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]): [●]
- (g) Minimum Interest Rate: [[●] per cent. per annum]/[Not Applicable]
- (h) Maximum Interest Rate: [[●] per cent. per annum]/[Not Applicable]
- (i) Accrual to Redemption: [Applicable]/[Not Applicable]
- (j) Additional Business Centre(s) [*insert*] [Not Applicable]

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<sup>14</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.

(k) Rate of Interest: [If applicable: Payout Conditions [1.1, 1.2, 1.6, 2 and 3 apply.]

[Fixed Rate]

[Floating Rate]

[[Inflation Index/Foreign Exchange (FX) Rate/Underlying Interest Rate]-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 [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: [●]]

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: [●]]

[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 [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.

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: [●]

Floor: [●]

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

[Averaging: [Applicable/Not applicable]

[Averaging Dates: *[specify]*]

Initial Settlement Price: [●]

[Initial Closing Value:

Strike Date: [●]

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not  
Consequences: Applicable]

Strike Period: [●]]]

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

Digital Floor Percentage 1: [●] per cent.

Digital Floor Percentage 2: [●] 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* per  
*Underlying*  
*Reference*]]

FI Digital Floor Level: [[●]/

[FX Digital Level:

[FX Digital Average Value:

FX Averaging Dates: [*specify*]]/

[Single Resettable Level:

FX Digital Observation [*specify*]  
Date(s):

Resettable Adjustment: [+/-][●]]

[Multiple Resettable Level:

Resettable Period: [*specify*]

FX Digital Observation [*specify*]  
Date(s):

Resettable Adjustment: [+/-] [●]]

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

[Averaging: *[Applicable/Not applicable]*

[Averaging Dates: *[specify]]*

Initial Settlement Price: *[[●]/*

[Initial Closing Value:

Strike Date: *[●]/*

[Initial Average Value:

Strike Days: *[●]*

Averaging Consequences: Date *[Applicable/Not Applicable]*

Strike Period: *[●]]*

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

Digital Cap Percentage 1: *[●]* per cent.

Digital Cap Percentage 2: *[●]* 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 per Underlying Reference]]*

FI Digital Cap Level: *[[●]/*

[FX Digital Level:

[FX Digital Average Value:

FX Averaging Dates: *[specify]]/*

[Single Resettable Level:

FX Digital Observation *[specify]*  
Date(s):

Resettable Adjustment: *[+/-][●]*

[Multiple Resettable Level:

Resettable Period: *[specify]*

FX Digital Observation *[specify]*  
Date(s):

Resettable Adjustment: *[+/-][●]*

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

[Averaging: *[Applicable/Not applicable]*

[Averaging Dates: *[specify]*

Initial Settlement Price: *[●]/*

[Initial Closing Value:

Strike Date: *[●]/*

[Initial Average Value:

Strike Days: *[●]*

Averaging Consequences: Date *[Applicable/Not Applicable]*

Strike Period: *[●]]]*

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

Target Coupon Percentage: *[●]* per cent.

Target Determination Date: *[specify]*

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

Gearing: *[●]*

Cap: *[●]*

Floor: *[●]*

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

FI Interest Valuation Dates: *[specify]*



Averaging: [Applicable/Not Applicable]

Averaging Dates: [*specify*]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]]

[Initial Average Value:

Strike Days: [●]

[Averaging Consequences: Date [Applicable/Not Applicable]

Strike Period: [●]]]

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

Digital Plus Percentage 1: [●] per cent.

Digital Plus Percentage 2: [●] per cent.

Gearing: [●]

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 per Underlying Reference*]]

FI Digital Plus Level: [[●]/

[FX Digital Level:

[FX Digital Average Value:

FX Averaging Dates: [*specify*]]/

[Single Resettable Level:

FX Digital Observation Date(s): [*specify*]

Resettable Adjustment: [+/-][●]

[Multiple Resettable Level:

Resettable Period: [specify]

FX Digital [specify] Observation Date(s):

Resettable Adjustment: [+/-] [●]

FI Interest Valuation Date(s): [specify]

[Averaging: [Applicable/Not applicable]

Averaging Dates: [specify]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]/

[Initial Average Value:

Strike Days: [●]

[Averaging Consequences: Date [Applicable/Not Applicable]

Strike Period: [●]]]

[Rate:

[Fixed Rate]

[Floating Rate]]

18. 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*)]

19. 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 (f) 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) Specified Period: [ ]
- (b) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (c) 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: [ ]
- (d) 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)*

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

20. 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)*

21. **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:

22. 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:

23. 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).*

[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) Fallbank 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: [●]
24. 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: 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: [●]

- (j) Averaging Date(s): [●] [Not Applicable]
- (k) Strike Date: [●] [Not Applicable]
- (l) Optional Additional Disruption Events: [(The following Optional Additional Disruption Events apply to the Notes:]  
[Increased Cost of Hedging]
- (m) Trade Date: [●]

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

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

- (a) Underlying Interest Rate 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:

- 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.)*

## **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
- (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]

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

[Final Payout] [Not Applicable]

[If applicable: Payout Conditions 1.3, 1.6, 2 and 3 apply.]

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

Gearing: [●]

Cap: [●]

Floor: [●]

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

FI Redemption Valuation [Specify Redemption  
Dates: Valuation Date]

Averaging: [Applicable/Not  
Applicable]

Averaging Dates: [specify]

Initial Settlement Price: [●]

[Initial Closing Value:

Strike Date: [●]]

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not  
Consequences: Applicable]

Strike Period: [●]

FI Constant Percentage 1 [●]]

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

FI Redemption Valuation [●]  
Date(s):

Strike Date: [●]]

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 Amount: [ ] per Calculation Amount/Not Applicable
- (h) Maximum Final Redemption Amount: [ ] per Calculation Amount/Not Applicable

30. **Automatic Early Redemption**<sup>15</sup>: [Applicable/Not applicable]

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

- (a) Automatic Early Redemption Event: [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"]
- (b) Automatic Early Redemption Valuation Time: [specify]
- (c) Automatic Early Redemption Payout: [Target Automatic Early Redemption (see Payout Condition 1.4(a)):

---

<sup>15</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

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: [●]]

(d) Automatic Early Redemption [specify] Date(s):

(e) Automatic Early Redemption [specify] Level:

(f) Automatic Early Redemption [[●] per cent.] [Not Applicable] 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:

*[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) Observation Price Source: [specify]

(k) Underlying Reference Level: [Official level]/[Official close]/[last price]/[Bid price]/[Asked price]/[Standard Underlying Reference Level]

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

*(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: [●] / [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]

- (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]
- (l) Strike Date(s): [*specify*][Not Applicable]
- (m) Observation Date(s): [*specify*]
- (n) Observation Period: [*specify*]
- (o) Optional Additional Disruption Events: [The following Optional Additional Disruption Events apply to the Notes:]  
[Increase Cost of Hedging]
- (p) 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 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: [*specify*]  
*(Either LIBOR, EURIBOR or other)*
- Underlying Reference Rate: [*specify*]  
*(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 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 (a) to (g).*

*Repeat for each Underlying Interest Rate.)*

#### 34. 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 Conditions]*  
*(If Not Applicable, delete the remaining sub paragraphs of this paragraph and insert "do not apply" in paragraph 42)*

(i) [Early Redemption Amount per Calculation Amount payable on redemption]: *[[100][●] per cent. of its principal amount][Market Value less Costs][specify other/Not Applicable]*

Minimum Notice Period: *[insert period]*

Maximum Notice Period: *[insert period]*

(ii) Method of calculating (if required or if different from that set out in the Conditions): *[Applicable/Not Applicable/As per Conditions]*  
*[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 Conditions]*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Early Redemption Amount per Calculation Amount payable on redemption:  [100]  per cent. of its principal amount less Costs] *[specify other]*
- (ii) Method of calculating (if required or if different from that set out in the Conditions):  Applicable/Not Applicable/As per Conditions] *[specify other method/arrangements]*
- (c) Early redemption for illegality and other reasons (specify) and/or the method of calculating the same (if required or if different from that set out in the Conditions):  Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Early Redemption Amount per Calculation Amount payable on redemption:  Applicable/Not Applicable]  [100]  per cent. of its principal amount less Costs] *[specify amount]*
- (ii) Method of calculating (if required or if different from that set out in the Conditions):  Applicable/Not Applicable] *[specify method/arrangements]*

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

35. (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 on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

**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]]



36. [New Global Note][*delete if Registered Notes*][*delete if 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 6 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.]*
37. 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]*
38. 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.]
39. 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]
40. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
41. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [4 [*if Euro Notes*]]/[3 [*if Luxembourg Notes*]]/[annexed to this Pricing Supplement] apply]
42. Taxation: The provisions in Condition [8 [*if Euro Notes*]]/[7 [*if Luxembourg Notes*]] [do not] apply
43. Other terms or special conditions [Not Applicable/give details]

## 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: 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. 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]**
- Use of Proceeds [ ]
- (Insert only if the use of proceeds differ from those in Base Prospectus)*
- 5. 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 selling restrictions: [Not Applicable/*give details*]
- 6. 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, and incorporated by reference into, 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, replace or modify the following Terms and Conditions for the purpose of such Notes (including, if Upper Tier II Subordinated Notes are to be issued, the status, subordination and interest deferral provisions 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 the 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.*

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.

This Note is one of a Series (as defined below) of Notes issued by BGL BNP Paribas ("**BGL**") (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 ("**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) 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 depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or 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/or 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 issue date thereof with and will be registered in the name of, or in the name of a nominee for a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or 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.

