



BANQUE PALATINE

(société anonyme à conseil d'administration)

€ 5,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus (the "**Base Prospectus**"), Banque Palatine (the "**Issuer**" or "**Banque Palatine**"), subject to compliance with all applicable laws, regulations and directives, may from time to time issue notes (the "**Notes**"). The maximum aggregate nominal amount of all Notes outstanding under the Programme will not at any time exceed €5,000,000,000 (or the equivalent in other currencies on the date of issue of any Notes).

An application may, under certain circumstances, be made for the Notes to be listed and admitted to trading on the Euronext Paris regulated market ("**Euronext Paris**"). Euronext Paris is a regulated market within the meaning of Directive 2014/65/EU of 15 May 2014 on markets in financial instruments, as amended (a "**Regulated Market**"). The Notes may also be admitted to trading on any other Regulated Market in any Member State of the European Economic Area ("**EEA**") in accordance with the Prospectus Directive (as defined below), or on a non-regulated market or the Notes may not be admitted to trading. The Final Terms (as defined in section "*Terms and Conditions of the Notes*", the form of which is set forth in this Base Prospectus), prepared in respect of any issue of Notes shall specify whether an application has been or shall be made for such Notes to be admitted to trading and, if so, on which relevant Regulated Market(s) and/or whether such Notes shall be offered to the public in one or more EEA Member States.

This Base Prospectus, as may be supplemented from time to time, has been submitted for approval to the *Autorité des marchés financiers* (the "**AMF**") which has granted the visa no. 19-322 on 4 July 2019. This Base Prospectus supersedes the base prospectus dated 4 July 2018 and supplements thereto.

Payment of principal and/or interest under the Notes may be linked to one or more Underlying(s), as more fully described in the section "*Terms and Conditions of the Notes*".

The Notes shall be issued in dematerialised form and may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*), as more fully described in this Base Prospectus. The Notes will at all times be in book-entry form in compliance with Articles L. 211-3 *et seq.* and R. 211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title or representing ownership of the Notes shall be issued. Notes issued in bearer form (*au porteur*) shall be inscribed, as from their date of issue, in the books of Euroclear France (acting as central depository), which shall credit the accounts of the Account Holders (as defined under section "*Terms and Conditions of the Notes - Form, denomination and title*") including Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking S.A. ("**Clearstream**"). Notes issued in registered form may, at the option of the Noteholder (as defined under section "*Terms and Conditions of the Notes - Form, denomination and title*") of the relevant Notes, be (a) either in fully registered form (*au nominative pur*), in which case they shall be inscribed in an account with the Issuer or with a registration agent (specified in the relevant Final Terms) on behalf of the Issuer, (b) or in administered registered form (*au nominatif administré*), in which case they shall be inscribed in an account with the Account Holder appointed by the relevant Noteholder.

The long-term debt of the Issuer is rated "A1 (stable outlook)" and its short-term debt is rated "P-1" by Moody's Investors Services Ltd. and its long-term debt is rated "A+ (stable outlook)" and its short-term debt "F1" by Fitch Ratings. Each of these agencies is established in the European Union and is registered pursuant to Regulation (EC) n°1060/2009 of the European Parliament and Council dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and appears on the list of credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. The rating of the Notes (if any) will be specified in the Final Terms. Notes issued under the Programme may, or may not, be rated. The rating of the Notes, if any, shall be specified in the relevant Final Terms. The rating of the Notes will not necessarily be identical to the rating of the Issuer, and a rating shall not be construed as a recommendation to buy, sell or hold any Notes, and a rating may be revised or withdrawn by the credit rating agency at any time.

This Base Prospectus and any supplement thereto shall be published on the websites of the AMF (www.amf-france.org) and the Issuer (www.palatine.fr). For as long as any Notes are outstanding, all documents incorporated by reference into this Base Prospectus may be obtained, free of charge, during normal business hours at the registered office of the Issuer and at specified offices of the Paying Agent set out at the end of the Base Prospectus and will be available on the website of the Issuer (www.palatine.fr) and on the following website: www.info-financiere.fr.

Investors are invited to consider the risks described in the section "*Risk factors*" before making any decision to invest in Notes issued under this Programme.

This Base Prospectus (and any related supplements) constitutes a base prospectus for the purpose of Article 5.4 of directive 2003/71/EC of the European Parliament and Council dated 4 November 2003, as amended or superseded (the "Prospectus Directive") containing or incorporating by reference all relevant information on the Issuer and the group formed by the Issuer and its consolidated subsidiaries taken as a whole (the "Group") and the conditions of the Notes. Any conditions applicable to each Tranche (as defined in the section "*Summary of the Programme*") which are not included in this Base Prospectus shall be agreed between the Issuer and the relevant Dealer(s) (as defined below) at the time of issue of the relevant Tranche based on the market conditions prevailing on such date and shall be specified in the relevant Final Terms. The Base Prospectus (and any related supplements) and the Final Terms shall together constitute a prospectus within the meaning of Article 5.1 of the Prospectus Directive.

There are no Dealers appointed permanently in respect of the Programme. The Issuer may from time to time appoint one or more dealers (each a "Dealer") in respect of any Tranches of Notes. References in this Base Prospectus to "Dealers" are to all persons appointed as a dealer in respect of any Tranches.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of 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 the delivery of this Base Prospectus nor any sale of Notes based on this document shall under any circumstances imply that there has not been any change in the Issuer's or the Group's affairs since the date of this document or the date upon which this Base Prospectus has been most recently amended or supplemented, or any change in the financial situation of the Issuer or the Group since the date of this document or the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information provided in connection with this Programme is accurate at any time subsequent to the date on which it was provided or the date specified in the document containing such information, if different.

Legal restrictions on the distribution of this Base Prospectus, any Final Terms, any offering materials under the Programme and the offering or sale of Notes may apply in certain countries. In particular, neither the Issuer nor the Dealers have taken any action with a view to offering Notes to the public or distributing this Base Prospectus in any jurisdiction where action for such purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any other offering material may be distributed or published, in any jurisdiction, except in compliance with any applicable laws or regulations. Persons into whose possession this Base Prospectus or any Notes may fall, must familiarise themselves with and comply with such restrictions.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered or sold, or in the case of bearer Notes, delivered, in the United States, or to, or for the account or benefit of, "US persons" (as defined in Regulation S of the Securities Act ("Regulation S")) or, in the case of bearer Notes, "United States persons", as defined in the U.S. Internal Revenue Code of 1986, as amended). The Notes are being offered and sold outside the United States in offshore transactions to non-U.S. persons in accordance with Regulation S.

For a description of various restrictions applicable to the offering, sale and transfer of Notes and distribution of this Base Prospectus, please refer to the section "*Subscription and Sale*" herein. In particular, restrictions apply to the distribution of this Base Prospectus and the offering and sale of Notes in the United States of America and in the European Economic Area.

Neither the Issuer nor any of the Dealers makes any representation to any prospective investor in the Notes as to the legality of his investment under applicable laws. All prospective investors in the Notes must be capable of assuming the economic risk of their investment in the Notes for an unlimited period of time.

This Base Prospectus constitutes neither an invitation nor an offer by or on behalf of the Issuer or the Dealers to subscribe for or acquire Notes.

None of the Dealers has verified the information contained in this Base Prospectus. None of the Dealers makes any representation, express or implied, with respect to, or accepts responsibility for, the accuracy or completeness of any of the information contained in this Base Prospectus. Neither this Base Prospectus nor any other information provided in connection with the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either the Issuer or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase Notes. All prospective investors in the Notes shall determine for themselves the relevance of the information contained in this Base Prospectus and base their decision to purchase Notes on such investigations as they deem necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer whilst this Base Prospectus remains in effect, or to advise investors or prospective investors of any information of which it becomes aware.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority ("ESMA") on 5 February 2018 and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU on markets in financial instruments (as amended, "MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment)

and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT - EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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RÉSUMÉ DU PROGRAMME EN FRANÇAIS

Le résumé est composé des informations dont la communication est requise par l'Annexe XXII du Règlement délégué (UE) n°486/2012 du 30 mars 2012, tel que modifié et le Règlement délégué (UE) n°862/2012 du 4 juin 2012 appelées "**Eléments**". Ces éléments sont numérotés dans les sections A à E (A.1 –E.7).

Ce résumé contient tous les Eléments devant être inclus dans un résumé pour ce type de valeurs mobilières et d'Emetteur. La numérotation des Eléments peut ne pas se suivre en raison du fait que certains Eléments n'ont pas à être inclus.

Bien qu'un Elément puisse devoir être inclus dans le résumé du fait du type de valeur mobilière et d'émetteur concerné, il se peut qu'aucune information pertinente ne puisse être donnée sur cet Elément. Dans ce cas, une brève description de l'Elément est incluse dans le résumé suivie de la mention "Sans objet".

Ce résumé est fourni pour les émissions d'Obligations ayant une valeur nominale unitaire inférieure à 100.000 euros réalisées dans le cadre du Programme. Un résumé spécifique à chaque type d'émission d'Obligations de moins de 100.000 euros figurera en annexe des Conditions Définitives applicables et comprendra (i) les informations clés du résumé du Prospectus de Base figurant ci-dessous et (ii) les informations contenues dans les rubriques intitulées "résumé de l'émission" figurant ci-dessous.