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 24 June 2014 (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 (in each capacity an "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms) and BNP Paribas Securities Services, Luxembourg Branch as registrar (the "**Registrar**", which expression shall include any successor registrar) and the other parties named therein as paying agents (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and transfer agents (together with the Registrar, 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 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**"))) 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, in the case of Exempt Notes, Pricing Supplement) (or the relevant provisions thereof) attached to or endorsed on this Note.

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

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 holders 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 which are Senior Notes and the holders of the 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 24 June 2014 and made by the Issuer. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

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 NYSE Euronext Brussels, the applicable Final Terms will be published on the website of Euronext Brussels ([www.nyx.com](http://www.nyx.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 Principal Paying Agent and Luxembourg Listing Agent in 33, rue de Gasperich, L-5826 Hesperange, Luxembourg, save that, if this Note 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 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.

This Note may be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms. If this Note is a Non-exempt Note and a Subordinated Note, it is either a Lower Tier II Subordinated Note or a Tier III Subordinated Note, as indicated in the applicable Final Terms.

If this Note is an Exempt Note and is a Subordinated Note, it is either an Upper Tier II Subordinated Note, a Lower Tier II Subordinated Notes or a Tier III Subordinated Note, as indicated in the applicable Pricing Supplement (or any other type of Subordinated Note as may be specified in any supplement to the Terms and Conditions).

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 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, 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, 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 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 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 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 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.

A Permanent Global Note will be exchangeable for Definitive Notes and a Global Certificate will be exchangeable for Individual Certificates only (a) in the case of Senior Notes, upon the happening of any of the events defined in Condition 10 as Events of Default, (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, (c) if the Issuer has or will become subject to adverse tax consequences to which the Issuer would not be subject were the Notes represented by Definitive Notes or Individual Certificates or (d) if the Issuer so elects (in the case of any Registered Notes, and in the case of Bearer Notes with denominations of below EUR 100,000 (or the equivalent in other currencies) only). Any physical delivery of Definitive Notes will be made outside Belgium.

Whenever the Global Certificate is to be exchanged for Individual Certificates, such Individual Certificates will be issued in an aggregate nominal amount equal to the nominal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the

Global Certificate at the specified office of the Registrar. 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.

If:

- (a) Individual Certificates have not been issued and delivered by 8.00 p.m. (Luxembourg time) on the fifteenth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Certificate; 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 of principal falling due with all accrued interest thereon 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 fifteenth 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 being entitled to interest in the Notes (each a "**Relevant Account Holder**") shall acquire the right under the deed of covenant dated on or about 24 June 2014 (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 and nothing in the Deed of Covenant shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the holder of the Global Certificate.

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.

Subject as provided in the Deed of Covenant, 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 and/or any other relevant clearing system, 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 other Transfer Agent as the holder 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.

The holder of the Global Note will be considered by the Issuer as the sole owner and holder of the Notes represented by such Global Note for the purposes of payment of the interest and principal in respect of the Notes only.

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 applicable Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes and, if Subordinated Notes, whether the Notes are Upper Tier II Subordinated Notes (in which case, such Upper Tier II Subordinated Notes will only be issued as Exempt Notes), Lower Tier II Subordinated Notes or Tier III Subordinated Notes and, in the case of Subordinated Notes, the applicable subordination provisions.

### **2.1 Status of Senior Notes**

The Senior 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 Senior 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).

### **2.2 Status and Subordination of Subordinated Notes**

#### *(a) Upper Tier II Subordinated Notes*

This sub-condition will apply to Exempt Notes only.

If the Notes are Upper Tier II Subordinated Notes, the status and subordination of the Notes will be as set out in the applicable Pricing Supplement. The Terms and Conditions of any Upper Tier II Subordinated Notes will be subject to the prior approval of the *Commission de Surveillance du Secteur Financier* (the "CSSF"). Upper Tier II Subordinated Notes and the Receipts, Coupons and Talons relating to them will rank behind Lower Tier II Subordinated Notes and Tier III Subordinated Notes and the Receipts, Coupons and Talons relating to them.

#### *(b) Lower Tier II Subordinated Notes and Tier III Subordinated Notes*

The Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them constitute direct, unsecured and subordinated 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 Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them shall at all times rank equally with all other Senior Subordinated Obligations (as defined below).

In the event of the liquidation of the Issuer, the rights of the holders of the Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them shall rank ahead of:

- (i) those persons whose claims are in respect of any class of equity (including preference shares) of the Issuer;
- (ii) the claims of the holders of Upper Tier II Subordinated Notes; and
- (iii) creditors whose claims are in respect of any obligations of the Issuer that rank or are expressed to rank (whether only in the winding up of the Issuer or otherwise) junior to

Senior Subordinated Obligations, but shall be subordinated to the claims of all Senior Creditors (as defined below).

In this Condition 2.2(b):

**"Senior Creditors"** means all creditors of the Issuer who are cash depositors or other general, unsubordinated creditors; and

**"Senior Subordinated Obligations"** means all indebtedness and monetary obligations of the Issuer present and future that rank or are expressed to rank junior in right of payment (whether only in the event of the winding up of the Issuer or otherwise) to the claims of Senior Creditors but that are not subordinated so as to rank in point of subordination junior to any other obligations of the Issuer.

### **3. NEGATIVE PLEDGE IN RESPECT OF SENIOR NOTES**

The Issuer undertakes that, so long as any of the Senior Notes or the Receipts or 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 principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the

Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and 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 principal 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) in the case of Exempt Notes only, if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

## 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**") and/or Underlying Interest Rate-Linked Interest Notes ("**Underlying Interest Rate-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, the Day Count Fraction and any applicable Determination Date.

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.

The rate(s) per annum will be equal to the Rate(s) of Interest applied to the Calculation Amount and multiplying such sum by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity 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.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated 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 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 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.

In respect of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-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 and/or Underlying Interest Rate-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, 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, 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 Rate 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, whether the Pricing

Source for the Interest Rate Quotation is a Relevant Screen Page (Underlying) or Underlying Reference Bank and, in either case, 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 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 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*

Where 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 sub-paragraph (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 specified in the relevant Final Terms)) 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 sub-Condition 5.2(b)(i), "**Floating Rate**", "**Calculation Agent**", "**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*

Where 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) 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 stated in the applicable Final Terms the Minimum Rate of Interest 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 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 or Rate is to be determined, determine the Rate of Interest 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 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 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 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 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 (or in the case of such 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, notification shall be given to the Luxembourg Stock Exchange on the first day of each Interest Period). 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 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 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 willful 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 but which may include 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 Interest Deferral**

(a) Interest Deferral on Tier III Subordinated Notes

Payments of interest in respect of Tier III Subordinated Notes may be deferred in certain circumstances as described in Condition 6.9.

(b) Interest Deferral on Upper Tier II Subordinated Notes

The Issuer reserves the right to defer payment of interests in respect of Upper Tier II Subordinated Notes with the prior approval of the CSSF.

#### **5.6 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 a day which is both:

- (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 specified in the applicable Final Terms; and
- (ii) 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**") 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.

## **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 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, 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, unmaturing 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, (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, *pro rata*, be reflected 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 (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on, in respect of Registered Notes in definitive form, the third business day and in respect of Registered Notes in global form, the first business day (being, in each case, 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 principal 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 (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register 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**") at his address shown in the Register on the Record Date and at his risk.

(b) Payments in respect of Global Certificates

Notwithstanding any other provision of Condition 6.4, each payment in respect of Registered Notes represented at such time by a Global Certificate will be made to the person shown as the Noteholder 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 each clearing system for which this Restricted Global Certificate is being held is open for business.

Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

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.

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) in: (i) in the case of Notes in definitive form, the relevant place of presentation; and (ii) any Additional Financial Centre specified in the applicable Final Terms;
- (b) a Business Day (as defined in Condition 5.6); 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);
- (g) any Payment Arrears and Additional Interest (as defined in Condition 6.9(b) and Condition 6.9(c), respectively); and
- (h) 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 Payment Deferral (Tier III Subordinated Notes)**

### *(a) Deferral of Payment*

Subject as follows, all payments of principal and interest in respect of Tier III Subordinated Notes must be made on their due date as set out in the relevant Final Terms.

The Issuer will not make any payment on its due date if, after making such payment, the Issuer would be in breach of its integrated capital adequacy ratio ("**Integrated Capital Adequacy Ratio**") as defined in Circular 06/273 of the CSSF (as amended by Circular 07/317 of the CSSF) on the definition of own funds ratios pursuant to Article 56 of the Luxembourg Law of 5 April 1993 on the financial sector, as amended, as such circular may be amended or supplemented from time to time. In such circumstances the Issuer shall, by notice in writing (a "**Deferral Notice**") (published in accordance with Condition 14) to the holders of Tier III Subordinated Notes, defer the due date for payment of any principal or interest in respect of such Notes and, accordingly, on the giving of a Deferral Notice the due date for such payments shall be so deferred. The Issuer shall, to the extent possible, issue each Deferral Notice at least five Luxembourg Business Days prior to the relevant due date if such due date is to be deferred.

### *(b) Payment Arrears*

Without prejudice to Condition 10.2(b), any amounts due in respect of the Tier III Subordinated Notes which are not paid on their scheduled due date shall, so long as the same remains unpaid, constitute "**Payment Arrears**". All Payment Arrears on all Tier III Subordinated Notes outstanding shall become due in full (together with all Additional Interest (as defined below) accrued in respect thereof) on whichever is the earliest of:

- (i) the date upon which the Issuer can first make payment of the Payment Arrears in full, together with all accrued Additional Interest, without, after such payment, being in breach of its Integrated Capital Adequacy Ratio; and
- (ii) the date upon which a judgment is rendered or an effective voluntary resolution is passed for the dissolution and liquidation of the Issuer.

The Issuer shall, to the extent possible, give notice in accordance with Condition 14 of its intention to pay Payment Arrears and Additional Interest to all relevant Noteholders not less than seven days prior to the scheduled payment date for payment thereof.

If notice is given by the Issuer of its intention to pay all Payment Arrears together with all Additional Interest accrued in respect thereof, the Issuer shall be obliged to do so on the expiry of such notice, except if after such payment it would be in breach of its Integrated Capital Adequacy Ratio.

(c) *Additional Interest*

Payment Arrears in respect of Tier III Subordinated Notes shall bear interest ("**Additional Interest**") at the relevant Rate of Interest applicable to the Notes, plus an additional rate of 0.50 per cent. per annum which shall accrue on a daily basis for each successive period of twelve calendar months ("**Additional Interest Period**") from and including the scheduled date on which such Payment Arrears may or should have been paid and ending on the day immediately preceding the last date of the Additional Interest Period. Additional Interest shall only be payable until the actual date of payment of all outstanding Payment Arrears. All Additional Interest which is not paid at the end of each Additional Interest Period shall become Payment Arrears and bear interest accordingly.

(d) *No Default*

Neither any deferral of payment under paragraph (a) of this Condition nor the failure to make payments of Payment Arrears or Additional Interest where if it were to make such payments the Issuer would be in breach of its Integrated Capital Adequacy Ratio, shall constitute a default by the Issuer for any purpose.

(e) *Other Payment Provisions*

Notwithstanding the foregoing, the relevant provisions relating to the payment of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect of such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth, in the case of Non-exempt Notes, in the applicable Final Terms or Drawdown Prospectus, or, in the case of Exempt Notes only, in the applicable Pricing Supplement as appropriate.

## 7. REDEMPTION AND PURCHASE

### 7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below (and subject to Condition 6.9), 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 and, in case of Subordinated Notes, provided only that the Issuer obtains the prior consent of the CSSF, 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 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 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 (including, in the case of Tier III Subordinated Notes, all Payment Arrears and Additional Interest).

### **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 amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms and if, in the case of Subordinated Notes, the Issuer obtains the consent of the CSSF, 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 (including, in the case of Tier III Subordinated Notes, all Arrears of Interest and Additional Interest Amounts). 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 by the Issuer in accordance with Condition 14.

#### **7.4 Redemption at the Option of the Noteholders (Investor Put) (not applicable to Subordinated Notes)**

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 Senior 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 Senior 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 this Note is in definitive form or an Individual Certificate as the case may be, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of a Definitive Note) or the Registrar (in the case of an Individual Certificate) at any time during normal business hours of such Paying 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, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control; 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.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such 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, Subordinated Notes provided only that the Issuer has obtained the prior consent of the CSSF, 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 or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note) with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;
- (b) 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 or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note, but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series) or which is payable in a Specified Currency other than that in which the Note is denominated, at the percentage of its principal 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 principal amount;
- (c) 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 principal 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
- (d) 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 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);

- (e) or, in the case of any of (a) to (d) 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**

Subject to Condition 7.10, 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 may be

held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent or Registrar, as the case may be, for cancellation.

#### **7.10 Redemption or Purchase of Subordinated Notes**

(a) *All Subordinated Notes*

Subordinated Notes may not be redeemed prior to their stated maturity date (if any) or purchased by or on behalf of the Issuer or any of its subsidiaries without the prior consent of the CSSF.

(b) *Tier III Subordinated Notes*

Payments due from the Issuer in connection with the redemption of Tier III Subordinated Notes may be deferred in certain circumstances as described in Condition 6.9.

(c) *Undated Subordinated Notes*

Unless otherwise agreed by the CSSF, undated Subordinated Notes which are either, in the case of Exempt Notes only, Upper Tier II Subordinated Notes or, in the case of both Exempt Notes and Non-exempt Notes, Lower Tier II Subordinated Notes may be redeemed by the Issuer on giving 5 years' notice and undated Subordinated Notes which are Tier III Subordinated Notes may be redeemed by the Issuer on giving 2 years' notice. In addition, in the case of Upper Tier II Subordinated Notes redemption is subject to the prior approval of the CSSF.

(d) *Dated Subordinated Notes*

Dated Upper Tier II Subordinated Notes may only be redeemed at maturity with the prior approval of the CSSF.

(e) *Upper Tier II Subordinated Notes and absorption of losses*

This sub-Condition applies to Exempt Notes only.

Principal and interest due under Upper Tier II Subordinated Notes (*fonds propres complémentaires*) within the meaning of Circular 06/273, as amended, may be used by the Issuer in certain circumstances to absorb its losses.

#### **7.11 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.

#### **7.12 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(d) 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.

### 7.13 Other redemption and purchase provisions

Notwithstanding the foregoing, the relevant provisions relating to the redemption and purchase of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth, in the case of Non-exempt Notes, in the applicable Final Terms or Drawdown Prospectus or, in the case of Exempt Notes only, in the applicable Pricing Supplement, as appropriate.

## 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, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, 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 imposed on a payment is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) where such withholding or deduction is 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 or any official interpretations thereof.

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

the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes, Receipts and Coupons; 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 the 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

### 10.1 Provisions relating to Senior Notes

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Senior 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).

## **10.2 Provisions relating to Subordinated Notes**

### *(a) Liquidation*

The holder of any Subordinated Note may give written notice to the Agent at its specified office that such Note is due and payable, 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, (including, in the case of Tier III Subordinated Notes, any Payment Arrears) without presentation, demand, protest or other notice of any kind, if a judgment is made or an effective resolution is passed for the dissolution and liquidation of the Issuer.

### *(b) Non Payment*

If the Issuer does not make payment for a period of 7 days or more after the due date for payment of principal, premium (if any) or for a period of 14 days or more after an Interest Payment Date for the payment of interest due in respect of any of the Subordinated Notes on such date, any Subordinated Noteholder may ask the relevant authorities to institute proceedings in Luxembourg (but not elsewhere) in accordance with Part IV of the Luxembourg Law of 5 April 1993 on the financial sector (as amended) for the dissolution and liquidation of the Issuer.

Although the relevant authorities may take into account a request from a Noteholder to institute proceedings in Luxembourg for the dissolution and liquidation of the Issuer, they are not in any way

bound to do so following the receipt of such a request or on any other basis. In determining whether to institute any such proceeding against the Issuer, the relevant authorities act solely on the basis of their own discretion and in accordance with Luxembourg law. Subject to such request from a Noteholder as described in this Condition 10.2(b), a Noteholder shall not be able to take proceedings for the dissolution or liquidation of the Issuer.

(c) *Breach of Obligations*

To the extent permitted by applicable law and by these Conditions, a Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes or the Coupons but the institution of such proceedings shall not have the effect that the Issuer shall be obliged to pay any sum or sums sooner than would otherwise have been payable by it.

(d) *Other Remedies*

No remedy against the Issuer other than the institution of the proceedings referred to in Condition 10.2(b) or 10.2(c) and the proving or claiming in any dissolution and liquidation of the Issuer, shall be available to the Noteholders or the Couponholders whether for the recovery of amounts owing in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons.

**11. TRANSFER OF INDIVIDUAL CERTIFICATES AND REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Subject as provided below, Registered Notes 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 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 of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), 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 a Certificate, a new 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 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(c);
- (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 the relevant stock exchange (or other relevant authority);
- (b) the Issuer will ensure that it maintains a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive;
- (c) there will at all times be an Agent; and
- (d) 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.

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.

Notices to Holders of Notes of any Tranche 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.

*(b) Notes admitted to listing, trading and/or quotation*

So long as any Tranche of Bearer Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Holders of Notes of that Tranche 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 a Tranche of Notes admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of 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 a Tranche 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 applicable laws, rules and regulations from time to time;

(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 in the manner specified in Condition 14.1(b) in order to be deemed to have been validly given.

Any notice given in accordance with Condition 14.1(a), Condition 14.1(b) or Condition 14.1(c) above will be deemed to have been validly given on the date and time of first 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 the rules of such stock exchange (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).

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 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 third day after 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 Senior Notes

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. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The provisions of articles 86 to 94-8 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**") relating to the convening and conduct of meetings of bondholders shall not apply to the Senior Notes.

### 15.2 Subordinated Notes

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 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 twice at least eight days' interval and eight days prior to the meeting in the *Mémorial* and in one Luxembourg newspaper. 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 principal 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 (except in respect of certain matters, including a change in the nationality of the Issuer,



where unanimous consent is required) 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 20 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 twice within a time period of 15 days and 15 days before the second meeting in two Luxembourg newspapers and in the *Mémorial*. On the second convocation no quorum is required (except in respect of certain matters, including a change in the nationality of the Issuer, where unanimous consent is required). Decisions at such meetings shall be taken by a majority of 662/3 per cent. of the votes cast by Noteholders attending such meetings or represented thereat.

### **15.3 Minor Modifications and Corrections**

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

- (a) any modification (except as mentioned above) 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 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.

### **15.4 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 amount and date of the first payment of interest thereon, the date from which interest starts to accrue and the date of issue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **17. SUBSTITUTION**

### **17.1 Senior Notes**

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 Senior 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 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 with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty assessment or governmental charge, and any cost or expense, relating to the substitution;
- (b) unless the Substitute is the successor company of the Issuer or one or more companies to whom the Issuer has transferred all of its assets and business undertakings each of whom are to be jointly and severally liable as principal debtor, the obligations of the Substitute under the Deed Poll, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Issuer or its successor or each of the companies to whom together the Issuer has transferred all of its assets and business undertakings (each a "**Guarantor**") by means of a guarantee substantially in the form contained in the Deed Poll (the "**Guarantee**");
- (c) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, the 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 17.1(a) above as to the fulfilment of the preceding conditions of this Condition 17 and the other matters specified in the Deed Poll;
- (f) the substitution does not affect adversely the rating of the Notes by Moody's, S&P and Fitch or, if any such rating agency does not exist at the relevant time, any two existing internationally recognised rating agencies; and
- (g) the Issuer has given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies of all documents (in draft or final form) in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 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 Conditions 10.1 and 10.2 shall be deemed to include such Guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. In addition, the Guarantee shall contain (a) events of default in respect of the Notes in the same terms as Condition 10.1 relating to the Guarantor (except that references in Condition 10.1(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.