Section A – Introduction et avertissements

Elément	Titre	
A1	Avertissement général relatif au résumé	<p>Ce résumé doit être lu comme une introduction au prospectus de base en date du 4 juillet 2019 ayant reçu le visa n°19-322 de l'Autorité des marchés financiers le 4 juillet 2019 tel que complété par supplément (le "Prospectus de Base") relatif au programme d'émission d'Obligations (le "Programme") de Banque Palatine.</p> <p>Toute décision d'investir dans les obligations émises dans le cadre du Programme (les "Obligations") doit être fondée sur un examen exhaustif du Prospectus de Base par les investisseurs, y compris les documents qui y sont incorporés par référence, de tout supplément y afférent et des conditions définitives relatives aux Obligations concernées (les "Conditions Définitives").</p> <p>Lorsqu'une action concernant l'information contenue dans le présent Prospectus de Base et les Conditions Définitives est intentée devant un tribunal, le plaignant peut, selon la législation nationale de l'Etat Membre de l'EEE, avoir à supporter les frais de traduction de ce Prospectus de Base et des Conditions Définitives avant le début de toute procédure judiciaire.</p>
		<p>Aucune action en responsabilité civile ne pourra être intentée dans un Etat Membre à l'encontre de quiconque sur la seule base du présent résumé, y compris sa traduction, sauf si son contenu est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base et des Conditions Définitives ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés telles que définies à l'article 2.1 de la Directive Prospectus permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Obligations.</p>

A.2	Information relative au consentement de l'Emetteur concernant l'utilisation du Prospectus	<p>Dans le cadre de toute offre d'Obligations en France et dans tout autre Etat Membre de l'EEE (les "Pays de l'Offre au Public") qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus (une "Offre au Public"), l'Emetteur consent à l'utilisation du Prospectus de Base dans le cadre d'une Offre au Public de toute Obligation durant la période d'offre indiquée dans les Conditions Définitives concernées (la "Période d'Offre"), dans les Pays de l'Offre au Public indiqué(s) dans les Conditions Définitives concernées par tout intermédiaire financier dûment autorisé indiqué dans les Conditions Définitives concernées (chacun un "Etablissement Autorisé") ou tout intermédiaire financier satisfaisant les conditions énoncées par l'Emetteur dans les Conditions Définitives et prend en considération l'évaluation du marché cible effectuée par le producteur concerné et les canaux de distribution identifiés au sein de la légende "MiFID II gouvernance produit" insérée dans les Conditions Définitives concernées.</p> <p>Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) intervenant dans les douze (12) mois suivant la date du visa de l'AMF sur le Prospectus de Base.</p> <p>Les termes de l'Offre au Public devront être communiqués aux investisseurs par l'Etablissement Autorisé au moment de l'Offre au Public.</p> <p><i>Résumé de l'émission</i></p> <p>[Sans objet] /</p> <p>[Dans le cadre de l'offre des Obligations réalisée en [●] (le[s] "Pays de l'Offre au Public"), cette offre ne bénéficiant pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, (l'"Offre au Public"), l'Émetteur consent à l'utilisation du Prospectus dans le cadre de l'Offre au Public des Obligations durant la période d'offre allant du [●] au [●] (la "Période d'Offre") dans le[s] Pays de l'Offre au Public par [●]/[tout intermédiaire financier] (le[s] "Établissement[s] Autorisé[s]"). [Le[s] Établissement[s] Autorisé[s] devra (ont) remplir les conditions suivantes : [●].]</p> <p>Les termes de l'Offre au Public devront être communiqués aux investisseurs par l'Etablissement Autorisé au moment de l'Offre au Public.]/[Non Applicable]</p>
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Section B – Emetteur

Elément	Titre	
B.1	La raison sociale et le nom commercial de l'Emetteur	Banque Palatine (l' " Emetteur ")
B.2	Le siège social et la forme juridique de l'Emetteur/la législation qui régit	<p>L'Émetteur est une société anonyme de droit français.</p> <p>L'Émetteur est immatriculé au Registre du Commerce et des Sociétés de</p>

	<p>l'activité et le pays d'origine de l'Emetteur</p>	<p>Paris sous le numéro 542 104 245.</p> <p>Le siège social est situé au 42 rue d'Anjou, à Paris (75008).</p> <p>L'Émetteur est régi par :</p> <ul style="list-style-type: none"> - les dispositions du Code de commerce sur les sociétés commerciales ; - les dispositions du Code monétaire et financier relatives à l'activité et au contrôle des établissements de crédit ; - les dispositions de ses statuts et de son règlement intérieur.
<p>B.4b</p>	<p>Une description de toutes les tendances connues touchant l'Emetteur ainsi que les marchés sur lesquels il intervient</p>	<p><i>Marché des entreprises</i></p> <p>En 2018, dans un contexte économique à la fois dynamique et contrasté, le développement de l'activité commerciale s'est poursuivi sur le marché des ETI au travers des trois composantes principales suivantes :</p> <ul style="list-style-type: none"> - la conquête sur le « cœur de cible » (entreprises de plus de 15 millions d'euros de chiffre d'affaires) s'est poursuivie à un rythme soutenu avec 315 nouvelles entrées en relation en 2018. Ainsi, de 2013 à 2018, le nombre de clients entreprise « cœur de métier » a crû de 32 %, passant de 1 988 à 2 632 ; - la Banque Palatine, grâce à son offre globale de solutions de financement, continue à apporter son soutien aux ETI. Les encours de crédit aux entreprises ont progressé cette année de 3,6 % pour s'élever à 7 359 millions d'euros. La production de financement a été dynamique sur l'ensemble des typologies de crédits (équipement, immobilier, acquisition et LBO). Elle a atteint 1 973 millions d'euros, soit un niveau comparable à 2017, confirmant la volonté d'accompagner les entreprises dans leur développement et leurs investissements ; la Banque Palatine a par ailleurs affirmé son positionnement sur l'arrangement de solutions de financement (crédits structurés, LBO, EuroPP, immobilier, financement dirigeants) avec 32 opérations arrangées ayant généré des commissions supérieures à 100 000 euros, pour un total de 9 249 millions d'euros ; - les encours de ressources bilanciels aux entreprises sont restés relativement stables, à 10 118 millions d'euros, reflétant la stratégie d'ajustement de son passif dans un contexte de taux d'intérêt négatif. <p><i>Marché de la clientèle privée</i></p> <p>L'activité commerciale sur les clients privés « cœur de cible », correspondant aux dirigeants d'entreprise et familles patrimoniales, a poursuivi sa croissance, conformément aux objectifs ambitieux fixés pour l'année.</p> <p>Ainsi, la conquête des clients privés détenant plus de 50 000 euros d'avoirs à l'entrée en relation a atteint un nouveau record de 1 354 comptes ouverts, en progression de 9 % par rapport à 2017. La conquête</p>

		<p>a été ainsi multipliée par 2,5 en 5 ans.</p> <p>Le développement des ressources financières et bilancielle se poursuit, malgré la baisse des marchés financiers, avec un total d'encours d'épargne de 4 529 millions d'euros à fin 2018, en progression de 1,7 %. La collecte nette atteint + 202 millions d'euros cette année, contre - 14 millions d'euros en 2017.</p> <p>Les encours de crédit immobilier progressent de 6 % et atteignent 1,56 milliard d'euros à fin 2018.</p> <p>Activités financières</p> <p>L'exercice 2018 a été marqué une nouvelle fois par un contexte de taux peu favorable.</p> <p>Dans cet environnement, la Banque Palatine a investi dans l'année 372 millions d'euros, principalement sur des obligations souveraines de la zone Euro, au cours du premier semestre. L'encours global du portefeuille obligataire de la Banque Palatine s'établit fin 2018 à 1 655 millions d'euros. Ce portefeuille a pour vocation de constituer la réserve de liquidité du Liquidity Coverage Ratio ("LCR"). En étant mobilisables auprès de la Banque centrale, ces titres constituent également une sécurité pour le refinancement de la Banque Palatine.</p> <p>La stratégie financière de la Banque Palatine est en adéquation avec les ratios réglementaires fixés par le groupe. Le LCR s'est toujours établi au-dessus de 100 % sur l'année 2018.</p> <p>Ainsi, le financement de la Banque Palatine est assuré par les dépôts de ses clients grâce à une gamme complète de produits de placements. Le coefficient rapportant les crédits aux dépôts des clients (CERC) est proche de 100 % en fin d'année. Ainsi, la Banque Palatine dispose d'un socle de dépôts clientèles important qui lui permet d'assurer son développement commercial.</p> <p>La gestion de bilan de la Banque Palatine a maintenu ses objectifs en 2018, en limitant les risques de liquidité et de taux :</p> <ul style="list-style-type: none"> - la gestion de la liquidité à court et moyen-long termes a, pour premier objectif, d'assurer le refinancement de la Banque Palatine tout en garantissant des conditions de crédits attractives pour les clients ; - le second objectif est le strict contrôle du risque de taux sur le bilan. Cet encadrement permet à la Banque Palatine de maîtriser les variations de rentabilité que pourrait entraîner une évolution des taux. Par sa gestion de bilan, la Banque Palatine se prépare ainsi aux variations futures des taux. Le gap résiduel, mesurant le risque global de taux d'intérêt, est aujourd'hui négatif, ce qui signifie que le bilan de la Banque Palatine est exposé favorablement à une hausse des taux d'intérêt.
B.5	Description du Groupe de l'Emetteur et de la	Le Groupe BPCE est un groupe coopératif dont les sociétaires sont propriétaires des deux réseaux de banques de proximité : les 14 Banques Populaires et les 15 Caisses d'Epargne. Chacun des deux réseaux est

	position de l'Emetteur au sein du Groupe	<p>détenteur à parité de BPCE, l'organe central du groupe.</p> <p>Le réseau Banque Populaire comprend les Banques Populaires et les sociétés de caution mutuelle leur accordant statutairement l'exclusivité de leur cautionnement.</p> <p>Le réseau Caisse d'Epargne comprend les Caisses d'Epargne et les Sociétés locales d'épargne ("SLE").</p> <p>Les Banques Populaires sont détenues à hauteur de 100 % par leurs sociétaires.</p> <p>Le capital des Caisses d'Epargne est détenu à hauteur de 100 % par les SLE. Au niveau local, les SLE sont des entités à statut coopératif dont le capital variable est détenu par les sociétaires. Elles ont pour objet d'animer le sociétariat dans le cadre des orientations générales de la Caisse d'Epargne à laquelle elles sont affiliées et elles ne peuvent pas effectuer d'opérations de banque.</p> <p>La Banque Palatine, banque des entreprises de taille intermédiaire ("ETI") et de leurs dirigeants et banque privée est aux côtés des entrepreneurs aussi bien sur le plan professionnel que personnel depuis plus de 230 ans. Elle déploie son expertise auprès des moyennes entreprises et des ETI. Son réseau de 46 agences en France en synergie avec les métiers d'expertise (ingénierie patrimoniale, juridique et fiscale, conseil en investissement, approche globale du patrimoine du dirigeant, corporate finance, immobilier, international, desk clientèle...) accompagne aujourd'hui 12 800 entreprises et 64 000 clients particuliers.</p> <p>Filiale à 100 % du Groupe BPCE, elle bénéficie de la solidité et de la garantie financière du deuxième groupe bancaire français.</p>														
B.9	Prévision ou estimation du bénéfice	Sans objet. L'Émetteur ne publie pas de prévisions et estimations du bénéfice.														
B.10	Réserves contenues dans le rapport des Commissaires aux comptes	<p>Les comptes consolidés de l'Émetteur relatifs à l'exercice clos le 31 décembre 2018 ont été audités par les commissaires aux comptes qui ont émis un rapport figurant aux pages 168 à 170 du Rapport Financier 2018 en anglais. Le rapport des Commissaires aux comptes contient une observation.</p> <p>Les comptes consolidés de l'Émetteur relatifs à l'exercice clos le 31 décembre 2017 ont été audités par les commissaires aux comptes qui ont émis un rapport figurant aux pages 184 à 187 du Rapport Financier 2017 en anglais. Le rapport des Commissaires aux comptes ne contient aucune observation.</p>														
B.12	Informations financières historiques clés	<table border="1"> <thead> <tr> <th data-bbox="619 1845 938 1868"></th> <th colspan="2" data-bbox="938 1845 1495 1868">COMPTE DE RESULTAT</th> </tr> <tr> <th data-bbox="619 1868 938 1935">En millions d'Euros</th> <th data-bbox="938 1868 1182 1935">Exercice 2018 (IFRS9)</th> <th data-bbox="1182 1868 1495 1935">Exercice 2017 (IAS39)</th> </tr> </thead> <tbody> <tr> <td data-bbox="619 1935 938 1980">Produit Net Bancaire</td> <td data-bbox="938 1935 1182 1980">331,5</td> <td data-bbox="1182 1935 1495 1980">319,3</td> </tr> <tr> <td data-bbox="619 1980 938 2024">Résultat Brut</td> <td data-bbox="938 1980 1182 2024">79,0</td> <td data-bbox="1182 1980 1495 2024">112,8</td> </tr> </tbody> </table>				COMPTE DE RESULTAT		En millions d'Euros	Exercice 2018 (IFRS9)	Exercice 2017 (IAS39)	Produit Net Bancaire	331,5	319,3	Résultat Brut	79,0	112,8
	COMPTE DE RESULTAT															
En millions d'Euros	Exercice 2018 (IFRS9)	Exercice 2017 (IAS39)														
Produit Net Bancaire	331,5	319,3														
Résultat Brut	79,0	112,8														

		d'Exploitation		
		Coût du risque	(41,4)	(39,5)
		Résultat d'exploitation	37,7	73,3
		Résultat net	23,4	45,9
		BILAN		
		Actif	15 170,9	14 767,5*
		Passif	15 170,9	14 767,5*
		<p>* Actif et Passif en norme IAS39 après reclassement IFRS9. Les montants du 31 décembre 2017 correspondent au bilan publié après reclassements sans changement de méthode de valorisation des actifs et passifs financiers présentés au format IFRS 9. L'impact de la première application de la norme IFRS 9 sur les capitaux propres, lié à la mise en place du nouveau modèle de dépréciation, est une baisse de 99 millions d'euros avant impôts. Pour faire face au passage en norme IFRS 9, Banque Palatine a procédé à une émission, de TSSDI (titres subordonnés de dernier rang à durée indéterminée) de 100 millions d'euros réalisée le 28/03/2018.</p> <p>Le ratio Core Equity Tier One (CET1) est égal à 7,99% au 31 décembre 2018.</p> <p>Aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Émetteur depuis le 31 décembre 2018.</p> <p>Il n'y a eu aucun changement significatif de la situation financière ou commerciale de l'Émetteur depuis le 31 décembre 2018.</p>		
B.13	Evènement récent relatif à l'Émetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité	Sans objet.		
B.14	Dépendance de l'Émetteur vis-à-vis d'autres entités du Groupe	La Banque Palatine est détenue à 99.999% par le Groupe BPCE.		
B.15	Principales activités de l'Émetteur	<p>L'activité de la Banque Palatine est répartie selon deux marchés.</p> <p>Le marché des entreprises</p> <p>La croissance des activités sur le marché des entreprises repose sur une approche personnalisée de ses clients, au travers de son réseau national de 30 agences réparties sur 6 régions (Grand Ouest, Sud Méditerranée, Centre Est, Paris Ouest, Paris Centre et Paris Est) et de ses expertises, qui permettent, complétés par les métiers spécialisés du Groupe BPCE, de proposer une offre adaptée et complète de produits et services.</p> <p>Le marché des particuliers</p> <p>Le développement de l'activité commerciale sur le marché de la clientèle privée repose sur :</p>		

		<ul style="list-style-type: none"> - un réseau national de 34 agences dédiées à cette clientèle ; - des métiers d'expertise, constitués de banquiers privés, d'ingénieurs patrimoniaux et de spécialistes en matière de financements des dirigeants (opérations autour du capital de l'entreprise et de l'intéressement des dirigeants au capital) qui apportent leurs compétences en complément du réseau ; - une filière dédiée aux clients majeurs protégés, avec 4 implantations en France (Paris, Nice, Lyon et Toulouse) ; - une offre élargie en matière d'épargne, de produits d'investissements et de crédits qui s'appuie sur les compétences et le savoir-faire de la Banque Palatine, du Groupe BPCE et de partenaires extérieurs.
B.16	Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Emetteur	La Banque Palatine est détenue à 99.999% par le Groupe BPCE.
B.17	Notation assignée à l'Emetteur ou à ses titres d'emprunt	<p>La dette à long terme de l'Emetteur est notée "A1 (perspective stable)" et sa dette à court terme est notée "P-1" par Moody's Investors Service Ltd. ("Moody's"). Sa dette à long terme est notée "A+ (perspective stable)" et sa dette à court terme est notée "F1" par Fitch Ratings ("Fitch").</p> <p>Moody's et Fitch sont établies dans l'Union Européenne et sont enregistrées conformément au Règlement (CE) n°1060/2009 du Parlement Européen et du Conseil du 16 septembre 2009 sur les agences de notation de crédit tel que modifié (le "Règlement CRA") et figurent sur la liste des agences de notation de crédit publiée sur le site Internet de l'Autorité Européenne des Marchés Financiers (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) conformément au Règlement CRA.</p> <p>La notation des Obligations, s'il y en a une, sera précisée dans les Conditions Définitives concernées.</p> <p>La notation des Obligations ne sera pas nécessairement identique à la notation de l'Emetteur, étant entendu qu'une notation ne constitue pas une recommandation d'achat, de vente ou de détention d'Obligations et peut, à tout moment, être suspendue, modifiée, ou retirée par l'agence de notation concernée.</p> <p>Résumé de l'émission</p> <p>[Les Obligations n'ont pas fait l'objet d'une notation]/[Les Obligations ont fait l'objet d'une notation [[●] par Moody's]/[et] [d'une notation [●] par Fitch].</p>