## 17.2 Subordinated Notes

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 17 will release the Issuer or any previous substituted company 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 with respect to any Note, Receipt, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty assessment or governmental charge, and any cost or expense, relating to the substitution;
- (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 on a subordinated basis 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 as to the fulfilment of the preceding conditions of this Condition 17 and the other matters specified in the Undertaking;

- (f) the substitution does not affect adversely the rating of the Notes by Moody's, S&P and Fitch or, if any such rating agency does not exist at the relevant time, any two existing internationally recognised rating agencies; and
- (g) the Issuer has given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Undertaking and, where the Undertaking contains a Subordinated Guarantee, the events listed in Conditions 10.1 and 10.2 shall be deemed to include such Subordinated Guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. In addition, the Subordinated Guarantee shall contain rights of enforcement in the form of Condition 10.2.

In the event of any substitution in accordance with this Condition 17, the Issuer shall notify the CSSF and/or the Luxembourg Stock Exchange and prepare, or procure the preparation of, a supplement to the Base Prospectus.

## **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 Senior Notes and the Receipts, Coupons and Talons relating to the Senior Notes and all non-contractual obligations arising out of or in connection with them are governed by English law. The Subordinated Notes and the Receipts, Coupons and Talons relating to the Subordinated Notes are governed by Luxembourg 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) With regard to the Senior Notes and the Receipts, Coupons and Talons relating to the Senior Notes, 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 Senior Notes and the Receipts, Coupons and/or Talons relating to the Senior 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 Senior 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.
- 21.4 (a) With regard to Subordinated Notes and the Receipts, Coupons and Talons relating to the Subordinated Notes, subject to Condition 21.4(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 Subordinated Notes and the Receipts, Coupons and/or Talons relating to the Subordinated 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 21.4, 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.

*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, replace or modify the following Terms and Conditions for the purpose of such Notes (including, if Upper Tier II Subordinated Notes are to be issued, the status, subordination and interest deferral provisions 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 the 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.*

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.

This Note is one of a Series (as defined below) of Notes issued by BGL BNP Paribas ("**BGL**") (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 depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or 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/or 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 24 June 2014 (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 (in each capacity an "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms) and (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (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**"))) 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, in the case of Exempt Notes, Pricing Supplement) (or the relevant provisions thereof) attached to or endorsed on this Note.

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

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 holders 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)) and copies of Final Terms (or Pricing Supplement as the case may be) may be obtained from BNP Paribas Securities Services, Luxembourg Branch as Principal Paying Agent and Luxembourg Listing Agent in 33, rue de Gasperich, L-5826 Hesperange, Luxembourg, save that, if this Note 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, 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.

This Note may be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms. If this Note is a Non-exempt Note and a Subordinated Note, it is either a Lower Tier II Subordinated Note or a Tier III Subordinated Note, as indicated in the applicable Final Terms.

If this Note is an Exempt Note and is a Subordinated Note, it is either an Upper Tier II Subordinated Note, a Lower Tier II Subordinated Notes or a Tier III Subordinated Note, as indicated in the applicable Pricing Supplement (or any other type of Subordinated Note as may be specified in any supplement to the Terms and Conditions).

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 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, 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, 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 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 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 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 only (a) in the case of Senior Notes, upon the happening of any of the events defined in Condition 9 as "*Events of Default*," (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, (c) if the Issuer has or will become subject to adverse tax consequences to which the Issuer would not be subject were the Notes represented by Definitive Notes, or (d) if the Issuer so elects (in the case of Notes with denominations of below EUR 100,000 (or the equivalent in other currencies) only). 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 and/or any other relevant clearing system 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 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.

The holder of the Global Note will be considered by the Issuer as the sole owner and holder of the Notes represented by such Global Note for the purposes of payment of the interest and principal in respect of the Notes only.

**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 applicable Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes and, if Subordinated Notes, whether the Notes are Upper Tier II Subordinated Notes (in which case, such Upper Tier II Subordinated Notes will only be issued as Exempt Notes), Lower Tier II Subordinated Notes or Tier III Subordinated Notes and, in the case of Subordinated Notes, the applicable subordination provisions.

### **2.1 Status of Senior Notes**

The Senior 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 Senior 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).

## **2.2 Status and Subordination of Subordinated Notes**

### *(a) Upper Tier II Subordinated Notes*

This sub-condition will apply to Exempt Notes only.

If the Notes are Upper Tier II Subordinated Notes, the status and subordination of the Notes will be as set out in the applicable Pricing Supplement. The Terms and Conditions of any Upper Tier II Subordinated Notes will be subject to the prior approval of the *Commission de Surveillance du Secteur Financier* (the "CSSF"). Upper Tier II Subordinated Notes and the Receipts, Coupons and Talons relating to them will rank behind Lower Tier II Subordinated Notes and Tier III Subordinated Notes and the Receipts, Coupons and Talons relating to them.

### *(b) Lower Tier II Subordinated Notes and Tier III Subordinated Notes*

The Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them constitute direct, unsecured and subordinated 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 Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them shall at all times rank equally with all other Senior Subordinated Obligations (as defined below).

In the event of the liquidation of the Issuer, the rights of the holders of the Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them shall rank ahead of:

- (i) those persons whose claims are in respect of any class of equity (including preference shares) of the Issuer;
- (ii) the claims of the holders of Upper Tier II Subordinated Notes; and
- (iii) creditors whose claims are in respect of any obligations of the Issuer that rank or are expressed to rank (whether only in the winding up of the Issuer or otherwise) junior to Senior Subordinated Obligations,

but shall be subordinated to the claims of all Senior Creditors (as defined below).

In this Condition 2.2(b):

**"Senior Creditors"** means all creditors of the Issuer who are cash depositors or other general, unsubordinated creditors; and

**"Senior Subordinated Obligations"** means all indebtedness and monetary obligations of the Issuer present and future that rank or are expressed to rank junior in right of payment (whether only in the event of the winding up of the Issuer or otherwise) to the claims of Senior Creditors but that are not subordinated so as to rank in point of subordination junior to any other obligations of the Issuer.

### 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 principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and 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 principal 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) in the case of Exempt Notes only, if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

### 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**") and/or Underlying Interest Rate-Linked Interest Notes ("**Underlying Interest Rate-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, the Day Count Fraction and any applicable Determination Date.

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.

The rate(s) per annum will be equal to the Rate(s) of Interest applied to the Calculation Amount and multiplying such sum by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity 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.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated 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 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 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.

In respect of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-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 and/or Underlying Interest Rate-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, 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, 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 Rate 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, whether the Pricing Source for the Interest Rate Quotation is a Relevant Screen Page (Underlying) or Underlying Reference Bank, and, in either case, 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 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 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*

Where 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 sub-paragraph (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 specified in the relevant Final Terms)) 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 sub-Condition 4.2(b)(i), "**Floating Rate**", "**Calculation Agent**", "**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*

Where 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) 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 stated in the applicable Final Terms the Minimum Rate of Interest 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 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 or Rate is to be determined, determine the Rate of Interest 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 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 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 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 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 (or in the case of such 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, notification shall be given to the Luxembourg Stock Exchange on the first day of each Interest Period). 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 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 willful 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 but which may include 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 Interest Deferral

(a) *Interest Deferral on Tier III Subordinated Notes*

Payments of interest in respect of Tier III Subordinated Notes may be deferred in certain circumstances as described in Condition 5.8.

(b) *Interest Deferral on Upper Tier II Subordinated Notes*

The Issuer reserves the right to defer payment of interests in respect of Upper Tier II Subordinated Notes with the prior approval of the CSSF.

#### 4.6 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 a day which is both:

- (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 specified in the applicable Final Terms; and
- (ii) 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**") 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.

### **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, unmaturing 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 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, 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, (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, *pro rata*, be reflected 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 specified in the applicable Final Terms;
- (b) a Business Day (as defined in Condition 4.6); 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);
- (g) any Payment Arrears and Additional Interest (as defined in Condition 5.8(b) and Condition 5.8(c), respectively); and
- (h) 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 Payment Deferral (Tier III Subordinated Notes)**

### *(a) Deferral of Payment*

Subject as follows, all payments of principal and interest in respect of Tier III Subordinated Notes must be made on their due date as set out in the relevant Final Terms.

The Issuer will not make any payment on its due date if, after making such payment, the Issuer would be in breach of its integrated capital adequacy ratio ("**Integrated Capital Adequacy Ratio**") as defined in Circular 06/273 of the CSSF, as amended by Circular 07/317 of the CSSF, on the definition of own funds ratios pursuant to Article 56 of the Luxembourg Law of 5 April 1993 on the financial sector, as amended, as such circular may be amended or supplemented from time to time. In such circumstances the Issuer shall, by notice in writing (a "**Deferral Notice**") (published in accordance with Condition 13) to the holders of Tier III Subordinated Notes, defer the due date for payment of any principal or interest in respect of such Notes and, accordingly, on the giving of a Deferral Notice the due date for such payments shall be so deferred. The Issuer shall, to the extent possible, issue each Deferral Notice at least five Luxembourg Business Days prior to the relevant due date if such due date is to be deferred.