Section C – Valeurs mobilières

Elément	Titre																	
C.1	Nature, catégorie et identification des Obligations	<p>Le montant nominal total des Obligation en circulation dans le cadre du Programme n'excédera à aucun moment 5.000.000.000 d'euros (ou la contre-valeur de ce montant dans d'autres devises à la date de l'émission).</p> <p>Les Obligations sont émises par souche (chacune une "Souche"), à une même date ou à des dates différentes. Les Obligations d'une même Souche seront soumises (à tous égards à l'exception de la date d'émission, du montant nominal total, du premier paiement des intérêts) à des modalités identiques, les Obligations de chaque Souche étant fongibles entre elles. Chaque Souche peut être émise par tranches (chacune une "Tranche"), ayant la même date d'émission ou des dates d'émission différentes. Les modalités spécifiques de chaque Tranche (notamment, sans que cette liste ne soit limitative, le montant nominal total, le prix d'émission, leur prix de remboursement et les intérêts, le cas échéant, payables dans le cadre de ces Obligations), seront déterminées par l'Emetteur et figureront dans les Conditions Définitives.</p> <p>Les Obligations sont émises, au gré de l'Emetteur, soit au porteur, inscrites dans les livres d'Euroclear France (agissant en tant que dépositaire central) qui créditera les comptes des teneurs de compte auprès d'Euroclear France (les "Teneurs de Compte"), soit au nominatif et, dans ce cas, au gré du porteur concerné, soit au nominatif administré, inscrites dans les livres d'un Teneur de Compte désigné par le porteur concerné, soit au nominatif pur, inscrites dans un compte tenu par l'Emetteur ou par un établissement mandataire agissant pour le compte de l'Emetteur.</p> <p>Un numéro d'identification des Obligations (Code ISIN) sera indiqué dans les conditions définitives applicables à chaque émission d'Obligations (les "Conditions Définitives").</p>																
		<table border="1"> <thead> <tr> <th colspan="2" data-bbox="592 1312 1503 1352"><i>Résumé de l'émission</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="592 1352 1034 1402">Souche N° :</td> <td data-bbox="1034 1352 1503 1402">[●]</td> </tr> <tr> <td data-bbox="592 1402 1034 1451">Tranche N° :</td> <td data-bbox="1034 1402 1503 1451">[●]</td> </tr> <tr> <td data-bbox="592 1451 1034 1500">Montant nominal total :</td> <td data-bbox="1034 1451 1503 1500">[●]</td> </tr> <tr> <td data-bbox="592 1500 1034 1550">Code ISIN :</td> <td data-bbox="1034 1500 1503 1550">[●]</td> </tr> <tr> <td data-bbox="592 1550 1034 1599">Code commun :</td> <td data-bbox="1034 1550 1503 1599">[●]</td> </tr> <tr> <td data-bbox="592 1599 1034 1720">Forme des Obligations :</td> <td data-bbox="1034 1599 1503 1720">Obligations dématérialisées [au porteur] / au nominatif [pur] / [administré]</td> </tr> <tr> <td data-bbox="592 1720 1034 1787">Dépositaire Central :</td> <td data-bbox="1034 1720 1503 1787">[Euroclear France]</td> </tr> </tbody> </table>	<i>Résumé de l'émission</i>		Souche N° :	[●]	Tranche N° :	[●]	Montant nominal total :	[●]	Code ISIN :	[●]	Code commun :	[●]	Forme des Obligations :	Obligations dématérialisées [au porteur] / au nominatif [pur] / [administré]	Dépositaire Central :	[Euroclear France]
<i>Résumé de l'émission</i>																		
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Forme des Obligations :	Obligations dématérialisées [au porteur] / au nominatif [pur] / [administré]																	
Dépositaire Central :	[Euroclear France]																	
C.2	Devises	<p>Sous réserve du respect de toutes les lois, réglementations et directives applicables, les Obligations peuvent être émises en euro, dollar américain, yen japonais, franc suisse, livre sterling et en toute autre devise qui pourrait être convenue entre l'Emetteur et le ou les Agent(s) Placeur(s) concerné(s), telle qu'indiquée dans les Conditions Définitives concernées.</p> <p><i>Résumé de l'émission</i></p>																

		La devise des Obligations est [●].
C.5	Description de toute restriction imposée à la libre négociabilité des Obligations	<p>Sous réserve de certaines restrictions relatives à l'achat, l'offre, la vente et la livraison des Obligations et à la possession ou la distribution du Prospectus de Base ou tout autre document d'offre, il n'existe pas de restriction imposée à la libre négociabilité des Obligations.</p> <p>Résumé de l'émission</p> <p>[insérer la ou les restriction(s) de vente applicable(s) à l'émission]</p>
C.8	Description des droits attachés aux Obligations	<p>Prix d'émission</p> <p>Les Obligations peuvent être émises au pair ou avec une décote ou une prime par rapport à leur valeur nominale.</p> <p>Valeur nominale</p> <p>Les Obligations d'une même Souche auront la valeur nominale indiquée dans les Conditions Définitives concernées étant rappelé qu'il ne peut y avoir qu'une seule valeur nominale par Souche.</p> <p>Rang de créance</p> <p>Les Obligations constituent des engagements directs, non assortis de sûretés, inconditionnels et non subordonnés de l'Emetteur (sous réserve du paragraphe "<i>Maintien de l'emprunt à son rang</i>" ci-après) venant au même rang entre elles et (sous réserve des exceptions légales impératives du droit français) au même rang que toutes les autres dettes non subordonnées, non assorties de sûretés, présentes ou futures, de l'Emetteur.</p> <p>Maintien de l'emprunt à son rang</p> <p>L'Emetteur garantit qu'aussi longtemps que des Obligations seront en circulation, il ne créera pas ou ne permettra pas que subsiste une quelconque hypothèque sur les biens et droits immobiliers qu'il peut ou pourra posséder et ne constituera pas ou ne permettra pas que subsiste un quelconque nantissement sur son fonds de commerce pour garantir d'autres obligations, à moins que les obligations de l'Emetteur découlant des Obligations, ne bénéficient des mêmes garanties de même rang.</p> <p>Cet engagement se rapporte exclusivement aux émissions d'Obligations de l'Emetteur et n'affecte en rien la liberté de l'Emetteur de disposer de la propriété de ses biens ou de conférer toute sûreté sur lesdits biens en toutes autres circonstances.</p> <p>Cas d'exigibilité anticipée</p> <p>Les Obligations pourront être exigibles de façon anticipée à l'initiative des titulaires ou de leur Représentant si :</p> <ul style="list-style-type: none"> • l'Emetteur ne paie pas à son échéance tout montant en principal ou intérêts dû en vertu de toute Obligation et s'il n'est pas remédié à ce défaut après une période de 45 jours calendaires ; • l'Emetteur n'exécute pas l'une quelconque de ses autres obligations en vertu des Obligations et s'il n'est pas remédié à ce défaut après

		<p>une période de 60 jours calendaires ; ou</p> <ul style="list-style-type: none"> • l'Emetteur fait une proposition de moratoire général sur ses dettes ; entre en procédure de sauvegarde ; ou en procédure de sauvegarde accélérée ; ou en procédure de sauvegarde financière accélérée ; ou un jugement est rendu prononçant la liquidation judiciaire ou la cession totale de l'entreprise de l'Emetteur ; ou, dans la mesure permise par la loi, l'Emetteur fait l'objet de toute autre procédure de liquidation ou de banqueroute. <p>Fiscalité</p> <p>Tous les paiements de principal, d'intérêts et d'autres produits afférents aux Obligations effectués par ou pour le compte de l'Emetteur seront effectués sans aucune retenue à la source ou prélèvement au titre de tout impôt ou taxe de toute nature, imposés, prélevés ou recouverts par ou pour le compte de la France, ou de l'une de ses autorités ayant le pouvoir de prélever l'impôt, à moins que cette retenue à la source ou ce prélèvement ne soit exigé par la loi.</p> <p>Si en application de la législation française, les paiements de principal ou d'intérêts afférents à toute Obligation sont soumis à un prélèvement ou à une retenue à la source au titre de tout impôt ou taxe, présent ou futur, l'Emetteur s'engage, dans la mesure permise par la loi, à majorer ses paiements de sorte que les titulaires d'Obligations perçoivent l'intégralité des sommes qui leur auraient été versées en l'absence d'un tel prélèvement ou d'une telle retenue.</p> <p>Tout paiement effectué au titre des Obligations sera soumis à toute législation, réglementation, ou directive, notamment fiscale, comme prévu à la Modalité 7.2 (<i>Paiements sous réserve de la législation fiscale</i>).</p> <p>Droit applicable</p> <p>Les Obligations sont régies par le droit français.</p> <p><i>Résumé de l'émission</i></p> <p>Prix d'Emission : [●]% du Montant Nominal Total [majoré des intérêts courus à compter du [insérer la date] (le cas échéant)].</p> <p>Valeur Nominale Indiquée : [●]</p>
C.9	<p>Intérêts, échéance et modalités de remboursement, rendement et représentation des Titulaires des Obligations</p>	<p>Merci de vous reporter également à la section C.8 ci-dessus.</p> <p>Obligations à Taux Fixe</p> <p>Les intérêts fixes seront payables à terme échu à la date ou aux dates pour chaque année indiquée dans les Conditions Définitives concernées.</p> <p>Obligations à Taux Variable</p> <p>Les Obligations à Taux Variable porteront intérêt au taux déterminé pour chaque Souche de la façon suivante :</p> <p>(a) sur la même base que le taux variable applicable au notionnel dans le cadre d'une opération d'échange de taux d'intérêt dans la Devise Prévues concernée, conformément à la Convention Cadre</p>

		<p>FBF de 2013 telle que publiée par la Fédération Bancaire Française relative aux opérations sur instruments financiers à terme et complétée par les Additifs Techniques publiés par la FBF, ou</p> <p>(b) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notionnel dans la Devise Prévüe concernée, conformément à une convention incluant les Définitions ISDA 2006 telles que publiées, complétées et modifiées par l'<i>International Swap and Derivatives Association, Inc.</i>, ou</p> <p>(c) sur la base d'un taux de référence apparaissant sur une page écran convenue d'un service officiel de cotation ou d'une base d'informations financières (y compris l'EURIBOR, l'EONIA, le LIBOR, le TEC10 ou le Taux CMS), sous réserve de l'application, le cas échéant, des dispositions relatives à une interruption de l'indice de référence.</p> <p>dans chaque cas, tel qu'ajusté à la hausse ou à la baisse en fonction des marges éventuellement applicables, et calculé et payable conformément aux Conditions Définitives concernées. Les Obligations à Taux Variable pourront aussi avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux à la fois. A moins qu'un taux d'intérêt minimum supérieur ne soit spécifié dans les Conditions Définitives applicables, le taux d'intérêt minimum sera réputé être égal à zéro.</p> <p><i>Obligations à Taux Fixe/Variable</i></p> <p>Les Obligations à Taux Fixe/Variable pour lesquels un changement de base d'intérêt est spécifié comme étant applicable peuvent être émises par l'Émetteur.</p> <p><i>Obligations à Coupon Zéro</i></p> <p>Les Obligations Zéro Coupon ne portent pas d'intérêt sauf dans le cas de paiement en retard.</p> <p><i>Obligations Indexées</i></p> <p>Pour les paiements d'intérêt relatifs aux Obligations Indexées, se référer aux paragraphes C.10 et C.18.</p> <p><i>Périodes d'Intérêt et Taux d'Intérêts</i></p> <p>Les Conditions Définitives stipuleront la base de calcul des intérêts (fixes, variables ou liés à un Sous-Jacent).</p> <p><i>Date de Début de Période d'Intérêts</i></p> <p>La Date de Début de Période d'Intérêts sera indiquée dans les Conditions Définitives applicables.</p> <p><i>Echéance</i></p> <p>Les Obligations pourront être assorties de toute maturité convenue.</p> <p><i>Remboursement</i></p>
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	<p>Sous réserve d'un rachat suivi d'une annulation ou d'un remboursement anticipé, les Obligations seront remboursées à la Date d'Echéance et au Montant de Remboursement Final indiqués dans les Conditions Définitives applicables. Le montant de remboursement pourra être inférieur au pair.</p> <p>Pour les Obligations Indexées, le Montant de Remboursement Final sera calculé sur la base des formules de calcul suivantes (chacune étant une "Formule de Paiement Final") telles que précisées dans les Conditions Définitives concernées :</p> <p>Titres STR Pourcentage Fixe, Titres STR Reverse Convertible, Titres STR Reverse Convertible Standard, Titres Vanilla Call, Titres Vanilla Call Spread, Titres Vanilla Put, Titres Vanilla Put Spread, Titres Vanilla Digital, Titres Knock-out Vanilla Call, Titres Moyenne, Titres Moyenne Cappé, Titres Himalaya, Titres Autocall, Titres Autocall One Touch, Titres Autocall Standard, Titres Booster, Titres Bonus, Titres à Levier, Titres Twin Win, Titres Sprinter, Titres Générique, Titres Générique Digital-A, Titres Générique Digital-B, Titres Cliquet, Titres Somme, Titres Max, Obligations Vanilla FI FX, Obligations FI Digital Floor, Obligations FI Digital Cap, Obligations FI Digital Plus ou Obligations Indexées sur l'Inflation FI.</p> <p><i>Remboursement Anticipé</i></p> <p>Le montant de remboursement anticipé payable au titre des Obligations sera précisé dans les Conditions Définitives applicables.</p> <p>Pour les Obligations Indexées, le montant de remboursement anticipé (le cas échéant applicable) sera calculé sur la base des Formules de Paiement ou d'un taux de remboursement anticipé automatique en cas de Remboursement Anticipé Automatique.</p> <p><i>Remboursement Optionnel</i></p> <p>Les Conditions Définitives préparées à l'occasion de chaque émission d'Obligations indiqueront si celles-ci peuvent être remboursées avant la Date d'Echéance prévue au gré de l'Emetteur (en totalité ou en partie) et/ou des Titulaires et, si tel est le cas, les modalités applicables à ce remboursement en fonction des Formules de Paiement en cas de call ou des Formules de Paiement en cas de put selon le cas.</p> <p><i>Remboursement pour raisons fiscales</i></p> <p>Le remboursement anticipé des Obligations au gré de l'Emetteur sera possible pour des raisons fiscales.</p> <p>Représentation des Titulaires</p> <p>Les Titulaires d'Obligations seront, au titre de toutes les Tranches d'une même Souche, automatiquement groupés pour la défense de leurs intérêts communs en une masse (dans chaque cas, la "Masse") et les dispositions des articles L.228-46 et suivants du Code de commerce relatives à la Masse s'appliqueront tels que modifiées et complétées par les modalités applicables aux Obligations.</p> <p>La Masse agira en partie par l'intermédiaire d'un représentant (le "Représentant"), dont l'identité et la rémunération au titre de cette</p>
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	<p>fonction seront indiquées dans les Conditions Définitives concernées, et en partie par l'intermédiaire de décisions collectives des Titulaires d'Obligations (les "Décisions Collectives"). Les Décisions Collectives sont adoptées, soit en assemblée générale, soit par décision écrite.</p> <p>Résumé de l'émission</p> <p>Base d'Intérêt : [Taux Fixe de [●]%/ / [[LIBOR/EURIBOR/EONIA/TEC10/Taux CMS] +/- [●]%/ Taux Variable] / [Taux Fixe de % suivi de [LIBOR/EURIBOR/EONIA/TEC10/Taux CMS] +/- [●]%/ Taux Variable] / [[LIBOR/EURIBOR/EONIA/TEC10/Taux CMS] +/- [●]%/ Taux Variable suivi d'un Taux Fixe de [●]%/ / [Coupon Zéro] / [Coupon Zéro remboursable avant sa Date d'Echéance]. /</p> <p>[Pour les paiements d'intérêt relatifs aux Obligations Indexées, se référer aux paragraphes C.10 et C.18 ci-dessous.]</p> <p>Remplacement de l'Indice de Référence : [Applicable] / [Sans objet]</p> <p>Date de Début de Période d'Intérêts : [<i>préciser</i>]</p> <p>Date d'Echéance : [<i>préciser</i>]</p> <p>Montant de Remboursement Final : [[●] par Obligation de [●]] / [<i>s'il s'agit d'Obligations Indexées, reproduire le cas échéant la formule de calcul applicable</i>]</p> <p>Montant de Remboursement Anticipé : [Applicable : [<i>préciser le montant de remboursement anticipé et, s'il s'agit d'Obligations Indexées, reproduire le cas échéant la formule de calcul applicable</i>]] / [Sans objet]</p> <p>Obligations remboursables en plusieurs versements : [Applicable : Les Obligations sont remboursables en [●] versements de [●] payables le [●], [●], [●]] [<i>Préciser. S'il s'agit d'Obligations Indexées, reproduire le cas échéant la formule de calcul applicable</i>] / [Sans objet]</p> <p>Option de Remboursement au gré de l'Emetteur : [Applicable : [<i>préciser le montant de remboursement optionnel et, s'il s'agit d'Obligations Indexées, reproduire le cas échéant la formule de calcul applicable</i>]] / [Sans objet]</p> <p>Option de Remboursement au gré des Titulaires : [Applicable : [<i>préciser le montant de remboursement optionnel et, s'il s'agit d'Obligations Indexées, reproduire le cas échéant la formule de calcul applicable</i>]] / [Sans objet]</p> <p>Rendement : [Applicable : [<i>pour les Obligations à Taux Fixe, préciser le rendement</i>]] / [Sans objet]</p> <p>Représentation des Titulaires : Les Titulaires sont, au titre de toutes les Tranches d'une même Souche, automatiquement groupés pour la défense de leurs intérêts communs en une masse (dans chaque cas, la "Masse") et les dispositions L.228-46 et suivants du Code de commerce relatives à la Masse s'appliqueront tels que modifiées et complétées par les modalités applicables aux Obligations.</p>
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		<p>La Masse agit en partie par l'intermédiaire d'un représentant (le "Représentant") et en partie par l'intermédiaire de décisions collectives des Titulaires d'Obligations (les "Décisions Collectives"). Les Décisions Collectives sont adoptées, soit en assemblée générale, soit par décision écrite.</p> <p>Les noms et coordonnées du représentant titulaire et du représentant suppléant sont [●]. Leur rémunération au titre de cette fonction est [●].</p> <p>Le Représentant désigné de la première Tranche d'une Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.</p> <p>Les présentes stipulations relatives à la Masse ne s'appliquent pas dans l'hypothèse où toutes les Obligations d'une Souche sont détenues par un Titulaire unique.</p>
C.10	<p>Paiement des intérêts liés à un (des) instrument(s) dérivé(s)</p>	<p>Merci de vous reporter également à la section C.9 ci-dessus.</p> <p>Les paiements d'intérêts des Obligations Indexées pourront être liés à différents types de Sous-Jacents tels qu'un ou plusieurs indices, actions, indices d'inflation, fonds, matières premières, de taux de change, de taux d'intérêt, ou à une combinaison de ces Sous-Jacents (les "Obligations Hybrides").</p> <p>La valeur de l'investissement dans les Obligations Indexées est affectée par celle du Sous-Jacent de la façon décrite à la section C.15 ci-dessous.</p> <p>Résumé de l'émission</p> <p>Les paiements d'intérêt des Obligations Indexées sont indexés sur :</p> <p><i>[pour Obligations indexées sur Action (action unique ou panier d'actions): préciser l'action unique ou le panier d'actions] /</i></p> <p><i>[pour les Obligations indexées sur Fonds (fonds unique ou panier de fonds) : préciser le(s) fonds] /</i></p> <p><i>[pour les Obligations Indexées sur Indice (indice unique ou panier d'indices) : préciser l'/les indice(s)] /</i></p> <p><i>[pour les Obligations Indexées sur Matière Première (une ou plusieurs Matières Premières): préciser la ou les matière(s) première(s)] /</i></p> <p><i>[pour les Obligations Indexées sur Taux de Change (un ou plusieurs Taux de Change) : préciser le ou les taux de change] /</i></p> <p><i>[pour les Obligations Indexées sur Taux d'Intérêt Sous-Jacent (un ou plusieurs Taux d'Intérêt Sous-Jacent) : préciser le ou les taux d'intérêt] /</i></p> <p><i>[pour les Obligations Indexées sur l'Inflation : préciser l'inflation] /</i></p> <p><i>[pour les Obligations Hybrides : préciser l'action unique ou le panier d'actions / le(s) fonds / l'/les indice(s) / la ou les matière(s) première(s) / le ou les taux de change / le ou les taux d'intérêt et/ou l'inflation].</i></p>