### *(b) Payment Arrears*

Without prejudice to Condition 9.2(b), any amounts due in respect of the Tier III Subordinated Notes which are not paid on their scheduled due date shall, so long as the same remains unpaid, constitute "**Payment Arrears**". All Payment Arrears on all Tier III Subordinated Notes outstanding shall become due in full (together with all Additional Interest (as defined below) accrued in respect thereof) on whichever is the earliest of:

- (i) the date upon which the Issuer can first make payment of the Payment Arrears in full, together with all accrued Additional Interest, without, after such payment, being in breach of its Integrated Capital Adequacy Ratio; and
- (ii) the date upon which a judgment is rendered or an effective voluntary resolution is passed for the dissolution and liquidation of the Issuer.

The Issuer shall, to the extent possible, give notice in accordance with Condition 13 of its intention to pay Payment Arrears and Additional Interest to all relevant Noteholders not less than seven days prior to the scheduled payment date for payment thereof.

If notice is given by the Issuer of its intention to pay all Payment Arrears together with all Additional Interest accrued in respect thereof, the Issuer shall be obliged to do so on the expiry of such notice, except if after such payment it would be in breach of its Integrated Capital Adequacy Ratio.

(c) *Additional Interest*

Payment Arrears in respect of Tier III Subordinated Notes shall bear interest ("**Additional Interest**") at the relevant Rate of Interest applicable to the Notes, plus an additional rate of 0.50 per cent. per annum which shall accrue on a daily basis for each successive period of twelve calendar months ("**Additional Interest Period**") from and including the scheduled date on which such Payment Arrears may or should have been paid and ending on the day immediately preceding the last date of the Additional Interest Period. Additional Interest shall only be payable until the actual date of payment of all outstanding Payment Arrears. All Additional Interest which is not paid at the end of each Additional Interest Period, shall become Payment Arrears and bear interest accordingly.

(d) *No Default*

Neither any deferral of payment under paragraph (a) of this Condition nor the failure to make payments of Payment Arrears or Additional Interest where if it were to make such payments the Issuer would be in breach of its Integrated Capital Adequacy Ratio, shall constitute a default by the Issuer for any purpose.

## 5.9 Other Payment Provisions

Notwithstanding the foregoing, the relevant provisions relating to the payment of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect of such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth, in the case of Non-exempt Notes, in the applicable Final Terms or Drawdown Prospectus, or, in the case of Exempt Notes only, in the applicable Pricing Supplement as appropriate.

## 6. REDEMPTION AND PURCHASE

### 6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below (and subject to Condition 5.8), 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, and, in case of Subordinated Notes, provided only that the Issuer obtains the prior consent of the CSSF, 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 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 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 (including, in the case of Tier III Subordinated Notes, all Payment Arrears and Additional Interest).

### **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 amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms and if, in the case of Subordinated Notes, the Issuer obtains the consent of the CSSF, 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 (including, in the case of Tier III Subordinated Notes, all Arrears of Interest and Additional Interest Amounts). 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 by the Issuer in accordance with Condition 13.

#### **6.4 Redemption at the Option of the Noteholders (Investor Put) (not applicable to Subordinated Notes)**

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 Senior 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 Senior 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 this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this 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, if this Note is in definitive form, this Note or evidence satisfactory to the

Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such 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, Subordinated Notes provided only that the Issuer has obtained the prior consent of the CSSF, 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 or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note) with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;
- (b) 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 or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note, but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series or which is payable in a Specified Currency other than that in which the Note is denominated, at the percentage of its principal 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 principal amount;
- (c) 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 principal 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

- (d) 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 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);

- (e) or, in the case of any of (a) to (d) 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**

Subject to Condition 6.10, the Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmaturing Receipts, Coupons and Talons

appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

## **6.10 Redemption or Purchase of Subordinated Notes**

### *(a) All Subordinated Notes*

Subordinated Notes may not be redeemed prior to their stated maturity date (if any) or purchased by or on behalf of the Issuer or any of its subsidiaries without the prior consent of the CSSF.

### *(b) Tier III Subordinated Notes*

Payments due from the Issuer in connection with the redemption of Tier III Subordinated Notes may be deferred in certain circumstances as described in Condition 5.8.

### *(c) Undated Subordinated Notes*

Unless otherwise agreed by the CSSF, undated Subordinated Notes which are either, in the case of Exempt Notes only, Upper Tier II Subordinated Notes or, in the case of both Exempt Notes and Non-exempt Notes, Lower Tier II Subordinated Notes may be redeemed by the Issuer on giving 5 years' notice and undated Subordinated Notes which are Tier III Subordinated Notes may be redeemed by the Issuer on giving 2 years' notice. In addition, in the case of Upper Tier II Subordinated Notes redemption is subject to the prior approval of the CSSF.

### *(d) Dated Subordinated Notes*

Dated Upper Tier II Subordinated Notes may only be redeemed at maturity with the prior approval of the CSSF.

### *(e) Upper Tier II Subordinated Notes and absorption of losses*

This sub-Condition applies to Exempt Notes only.

Principal and interest due under Upper Tier II Subordinated Notes (fonds propres complémentaires) within the meaning of Circular 06/273 as amended may be used by the Issuer in certain circumstances to absorb its losses.

## **6.11 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.

## **6.12 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(d) 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.

### 6.13 Other redemption and purchase provisions

Notwithstanding the foregoing, the relevant provisions relating to the redemption and purchase of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth, in the case of Non-exempt Notes, in the applicable Final Terms or Drawdown Prospectus or, in the case of Exempt Notes only, in the applicable Pricing Supplement, as appropriate.

## 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, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, 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 imposed on a payment is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) where such withholding or deduction is 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 or any official interpretations thereof.

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 the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes, Receipts and Coupons; 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 the 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

### 9.1 Provisions relating to Senior Notes

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Senior 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).

## 9.2 Provisions relating to Subordinated Notes

### (a) *Liquidation*

The holder of any Subordinated Note may give written notice to the Agent at its specified office that such Note is due and payable, 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, (including, in the case of Tier III Subordinated Notes, any Payment Arrears) without presentation, demand, protest or other notice of any kind, if a judgment is made or an effective resolution is passed for the dissolution and liquidation of the Issuer.

### (b) *Non Payment*

If the Issuer does not make payment for a period of 7 days or more after the due date for payment of principal, premium (if any) or for a period of 14 days or more after an Interest Payment Date for the payment of interest due in respect of any of the Subordinated Notes on such date, any Subordinated Noteholder may ask the relevant authorities to institute proceedings in Luxembourg (but not elsewhere) in accordance with Part IV of the Luxembourg Law of 5 April 1993 on the financial sector (as amended) for the dissolution and liquidation of the Issuer.

**Although the relevant authorities may take into account a request from a Noteholder to institute proceedings in Luxembourg for the dissolution and liquidation of the Issuer, they are not in any way bound to do so following the receipt of such a request or on any other basis. In determining whether to institute any such proceeding against the Issuer, the relevant authorities act solely on the basis of their own discretion and in accordance with Luxembourg law. Subject to such request from a Noteholder as described in this Condition 9.2(b), a Noteholder shall not be able to take proceedings for the dissolution or liquidation of the Issuer.**

### (c) *Breach of Obligations*

To the extent permitted by applicable law and by these Conditions, a Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes or the Coupons but the institution of such proceedings shall not have the effect that the Issuer shall be obliged to pay any sum or sums sooner than would otherwise have been payable by it.

(d) *Other Remedies*

No remedy against the Issuer other than the institution of the proceedings referred to in Condition 9.2(b) or (c) and the proving or claiming in any dissolution and liquidation of the Issuer, shall be available to the Noteholders or the Couponholders whether for the recovery of amounts owing in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons.

**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 the relevant stock exchange (or other relevant authority);
- (b) the Issuer will ensure that it maintains a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive; and
- (c) 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.

Notices to Holders of Notes of any Tranche 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.

### **13.2 Notes admitted to listing, trading and/or quotation**

So long as any Tranche of Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Holders of Notes of that Tranche 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 a Tranche of Notes admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of 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 a Tranche 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 applicable laws, rules and regulations from time to time;

### **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 in the manner specified in Condition 13.2 in order to be deemed to have been validly given.

Any notice given in accordance with Condition 13.1, Condition 13.2 or Condition 13.3 above will be deemed to have been validly given on the date and time of first 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 twice at least eight days' interval and eight days prior to the meeting in the *Mémorial* and in one Luxembourg newspaper. 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 principal 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 (except in respect of certain matters, including a change in the nationality of the Issuer, where unanimous consent is required) 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 20 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 twice within a time period of 15 days and 15 days before the second meeting in two Luxembourg newspapers and in the *Mémorial*. On the second convocation no quorum is required (except in respect of certain matters, including a change in the nationality of the Issuer, where unanimous consent is required). Decisions at such meetings shall be taken by a majority of 662/3 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 (except as mentioned above) 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 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 amount and date of the first payment of interest thereon, the date from which interest starts to accrue and the date of issue and 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 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 with respect to any Note, Receipt, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty assessment or governmental charge, and any cost or expense, relating to the substitution;
- (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 as to the fulfilment of the preceding conditions of this Condition 16 and the other matters specified in the Undertaking;
- (f) the substitution does not affect adversely the rating of the Notes by Moody's, S&P and Fitch or, if any such rating agency does not exist at the relevant time, any two existing internationally recognised rating agencies; and
- (g) the Issuer has given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies of all documents (in draft or final form) in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 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 Conditions 9.1 and 9.2 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:

- (i) in the case of Senior Notes, events of default in respect of the Notes in the same terms as Condition 9.1 relating to the Guarantor (except that references in Condition 9.1(a) to failure to pay principal and interest on the Notes shall be a reference to failure to pay under the Guarantee); and
- (ii) in the case of Subordinated Notes, the Guarantee shall contain rights of enforcement in the form of Condition 9.2.