C.11	Cotation et admission à la négociation	<p>Les Obligations pourront être admises aux négociations sur Euronext Paris et/ou tout autre marché réglementé et/ou tout marché non-réglementé, tel que stipulé dans les Conditions Définitives concernées. Une Souche d'Obligations pourra ne faire l'objet d'aucune admission à la négociation.</p> <p><i>Résumé de l'émission</i></p> <p>[Les Obligations seront admises aux négociations sur [le marché réglementé d'Euronext Paris] / [●] / Sans objet.]</p>
C.15	Description de l'impact de la valeur du sous-jacent sur la valeur de l'investissement	<p>Les montants de remboursement, d'intérêts et livrables des Obligations Indexées dépendent de la valeur du Sous-Jacent ce qui est susceptible d'affecter la valeur de l'investissement dans les Obligations.</p> <p><i>Résumé de l'émission</i></p> <p>La valeur des Obligations Indexées peut être affectée par :</p> <p>[la performance [pour les Obligations indexées sur Action (action unique ou panier d'actions) : d'une action ou d'un panier d'actions] /</p> <p>[pour les Obligations indexées sur Fonds (fonds unique ou panier de fonds) : d'un fonds ou d'un panier de fonds] /</p> <p>[pour les Obligations Indexées sur Indice (indice unique ou panier d'indices) : d'un indice ou panier d'indices] /</p> <p>[pour les Obligations Indexées sur l'Inflation : [insérer l'inflation applicable]/</p> <p>[pour les Obligations Indexées sur Matière Première (une ou plusieurs Matières Premières) : d'une Matière Première ou de plusieurs Matières Premières] /</p> <p>[pour les Obligations Indexées sur Taux de Change (un ou plusieurs Taux de Change) : d'un ou de taux de change] /</p> <p>[pour les Obligations Indexées sur Taux d'Intérêt Sous-Jacent (un ou plusieurs Taux d'Intérêt Sous-Jacent) : d'un ou de taux d'Intérêt]</p> <p>[pour les Obligations Hybrides : d'une action ou d'un panier d'actions / d'un fonds ou d'un panier de fonds / d'un indice ou panier d'indices / [insérer l'inflation applicable] / d'une Matière Première ou de plusieurs Matières Premières / d'un ou de taux de change / d'un ou de taux d'Intérêt].</p> <p>En effet, [ce Sous-Jacent a] / [ces Sous-Jacents ont] un impact sur le remboursement final et le montant de remboursement anticipé qui sont calculés selon la formule de calcul indiquée à la section C.9 ci-dessus et sur le montant d'intérêts qui est calculé selon la formule de calcul indiquée à la section C.18 ci-dessous.</p>
C.16	Obligations Indexées – Echéance	<p>Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance d'un mois minimum à compter de la date d'émission initiale.</p>

		<p>Résumé de l'émission</p> <p>La date d'échéance des Obligations Indexées est [indiquer la date d'échéance].</p>
C.17	Obligations Indexées – Règlement-livraison	<p>Les Obligations Indexées feront l'objet d'un règlement en numéraire, à l'exception des Obligations suivantes qui pourront également faire l'objet d'un règlement par livraison physique : Obligations Indexées sur Action (action unique ou panier d'actions), Obligations Indexées sur Fonds (fonds unique ou panier de fonds).</p> <p>Le mode de règlement choisi sera indiqué dans les Conditions Définitives. La date de règlement physique pour les Obligations Indexées faisant l'objet, le cas échéant, d'un règlement physique correspond à la Date d'Echéance, sous réserve des Cas de Perturbation du Règlement.</p> <p>Résumé de l'émission</p> <p>Les Obligations Indexées sur un ou plusieurs Sous-Jacent(s) feront l'objet d'un règlement [en numéraire] / [par livraison physique].</p>
C.18	Produit des Obligations Indexées	<p>Le produit des Obligations Indexées sera calculé sur la base des formules de calcul suivantes : Coupon Fixe STR, Coupon Digital, Coupon Snowball Digital, Coupon Digital Couru, Coupon Stellar, Coupon Cappuccino, Coupon Cliquet, Coupon Driver, Coupon Somme, Coupon Max, Coupon Min, Coupon FI Digital, Coupon Range Accrual, Coupon Combination Floater, Coupon PRDC, Coupon FI Digital Floor, Coupon FI Digital Cap ou Coupon FI Target.</p> <p>Les Obligations indexées pourront également porter intérêt à taux fixe ou à taux variable.</p> <p>Résumé de l'émission</p> <p>Le produit des Obligations Indexées est calculé selon la formule de calcul [reproduire la formule de calcul applicable].</p>
C.19	Obligations Indexées – Prix Final, Prix de Clôture, Prix de Référence au Niveau Final	<p>Le Prix Final, le Prix de Référence, le Prix de Clôture ou le Niveau Final des Obligations Indexées et tout autre prix de référence sera indiqué dans les Conditions Définitives concernées et déterminé selon les paramètres fixés dans les Modalités.</p> <p>Résumé de l'émission</p> <p>[pour les Obligations Indexées sur l'Inflation, Obligations Indexées sur Taux de Change, Obligations Indexées sur Taux d'Intérêt Sous-Jacent : Sans objet] /</p> <p>[pour les Obligations Indexées sur Action (action unique ou panier d'actions), Obligations indexées sur Fonds (fonds unique ou panier de fonds) : Le Prix de Clôture est [indiquer le prix applicable]]/</p> <p>[Obligations Indexées sur Indice (indice unique ou panier d'indices) : Le Niveau Final est [indiquer le niveau applicable]]</p> <p>[Obligations Indexées sur Matière Première (une ou plusieurs Matières Premières) : Le Prix de Référence est [indiquer le prix applicable]]</p>

C.20	Obligations Indexées – Description du sous-jacent et endroits où trouver les informations à son sujet	<p>Le Sous-Jacent des Obligations Indexées ("Sous-Jacent de Référence") peut être une action, un indice, un indice d'inflation, une part de fonds, une matière première, un taux de change, un taux d'intérêt ou un panier de certains éléments précités, ou toute formule, stratégie ou combinaison de ceux-ci, tels qu'indiqués dans les Conditions Définitives concernées.</p> <p>Résumé de l'émission</p> <p>Le(s) sous-jacent(s) des Obligations Indexées [est/sont] [pour les Obligations indexées sur Action (action unique ou panier d'actions) : préciser l'action ou le panier d'actions] / [pour les Obligations indexées sur Fonds (fonds unique ou panier de fonds) : préciser le fonds ou le panier de fonds] / [pour les Obligations Indexées sur Indice (indice unique ou panier d'indices) : préciser l'indice ou le panier d'indices] / [pour les Obligations Indexées sur l'Inflation : l'inflation] / [pour les Obligations Indexées sur Matière Première (une ou plusieurs Matières Premières): préciser la ou les matière(s) première(s)] / [pour les Obligations Indexées sur Taux de Change (un ou plusieurs Taux de Change) : préciser le ou les taux de change] / [pour les Obligations Indexées sur Taux d'Intérêt Sous-Jacent (un ou plusieurs Taux d'Intérêt Sous-Jacent) : préciser le ou les Taux d'Intérêt],</p> <p>Les informations relatives à ce(s) sous-jacent(s) peuvent être trouvées [insérer le site internet applicable, etc].</p>
C.21	Marché(s) de négociation	<p>Les Conditions Définitives applicables préciseront, le cas échéant, le ou les marchés réglementés à l'intention duquel ou desquels le présent Prospectus de Base est publié, comme indiqué à la section C.11 ci-dessus.</p> <p>Résumé de l'émission :</p> <p>Pour des indications sur le marché où les Obligations seront, le cas échéant, négociées et pour lequel le Prospectus de Base a été publié, veuillez vous reporter à la section C.11 ci-dessus.</p>