References to "outstanding" in relation to Senior 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:

$$\text{Min} \left( \text{Global Cap A, Max} \left( \text{Global Floor A,} \left( \sum_{i=1}^n \text{Gearing A}_{(i)} \times \text{FI Rate A}_{(i)} \right) + \text{Constant A} \right) \right); \text{ or}$$

- (ii) if the FI Digital Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min} \left( \text{Global Cap B, Max} \left( \text{Global Floor B,} \left( \sum_{i=1}^n \text{Gearing B}_{(i)} \times \text{FI Rate B}_{(i)} \right) + \text{Constant B} \right) \right)$$

***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 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 is specified as applicable in the applicable Final Terms:

$$\text{Min} \left( \text{Global Cap}, \text{Max} \left( \text{Global Floor}, \text{Global Margin} + \sum_{i=1}^n \text{Gearing}_{(i)} \times \text{FI Rate}_{(i)} \right) \right)$$

**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. 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:

$\text{Min} (\text{Cap}, \text{Max} (\text{Floor}, (\text{Coupon Percentage 1} \times \text{PRDC Performance}) - \text{Coupon Percentage 2}))$ ;

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

$\text{Min} (\text{Cap}, \text{Max} (\text{Floor}, (\text{Coupon Percentage 1} \times \text{PRDC Performance}) - \text{Coupon Percentage 2}))$ ;

(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:

$\text{Min} (\text{Cap}, \text{Max} (\text{Floor}, (\text{Coupon Percentage 1} \times \text{PRDC Performance}) - \text{Coupon Percentage 2}))$ ;

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 the Notes are specified in the applicable Final Terms as being FI Digital Floor Coupon Notes:

- (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 the Notes are specified in the applicable Final Terms as being FI Digital Cap Coupon Notes:

(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 the Notes are specified in the applicable Final Terms as being FI Target Coupon Notes 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 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:

Gearing  $\times$  Option;

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

Gearing  $\times$  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:

Gearing  $\times$  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 the Notes are specified in the applicable Final Terms as being FI Digital Plus Coupon Notes:

- (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:  
Max (Digital Plus Percentage 1, (Gearing  $\times$  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 Lower Barrier Level**" means, in respect of an Underlying Reference, the number, level or 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
- (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, Pricing 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 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; 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, (ii) 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 Day 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 + (Gearing  $\times$  Option);

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

FI Constant Percentage 1 + (Gearing  $\times$  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 + (Gearing  $\times$  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:

Min (Final Coupon Rate × Final Day Count Fraction, Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable – Paid Coupon)

(d) if Guaranteed Only is specified in the applicable Final Terms:

Max (Final Coupon Rate × Final Day Count Fraction, Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable – 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(i)"** 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(i-1)**" 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(base)**" 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. 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.

### **3. 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, *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 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 × (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 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 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, 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, 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 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 Event" 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 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 succeeding Scheduled Trading Day 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 succeeding Scheduled Trading Day 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;



**"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 succeeding Scheduled Trading Day 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;

**"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 the Strike Date, 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 succeeding Scheduled Trading Day 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 succeeding Scheduled Trading Day 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 Principal Paying 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 Event" 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.

**"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.

## **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.



## **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. 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 4 April 2013.

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 ranks among the leading banks on the Luxembourg financial market place. It has made a significant contribution to the country's emergence as a major international financial centre and is deeply rooted in Luxembourg's economic, cultural, sporting and social life.

As a partner with a longstanding commitment to the national economy, BGL BNP Paribas offers the widest range of products on the market not only for individuals but also for professional and institutional clients. BGL BNP Paribas is Luxembourg's number-one provider of banking services to professionals and small- and medium-sized companies<sup>16</sup>, and number two in services for individuals resident in Luxembourg<sup>17</sup>. It is also the undisputed leader in bancassurance, providing combined offerings of insurance and banking services.

Following the merger of BNP Paribas Luxembourg into BGL BNP Paribas effective on 1 October, 2010, BGL BNP Paribas, together with the other BNP Paribas group entities is Luxembourg's number-one employer in the financial sector and the second largest employer in the private sector as a whole, counting 4,000 staff members.

BNP Paribas is present in 75 countries and has almost 185,000 employees, including more than 141,000 in Europe.<sup>18</sup> It ranks highly in its three core activities: Retail Banking, Investment Solutions and Corporate & Investment Banking. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg).

#### Activities

BGL is active in the following areas:

- (a) Retail Banking (*Banque de détail et des entreprises Luxembourg*)
- (b) Investment Solutions including, *inter alia*, Wealth Management and Personal Investors
- (c) Corporate and Investment Banking

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<sup>16</sup> ILRS Survey, October 2012.

<sup>17</sup> ILRS Survey, October 2012.

<sup>18</sup> [www.bnpparibas.com](http://www.bnpparibas.com)

### *Retail Banking*

Through its domestic retail network of 40 branches, BGL provides banking and insurance services to retail customers – on the domestic market - individuals, the self-employed, independent professionals and businesses.

BGL's commercial banking operations cover Luxembourg and Germany through its Business Centers in Trier and Saarbrücken. It offers comprehensive banking as well as cross-border products and services.

### *Wealth Management*

Wealth Management offers domestic and international clients a full range of customised investment and financial engineering solutions.

### *Personal Investors*

Personal Investors is a provider of on-line services to meet the investment needs of international clients. Most of the services are also offered to retail clients, thus constituting a unique offer on the Luxembourg market.

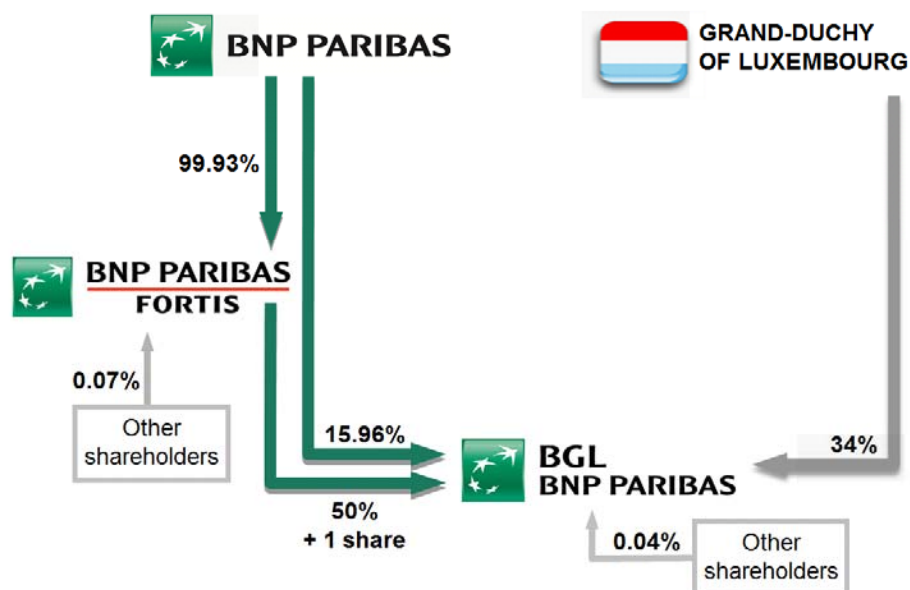
### *Corporate and Investment Banking/ Treasury*

Corporate and Investment Banking/Treasury offers a full range of products and services extending from fixed income, equity and derivatives, structured products, treasury, trading and sales, structured capital markets, optimised structured leasing and equity forward trading. In addition, Financial Institutions Group (FIG) is responsible for the global relationship management of institutional clients in Luxembourg.

## 2. Shareholder Structure

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:

### Shareholders' structure of BGL BNP Paribas



### 3. Trend information

#### *Macro-economic environment*

Market and macroeconomic conditions affect BGL's results. The nature of BGL's business makes it particularly sensitive to market and macroeconomic conditions in Europe, which have been difficult and volatile in recent years.

In 2013, the global economy began to move towards equilibrium, with several emerging countries slowing down and a slight recovery in the developed countries. In 2013, global economic conditions remained generally stable as compared to 2012. IMF and OECD economic forecasts<sup>19</sup> for 2014 generally indicate a renewal of moderate growth in developed economies albeit less strong and uniform in the Euro-zone. Their analysts consider that uncertainties remain regarding the strength of the recovery, particularly in light of the U. S. Federal Reserve's announcement in December 2013 that it would gradually reduce ("taper") its stimulus program, and in the Euro-zone, where a risk of deflation exists.

Within the Euro-zone, sovereign credit spreads continued to decrease in 2013 following the decrease recorded in 2012 from the previous historically high levels. The financial condition of certain sovereigns has markedly improved but there remains uncertainty as to the solvency of some others.

#### *Laws and Regulations Applicable to Financial Institutions*

Laws and regulations applicable to financial institutions that have an impact on BGL have significantly evolved in the wake of the global financial crisis. The measures that have been proposed and/or adopted in recent years include more stringent capital and liquidity requirements (particularly for large global banking groups such as the BNP Paribas Group), taxes on financial transactions, restrictions and taxes on employee compensation, limits on the types of activities that commercial banks can undertake and ring-fencing or even prohibition of certain activities considered as speculative within separate subsidiaries, restrictions on certain types of financial products, increased internal control and reporting requirements, more stringent conduct of business rules, mandatory clearing and reporting of derivative transactions, requirements to mitigate risks in relation to over-the-counter derivative transactions and the creation of new and strengthened regulatory bodies. The measures that were recently adopted, or in some cases proposed and still under discussion, that have or are likely to affect BGL, include in particular the EU Directive and Regulation on prudential requirements "CRD IV" dated 26 June 2013 and many of whose provisions have been applicable since 1 January 2014; the proposals of technical regulatory and execution rules relating to the Directive and Regulation CRD IV published by the EBA; the Luxembourg banking law; the public consultation for the reform of the structure of the EU banking sector of 2013 and the European Commission's proposed regulation on structural measures designed to improve the strength of EU credit institutions of 29 January 2014; the proposal for a regulation on indices used as benchmarks in financial instruments and financial contracts; the European single supervisory mechanism; the European proposal for a single resolution mechanism and the proposal for a European Directive on bank recovery and resolution; the final rule for the regulation of foreign banks imposing certain liquidity, capital and other prudential requirements adopted by the U.S. Federal Reserve; the proposal of the U.S. Federal Reserve relating to liquidity ratios of large banks; and the "Volcker" Rule imposing certain restrictions on investments in or sponsorship of hedge funds and private equity funds and proprietary trading activities (of U.S. banks and to some extent non-U.S. banks) that was recently adopted by the U.S. regulatory authorities. 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.

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<sup>19</sup> See in particular: IMF – World Economic Outlook Update – January 2014 and G20 Note on Global Prospects and Policy Challenges – February 2014, OECD – The Global Economic Outlook – November 2013

#### **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  
Secretary General, Ministry of Finance, Luxembourg  
Chairman

François Villeroy De Galhau  
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

Jean Clamon  
Member of the Executive Committee of BNP Paribas, Paris  
Director

Jacques d'Estais  
Member of the Executive Committee of BNP Paribas, Paris  
Director

Gabriel Di Letizia  
Staff representative, Luxembourg  
Director

Camille Fohl  
Head of BNP Paribas for Germany, Frankfurt  
Director

Gérard Gil  
Deputy Financial Director, Paris  
Director

Jean-Claude Gilbertz  
Staff representative, Luxembourg  
Director

Claude Heirend  
Staff representative, Luxembourg  
Director

Maxime Jadot  
Chief Executive Officer of BNP Paribas Fortis SA/NV, Brussels  
Director

Carlo Krier  
Staff representative, Luxembourg  
Director

Vincent Lecomte  
Co-Head of BNP Paribas Wealth Management, Paris  
Director

Corinne Ludes  
Staff representative, Luxembourg  
Director

Thomas Mennicken  
Member of the Management Board of BNP Paribas Fortis SA/NV, Brussels  
Director

Jean Meyer  
Doctor of Law, attorney, Luxembourg  
Director

Denise Steinhäuser  
Staff representative, Luxembourg  
Director

Tom Theves  
Premier Conseiller du Gouvernement, 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

Dominique Goulem  
Treasury  
Member

Luc Henrard  
Chief Risk Officer  
Member

Anne Kayser  
Compliance  
Member

Marc Lenert  
ITP and Operations  
Member

Carlo Lessel  
Chief Financial Officer  
Member

Laure Morsy  
Chief Operating Officer  
Member

Hubert Musseau  
Wealth Management  
Member

Kik Schneider  
Retail and Corporate Banking  
Member

Thierry Schuman  
Human Resources  
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 per cent. + 1 share, 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.

**(b) Auditing of historical annual financial information**

The financial statements of BGL for the years ending 31 December 2012 and 31 December 2013 have been audited without qualification by PricewaterhouseCoopers, *Société coopérative*, 400, Route d'Esch, L-1014 Luxembourg. PricewaterhouseCoopers, *Société coopérative*, are 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 interim financial statements for the six month period ended 30 June 2013.

**(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**

In 2012, BGL BNP Paribas made public announcements (each a "**Press Release**") which included the following:

- (a) BGL BNP Paribas S.A. increased its participation from 33.33% to 50% plus 1 share in BNP Paribas Leasing Solutions S.A., the holding company that manages the BNP Paribas Group's leasing business.
- (b) BGL BNP Paribas S.A. acquired 100% of the share capital of BNP Paribas Lease Group Luxembourg S.A.
- (c) BGL BNP Paribas acquired BGL BNP Paribas Factor S.A. (formerly Fortis Commercial Finance S.A.), the only operating entity carrying on a factoring business in Luxembourg.

Following a sale of shares, the participation of BGL in BNP Paribas Investment Partners changed from 5.11% to 4.96% in 2013 (page 23 of the 2013 Annual Report).



**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 investment 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.

#### 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 principal amount of Notes offered can be decreased or increased by the Issuer at any time before the 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 principal 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 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 and thereafter in multiples of one (1), 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 Issue Date. 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 Issue Date by debit of a cash account.

The delivery of the Notes will take place as described in the Base Prospectus and the Final Terms. On or about the 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 principal 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 Public Offer Jurisdiction as defined in the relevant Final Terms and 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 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 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;
- 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 a notification of the prospective Noteholders is required and unless otherwise indicated in the applicable Final Terms, such notification 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 (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 principal 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 Issue Date, an aggregate principal amount of Notes equal to the principal 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 principal 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 24 June 2014 (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.

### **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**") 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 to or for the account or benefit of U.S. persons. Terms used in this paragraph 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, 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.

### **European Economic Area Public Offer Selling Restrictions**

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 or Drawdown Prospectus 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 which is not a Drawdown 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 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Relevant Dealer(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, the expression

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

## **Belgium**

Belgium has implemented the Prospectus Directive (but not the 2010 PD Amending Directive) and the section headed "European Economic Area Public Offer Selling Restriction" above is applicable.

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 last amended on 17 July 2013 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 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**

The Notes 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, the Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority ("FINMA"), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.

Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitute a prospectus within the meaning of (i) Articles 652a or Article 1156 of the Swiss Federal Code of Obligations, (ii) Article 5 CISA and its implementing regulations or (iii) Article 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange.

However, the Issuer reserves the right to set forth all information which may be required to be disclosed in a simplified prospectus pursuant to Article 5 CISA in a separate document referred to as "Final Termsheet" and/or "Simplified Prospectus" (the "**Simplified Prospectus**") for Notes distributed (such term including any offering and advertising) to qualified investors according to Article 10 Paras. 3–4 CISA (the "**Qualified Investors**") or non-qualified investors within the meaning of the CISA (the "**Non-Qualified Investors**").

Except as described in this section, Notes constituting structured products within the meaning of Article 5 CISA may not be distributed to Non-Qualified Investors in or from Switzerland.

Any Notes constituting structured products within the meaning of Article 5 CISA which are intended to be distributed to Non-Qualified Investors in and from Switzerland may only be offered or advertised in accordance with the provisions of the CISA and its implementing regulations. In particular, the CISA requires that a Simplified Prospectus complying with Article 5 CISA, its implementing regulations and the Swissbanking Guidelines on Informing Investors about Structured Products (as amended from time to time) must be published: 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.

Notes constituting structured products within the meaning of Article 5 CISA which are not intended to be distributed to Non-Qualified Investors in or from Switzerland may only be offered or advertised, and any Simplified Prospectuses, term sheets, fact sheets, or any other marketing



material relating to such Notes may only be distributed, offered or made available to Qualified Investors in or from Switzerland by way of private placement which is exclusively addressed to and available for such Qualified Investors. The respective Simplified Prospectuses, term sheets, fact sheets, or any other marketing material may not be distributed, copied, published or otherwise made public or available for Non-Qualified Investors.

In the case of Exempt Notes only, additional specific selling restrictions, if any, applicable in Switzerland will be included in the Pricing Supplement for the relevant Notes.

### **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) 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 Securities and Futures Ordinance and any rules under that Ordinance; 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 or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document, relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and, 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, Luxembourg, French and German 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 and/or Germany 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 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 25 %.

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 25 % 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 25 % (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.

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 %, 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 25 % 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 25 % 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 25 % withholding tax.

## **(2) Sale to a third party**

No Belgian withholding tax should apply to the Structured Notes.

- *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% 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% (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 %.

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 25 % 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 25 %.

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 %, 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 25 % 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 25 % 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 25 % 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 is subject to a tax on stock exchange transactions ("*Taks op de beursverrichtingen/Taxe sur les opérations de bourse*") if executed in Belgium through a professional intermediary. The tax is generally due at a rate of currently 0.09 % on each sale and acquisition separately, with a maximum of EUR 650 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are not subject to this tax.

As stated above, the European Commission has published a proposal for a Directive for a common financial transactions tax ("**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange

transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

## **Taxation in France**

*The following is a summary of certain French withholding tax consequences in relation to the ownership 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*

All payments by the Issuer in respect of the 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 is established in France, pursuant to article 125 A of the French *Code Général des Impôts* and subject to certain limited exceptions, interest and other similar revenues paid as from by a paying agent located in France to 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, and to social contributions (CSG, CRDS and other related contributions) which are withheld at an aggregate rate of 15.5 per cent.

### *EU Savings directive*

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments has been implemented into French law under Article 242 ter of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

## **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.**

**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 purchase, ownership and disposition 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.**



**To the extent the following information describes the taxation in the case of a disposal of the Notes, such description applies 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.

Where Notes are issued in a currency other than Euro any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to 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 a tax decree issued by the German Federal Ministry of Finance dated 9 October 2012, a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt-loss or waiver or if the Notes expire worthless shall not be tax-deductible.