Section D – Risques

Elément	Titre	
D.2	Informations clés sur les principaux risques propres à l'Emetteur ou à son exploitation et son activité	<p>Les investisseurs éventuels devraient tenir compte, entre autres, des facteurs de risque liés à l'Emetteur, à ses opérations et à son secteur d'industrie qui peuvent impacter la capacité de l'Emetteur à remplir ses obligations aux termes des Obligations émises dans le cadre du Programme. Ces facteurs de risque incluent notamment :</p> <p>Risques liés au plan stratégique 2018-2020 de la Banque Palatine :</p> <ul style="list-style-type: none"> – Banque Palatine peut ne pas réaliser les objectifs de son plan stratégique 2018-2020 ; <p>Risques liés aux activités de la Banque Palatine et au secteur bancaire :</p> <ul style="list-style-type: none"> – Banque Palatine est exposée à plusieurs risques liés au secteur bancaire, y compris le risque de crédit, les risques de marché et de liquidité, le risque opérationnel et le risque d'assurance ;

		<ul style="list-style-type: none"> - Les conditions économiques et financières récentes en Europe ont eu et peuvent continuer à avoir un impact sur la Banque Palatine et les marchés dans lesquels elle exerce son activité ; - Le vote en faveur d'une sortie de Royaume Uni de l'Union européenne pourrait avoir un impact négatif sur la Banque Palatine et les marchés sur lesquels elle est présente ; - Des mesures législatives et réglementaires en réponse à la crise financière mondiale peuvent affecter de façon importante la Banque Palatine et l'environnement financier et économique dans lequel elle opère ; - La capacité de la Banque Palatine à attirer et retenir des employés qualifiés est essentielle à la réussite de son entreprise et tout manquement à le faire peut affecter de façon significative ses performances ; - Banque Palatine doit maintenir sa notation de crédit élevée. Dans le cas contraire, son activité et sa rentabilité pourraient être négativement affectées ; - Une augmentation substantielle des charges de dépréciation d'actifs ou d'un manque à gagner au niveau des charges de dépréciation d'actifs enregistrées précédemment au titre du portefeuille de prêts et créances de la Banque Palatine pourrait nuire à ses résultats d'exploitation et à sa situation financière ; - Les variations de la juste valeur des portefeuilles de titres et de dérivés de la Banque Palatine et de sa propre dette pourraient avoir un impact sur la valeur comptable de ses actifs et passifs, et donc sur le résultat net et les capitaux propres ; - Un environnement économique caractérisé par des taux d'intérêts durablement bas pourrait affecter la profitabilité et la situation financière de Banque Palatine ; - Les événements futurs pourraient différer de ceux reflétés dans les hypothèses utilisées par la direction dans la préparation des états financiers de la Banque Palatine, et peuvent causer des pertes inattendues dans l'avenir ; - Les activités d'investissement peuvent être impactées par les fluctuations et la volatilité des marchés ; - Banque Palatine peut subir une baisse des revenus provenant des commissions et des prestations tarifées en période de ralentissement du marché ; - Une baisse prolongée des marchés peut réduire la liquidité des actifs et rendre leur vente difficile. Une telle situation pourrait donner lieu à des pertes importantes ; - Des changements de taux d'intérêt importants pourraient nuire au résultat net bancaire ou à la rentabilité de la Banque Palatine ; - Des changements de taux de change importants pourraient nuire au résultat net bancaire ou à la rentabilité de la Banque Palatine ; - La concurrence intense dans le marché principal de la Banque Palatine (la France) pourrait nuire à ses revenus nets et à sa rentabilité ;
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		<ul style="list-style-type: none"> - Toute interruption ou défaillance des systèmes d'information de la Banque Palatine, ou ceux de tiers, peut entraîner des pertes commerciales et d'autres pertes ; - Des événements imprévus peuvent provoquer une interruption des opérations de la Banque Palatine et entraîner des pertes substantielles ainsi que des coûts supplémentaires ; - Banque Palatine pourrait être vulnérable aux environnements politiques, macroéconomiques et financiers ou aux situations particulières des pays où la Banque Palatine conduit ses activités ; - Banque Palatine est soumise à une réglementation importante en France et dans plusieurs autres pays ; des mesures réglementaires et des changements dans ces règlements pourraient affecter défavorablement les activités et les résultats de la Banque Palatine ; - Le droit fiscal et son application en France sont susceptibles d'avoir un impact significatif sur les résultats de la Banque Palatine ; - Un échec ou une insuffisance de la politique, des procédures et méthodes de la gestion des risques de la Banque Palatine peuvent la laisser exposée à des risques non identifiés ou imprévus, ce qui pourrait entraîner des pertes matérielles ; - Les stratégies de couverture de Banque Palatine n'écartent pas tout risque de perte ; - Des difficultés pourraient être rencontrées dans le cadre d'acquisition ou de joint-venture pour adapter, mettre en œuvre ou intégrer la politique de la Banque Palatine ; - La solidité financière et le comportement des autres institutions financières et les acteurs du marché pourraient avoir une incidence défavorable sur la Banque Palatine ; - La rentabilité et les perspectives commerciales de la Banque Palatine pourraient être affectées par le risque de réputation et le risque juridique ; <p>Risques liés à la structure du groupe BPCE, actionnaire à 100% de la Banque Palatine :</p> <ul style="list-style-type: none"> - Banque Palatine peut souffrir d'un manque de liquidité dans le cas où l'une des entités du Groupe BPCE, faisant partie du mécanisme de solidarité financière, rencontre des difficultés financières ; et - Banque Palatine est soumise à la Directive européenne de redressement et de résolution : les dispositions de la directive établissant un cadre pour le redressement et la résolution des établissements de crédit et des entreprises d'investissement (la "BRRD") peuvent avoir un impact sur la gestion des établissements de crédit et des entreprises d'investissement ainsi que, dans certaines circonstances, sur les droits des créanciers. En particulier, les investisseurs potentiels d'Obligations doivent prendre en compte le risque de perdre tout ou partie de leur investissement, y compris le principal et les intérêts, notamment si des mesures de renflouement interne sont utilisées. La mise en place de mesures de résolution par l'autorité de résolution compétente pourrait avoir une incidence défavorable sur les droits des porteurs d'Obligations, le prix ou la valeur de leurs investissements dans les Obligations et/ou la faculté
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		de l'Emetteur de satisfaire à ses obligations relatives aux Obligations.
D.3	Informations clés sur les principaux risques propres aux Obligations	<p>En complément des risques (y compris le risque de défaut) pouvant affecter la capacité de l'Emetteur à satisfaire ses obligations relatives aux Obligations émises dans le cadre du Programme, certains facteurs sont essentiels en vue de déterminer les risques de marché liés aux Obligations émises dans le cadre du Programme. Ces facteurs incluent notamment :</p> <p>Risques financiers</p> <ul style="list-style-type: none"> – Le risque de défaut de l'Emetteur qui pourrait ne pas être en mesure de rembourser les investisseurs. – Les Obligations peuvent ne pas être un investissement opportun pour tous les investisseurs. Chaque investisseur potentiel doit déterminer l'opportunité d'un investissement dans les Obligations au regard de sa situation personnelle. – Les Obligations peuvent être soumises à un remboursement optionnel par l'Emetteur. L'existence d'une option de remboursement des Obligations a tendance à limiter leur valeur de marché. Il est généralement escompté que l'Emetteur rembourse les Obligations lorsque le coût de son endettement est inférieur au taux d'intérêt des Obligations. Dans ces cas, les investisseurs ne sont généralement pas en mesure de réinvestir les fonds reçus dans des titres financiers ayant un rendement aussi élevé que les Obligations remboursées. – Les Obligations peuvent être à capital non garanti, ce qui peut entraîner une perte partielle ou totale du capital initialement investi. – Les Obligations à Taux Variable sont des Obligations dont le taux fait ou peut faire l'objet de réformes réglementaires liées à la nouvelle réglementation "Benchmarks", font face au risque de discontinuité du LIBOR ou d'autres indices de référence et à la survenance de certains événements relatifs à un indice de référence (<i>Benchmark Event</i>). – Risques en termes de rendement. Le rendement réel des Obligations obtenu par le Titulaire pourra être inférieur au rendement déclaré en raison des coûts de transaction. – La valeur de marché des Obligations émises en dessous du pair ou assorties d'une prime d'émission a tendance à être plus sensible aux fluctuations relatives aux variations des taux d'intérêt que les Obligations portant intérêt classique. – Si des paiements (que ce soit en principal et/ou intérêts, et que ce soit à l'échéance ou autrement) sur des Obligations Indexées sont calculés par référence à un ou plusieurs Sous-Jacent(s), le rendement des Obligations est fondé sur les fluctuations de la valeur du Sous-Jacent, qui est elle-même fluctuante. Les fluctuations de valeur du Sous-Jacent sont imprévisibles. Les fluctuations de la valeur du Sous-Jacent ne peuvent pas être prévues. Bien qu'il soit possible de disposer de données historiques à propos du Sous-Jacent, la performance historique du Sous-Jacent ne doit pas être prise comme une indication de la performance future. – Le recours à l'effet de levier peut accroître le risque de perte de