Further, according to said tax decree, where the Notes provide for instalment payments, such instalment payments shall always qualify as taxable savings income pursuant to section 20 para 1 no 7 ITA, unless the terms and conditions of the Notes provide explicit information regarding redemption or partial redemption during the term of the Notes and the contractual parties comply with these terms and conditions. It is further stated in the tax decree that, if, in the case of Notes providing for instalment payments, there is no final payment at maturity, the expiry of such Notes shall not be deemed as a sale with the consequence that any remaining acquisition costs could not be deducted for tax purposes. Similarly, any remaining acquisition costs of Notes providing for instalment payments shall not be tax-deductible if the Notes do not provide for a final payment or are terminated early without a redemption payment because the respective underlying has left the defined corridor or has broken certain barriers (e.g. in knock-out structures). Although the tax decree only refers to instruments with instalment payments, it cannot be excluded that the German tax authorities apply the above principles also to other kinds of full-risk securities.

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 is, in general, not permissible. Subject to certain requirements and restrictions foreign withholding taxes levied on investment income in a given year from financial instruments held by the individual investor may be credited against the tax liability.

### *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). 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. 17 per cent.). Further, in the case of individuals, church tax may be levied.

Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero coupon Notes and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account.

In case of a loss, such loss may be subject to ring-fence rules and, if so, may only be offset against income from other (derivative) financial instruments.

### *German withholding tax*

With regard to savings income (*Kapitalerträge*), e.g. interest or capital gains, 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*).

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining to apply have to include their savings income in their tax return and will then be assessed to church tax. After 31 December 2014 an electronic information system as for church withholding tax purposes will apply in relation to investment 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 within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Council Directive 2003/48/EC on the taxation of savings income). Otherwise, the tax deduction is calculated on the basis of 30 per cent. of the proceeds from the disposal of the Notes.

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 may generally deduct from the basis of the withholding tax negative investment income realised by the individual 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 may also deduct interest accrued paid by the individual holder upon the acquisition of the Notes or other securities. In addition, subject to certain requirements and restrictions the German Disbursing Agent may credit foreign withholding taxes levied on savings income in a given year regarding financial instruments held by the individual holder in the custodial account with the German Disbursing Agent.

In the case of individuals holding the Notes as private assets, if German withholding tax is levied, such withholding tax will, in general, become definitive and replace the investor's income taxation (flat withholding 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. The same would be true if the withholding tax on a disposal of Notes has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain) and the actual gain calculated on the basis of the actual acquisition costs of the Notes is higher than 30 per cent. of the disposal proceeds. 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.

If the Notes form part of a trade or business, the withholding tax will not settle the (corporate) income tax liability. Investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. 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 German Income Tax Act, 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. The investor is obliged to report income and related expenses in the (annual) tax return and the balance will be taxed at the investor's applicable tax rate. Withholding tax levied, if any, will be credited against the (corporate) income tax liability of the investor. If the tax withheld exceeds the respective (corporate) income tax liability, the difference between such amounts will be refunded within the tax assessment procedure.

### **Non-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-residents of Germany 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.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transaction tax ("**FTT**") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with Notes.

#### *EU Savings Directive*

Concerning the Council Directive 2003/48/EC on the taxation of savings income, refer to the chapter on the European Union Savings Directive on page 298. By legislative regulations dated 26 January 2004, the Federal Government enacted provisions implementing the information exchange on the basis of the directive into German law. These provisions apply from 1 July 2005.

#### *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 and 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 and subject to the laws of 21 June 2005, as amended (the "**Savings Laws**"), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the

Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Savings Laws implementing the Council Directive 2003/48/EC of 3 June 2003 (the "**Savings Directive**") on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Savings Laws will be subject to a withholding tax at a rate of 35 per cent.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

**(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 or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. 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 10 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 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 10 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), or in a state that has entered into a treaty with Luxembourg relating to the Savings Directive. 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**

Luxembourg net wealth tax will not be levied on a holder of a Note unless:

- (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions to the exception of the following entities that are net wealth tax exempt, being (A) undertakings for collective investment ("UCITS") within the meaning of the law of 17 December 2010, as amended, (B) investment company in risk capital (SICAR) within the meaning of the law dated 15 June 2004, as amended, (C) securitisation entities within the meaning of the law dated 22 March 2004, as amended, (D) special investment funds within the meaning of the law of 13 February 2007, as amended, and (E) a family wealth management company governed by the law of 11 May 2007, as amended, or

- (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative or a fixed base of business in Luxembourg;

In respect of individuals, whether he/she is a resident of Luxembourg or not the Luxembourg law of 23 December 2005 has abolished the net wealth tax on such Notes with effect from 1 January 2006.

(b) *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.
- (ii) Luxembourg gift tax will be levied in case the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

(c) *Other Taxes and Duties*

Under current Luxembourg tax law and current administrative practice, it is not compulsory that the Notes be notarised, filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/ or enforcement by legal proceedings (including any foreign judgement in the courts of Luxembourg) of the Notes in accordance therewith or the performance of the Issuer's obligations under the Notes, except that, in case of use of the Notes, either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration may be ordered, in which case the Notes or the related financial documents will be subject to a fixed (EUR 12) or an *ad valorem* registration duty calculated on the amounts mentioned in the Notes, depending on the nature of the document to be registered.

(d) *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.

(e) *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 or any other 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 to 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 24 August 2011, however, the Swiss Federal Council issued draft legislation, which, if enacted, may require Swiss paying agents as defined by the revised Swiss law on withholding tax to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Note to an individual resident in Switzerland or to any person (not only an individual) resident outside of Switzerland. 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***

Switzerland has introduced a tax retention on interest payments or similar income paid by a Swiss paying agent as defined in Articles 1 and 6 of the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "**Agreement**") to the beneficial owner who is an individual and resident in the EU as of 1 July 2005, unless the interest payments are made on debt-claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments of non-residents located in Switzerland. The tax retention may be withheld at the rate of 35 per cent. The beneficial owner of the interest payments may be entitled to a credit for or a refund of the tax retention if certain conditions are met. The Swiss paying agent may be explicitly authorised by the beneficial owner of the interest payment to report interest payments to the Swiss Federal Tax Administration. Such report will then substitute the tax retention.

On 24 March 2014, the Council of the European Union adopted an EU Council Directive amending and broadening the scope of the EU Council Directive 2003/48/EC on the taxation of savings income. Therefore, the Agreement may be amended accordingly. Negotiations between the European Community and Switzerland in this respect are currently ongoing.

Noteholders should note that neither the Issuer nor the Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of the Swiss EU tax retention.

### ***Final Foreign Withholding Tax***

On January 1, 2013 treaties on final withholding taxes of Switzerland with the United Kingdom and Austria entered into force (each a "**Contracting State**"). The treaties, among other things, require a Swiss paying agent, as defined in the treaties, to levy a flat-rate final withholding tax at rates specified in the treaties on certain capital gains and income items (interest, dividends, other income items, all as defined in the treaties), deriving from assets, including the Notes, as applicable, held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State or, (ii) if certain requirements are met, by a domiciliary company, an insurance company in connection with a so-called insurance wrapper or other individuals, if the beneficial owner is an individual resident in a Contracting State. The final withholding tax substitutes the ordinary income tax on the respective capital gains and income items in the Contracting States where the individual is tax resident. The individual may, however, in lieu of the final withholding tax make voluntary disclosure of the respective capital gains and income items to the tax authority of the Contracting State where it is tax resident. Switzerland may conclude similar treaties with other European countries.

Notwithstanding the above, for the avoidance of doubt, should the Issuer, a paying agent or another person be required to withhold any amount as a consequence of the treaties or the practice thereto, then, there is no requirement for such Issuers to pay any additional amounts relating to such withholding.

### ***EU Savings Directive***

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new

requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

In March 2014, a draft bill was submitted to the Luxembourg parliament which intends to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

### **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% 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 U.S. Internal Revenue Service (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) and (ii). Proposed U.S. Treasury regulations expand the definition of "specified notional principal contract" beginning 1 January 2016.

While significant aspects of the application of Section 871(m) to the Notes are uncertain, if an 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.

Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Notes.

### **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 U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to **"foreign passthru payments"** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **"grandfathering date"**, which 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, or which are materially modified after the grandfathering date and (ii) any Notes characterised 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 announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **"IGA"**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **"Reporting FI"** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA generally jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **"FATCA Withholding"**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Luxembourg have entered into an agreement (the **"US-Luxembourg IGA"**) based on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-Luxembourg IGA and does not anticipate being obliged to deduct 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.

Whilst 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, as the case may be, given that each of the entities in the payment chain beginning with the Issuer and ending with 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 model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.**

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE**

**TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

**EU Financial Transaction Tax**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are be exempt.

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 to certain dealings in the Notes 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.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States . It may therefore be altered prior to any implementation. 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.

## 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 12 May 2014 and the Board of Directors dated 15 March 2013 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.

### ***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 for Notes issued under the Programme during the 12 months from the date 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 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 Markets in Financial Instruments Directive. Euro MTF Market of the Luxembourg Stock Exchange is not a regulated market for the purpose of the Markets in Financial Instruments Directive.

### ***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 office of the Principal Paying Agent:

- (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 2012 (in French and English) and 31 December 2013 (in French and in English, if available);
- (c) a copy of the Base Prospectus;
- (d) any future base prospectus, supplements and Final Terms and Pricing Supplements (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to the identity of such holder) to this Base Prospectus and any other documents incorporated therein by reference; and
- (e) 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 (e) 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 Principal Paying 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 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 or Pricing Supplement, in the case of Exempt Notes. 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 or Pricing Supplement, in the case of Exempt Notes.

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 Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### ***Significant and material adverse change***

There has been no significant change in the financial or trading position of BGL since 31 December 2013 and there has been no material adverse change in the prospects of BGL since 31 December 2013.

### ***Legal and arbitration proceedings***

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer 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 the Issuer's financial position or profitability.

### ***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 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). This supplement will be published on the official website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).



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