		<p>valeur d'une Obligation Indexée.</p> <p>Se reporter au "Résumé de l'Emission" ci-dessous pour certains risques propres à chaque catégorie d'Obligation.</p> <p>Risques juridiques</p> <p><i>Risques liés à la fiscalité</i></p> <p>Les acheteurs et vendeurs potentiels des Obligations doivent garder à l'esprit qu'ils peuvent être tenus de payer des impôts et autres taxes ou droits dans le pays où les Obligations sont transférées ou dans d'autres pays. Dans certains pays, aucune position officielle des autorités fiscales et aucune décision judiciaire n'est disponible s'agissant d'instruments financiers tels que les Obligations.</p> <p><i>Risques liés à un changement législatif</i></p> <p>Les Obligations sont régies par le droit français en vigueur à la date du Prospectus de Base. Il n'est pas garanti qu'une décision de justice ou qu'une modification des lois ou de la pratique administrative en vigueur après la date du présent Prospectus de Base ne puisse avoir un impact sur les Obligations.</p> <p><i>Risques liés à une modification des modalités des Obligations</i></p> <p>Les Titulaires non présents et non représentés lors d'une Assemblée Générale ou ceux qui auraient voté contrairement à la volonté de la majorité ou ceux qui n'auraient pas répondu ou auraient rejeté une Décision Ecrite pourront se trouver liés par le vote des Titulaires présents ou représentés même s'ils sont en désaccord avec ce vote.</p> <p>Résumé de l'émission</p> <p><i>[pour les Obligations à Taux Fixe, insérer les paragraphes suivants :</i></p> <p>Les Obligations à Taux Fixe peuvent changer de valeur en raison d'un changement des taux d'intérêts.</p> <p>Les Investisseurs dans des Obligations à Taux Fixe sont exposés au risque que des changements ultérieurs des taux d'intérêts puissent affecter défavorablement la valeur des Obligations.]</p> <p><i>[pour les Obligations à Taux Fixe/Variable, insérer le paragraphe suivant:</i></p> <p>Les Obligations à Taux Fixe/Variable peuvent porter intérêt à un taux fixe que l'Emetteur peut choisir de convertir en taux variable, ou à un taux variable que l'Emetteur peut choisir de convertir en taux fixe. La possibilité de conversion offerte à l'Emetteur peut affecter le marché secondaire et la valeur de marché des Obligations dans la mesure où l'Emetteur peut choisir de convertir le taux lorsque cela lui permet de réduire son coût global d'emprunt. Si l'Emetteur convertit un taux fixe en taux variable, l'écart de taux des Obligations à Taux Fixe/Variable peut être moins favorable que les écarts de taux sur des Obligations à Taux Variable ayant le même taux de référence. En outre, le nouveau taux variable peut être à tout moment inférieur aux taux d'intérêt des autres Obligations. Si l'Emetteur convertit un taux variable en taux fixe, le taux fixe peut être inférieur aux taux</p>
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	<p>applicables à ses autres Obligations.]</p> <p><i>[pour les Obligations à Taux Variable, insérer les paragraphes suivants :</i></p> <p>Un investissement dans des Obligations à Taux Variable se compose (i) d'un taux de référence et (ii) d'une marge à ajouter ou à soustraire, selon le cas, à ce taux de référence. Généralement, la marge concernée n'évoluera pas durant la vie de l'Obligation mais il y aura un ajustement périodique du taux de référence (par exemple, tous les trois (3) mois ou six (6) mois) lequel évoluera en fonction des conditions générales du marché. Par conséquent, la valeur de marché des Obligations à Taux Variable peut être volatile si des changements, particulièrement des changements à court terme, sur le marché des taux d'intérêt applicables au taux de référence concerné ne peuvent être appliqués au taux d'intérêt de ces Obligations qu'au prochain ajustement périodique du taux de référence concerné.</p> <p>Les Obligations à taux d'intérêt variable peuvent être un investissement volatile. Si leurs structures impliquent des plafonds ou planchers, ou toute combinaison de ces caractéristiques ou de caractéristiques ayant un effet similaire, leur valeur de marché peut être encore plus volatile que celles d'Obligations n'ayant pas ces caractéristiques.</p> <p>De plus, les Obligations à Taux Variable sont des Obligations dont le taux fait ou peut faire l'objet de réformes réglementaires liées à la nouvelle réglementation "Benchmarks", font face au risque de discontinuité du LIBOR ou d'autres indices de référence et à la survenance de certains événements relatifs à un indice de référence (<i>Benchmark Event</i>).]</p> <p><i>[pour les Obligations à Taux Variable inversé, insérer le paragraphe suivant :</i></p> <p>Les Obligations à Taux Variable inversé ont un taux d'intérêt égal à un taux fixe moins un taux calculé par référence à un taux tel que le LIBOR. La valeur de marché de ces Obligations est plus volatile que celle des autres titres de créances à taux variable conventionnels ayant le même taux de référence (et autrement avec des modalités comparables). Les Obligations à Taux Variable inversé sont plus volatiles car une augmentation de leur taux de référence diminue le taux d'intérêt des Obligations, mais peut refléter également une augmentation des taux d'intérêt principaux, ce qui affecte davantage de façon négative la valeur de marché de ces Obligations.]</p> <p><i>[pour les Obligations à Coupon Zéro, insérer les paragraphes suivants :</i></p> <p>Les Obligations Coupon Zéro et les Obligations émises avec une décote substantielle ou une prime sont soumises à des fluctuations de prix plus importantes que les Obligations qui ne sont pas émises en-dessous du pair.</p> <p>Les changements dans les marchés de taux d'intérêts ont généralement un impact nettement plus important sur le prix des Obligations Zéro Coupon et des Obligations émises avec une décote substantielle ou une prime que sur les prix des obligations ordinaires car les prix d'émission des titres émis en-dessous du pair sont nettement en-dessous du pair. Si les taux d'intérêts du marché augmentent, les Obligations Zéro Coupon et les Obligations émises avec une décote substantielle ou une prime peuvent souffrir de pertes plus importantes que d'autres obligations ayant la même maturité et</p>
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		<p>la même notation de crédit.]</p> <p><i>[pour les Obligations à Libération Fractionnée, insérer le paragraphe suivant :</i></p> <p>L'Emetteur peut émettre des Obligations dont le montant de souscription est payable par le Titulaire en deux ou plusieurs versements aux dates précisées dans les Conditions Définitives. Le fait de ne pas effectuer un versement peut constituer un cas de remboursement anticipé des Obligations et conduire l'investisseur à perdre tout ou partie de son investissement en fonction des conditions de marché.]</p> <p><i>[pour les Obligations Indexées, insérer les paragraphes suivants :</i></p> <p>Risques liés à l'exposition au sous-jacent</p> <p><i>(insérer la catégorie d'Obligation Indexée émise)</i></p> <p>Les Obligations Indexées sur Action (action unique ou panier d'actions) / Les Obligations Indexées sur Fonds (fonds unique ou panier de fonds) / Les Obligations Indexées sur Indice (indice unique ou panier d'indices) / Les Obligations Indexées sur l'Inflation / les Obligations Indexées sur un Taux de Change (un ou plusieurs taux de change / les Obligations Indexées sur Taux d'Intérêt Sous-Jacent (un ou plusieurs taux d'intérêt sous-jacent) / les Obligations Hybrides confèrent une exposition à</p> <p><i>(insérer le sous-jacent applicable)</i></p> <p>une action unique / un panier d'actions / un fonds unique / un panier de fonds / un indice unique / un panier d'indices et/ou l'inflation / une ou plusieurs matières premières / un ou plusieurs taux de change / et/ou un ou plusieurs taux d'intérêt sous-jacent (chacun appelé "Sous-Jacent").</p> <p>Une telle Obligation peut comporter un risque similaire ou supérieur (notamment en cas d'effet de levier) à un investissement direct dans le Sous-Jacent.</p> <p><i>Risques spécifiques liés à la nature du Sous-jacent</i></p> <p>Chaque Sous-Jacent comporte des risques qui lui sont propres et qui peuvent exposer le titulaire de ces Obligations à une perte partielle ou totale de son investissement. Ainsi cette Obligation pourra voir son rendement ou son montant de remboursement fluctuer en fonction de l'évolution du cours ou prix de chaque Sous-jacent concerné. Ces risques spécifiques peuvent en outre être liés à un événement extraordinaire affectant chaque Sous-Jacent concerné. Les investisseurs doivent comprendre les risques susceptibles d'affecter chaque Sous-Jacent concerné avant d'investir dans cette Obligation.]</p>
D.6	Principaux risques propres aux Obligations Indexées	<p>Merci de vous reporter également à la section D.3 ci-dessus.</p> <p>Avertissement : dans certaines circonstances, les titulaires d'Obligations peuvent perdre toute ou partie de la valeur de leur investissement en conséquence de l'application des modalités des Obligations.</p>

Section E - Offre

Elément	Titre	
E.2b	Raisons de l'offre et utilisation du produit de l'Offre	<p>Le produit net de l'émission de chaque Tranche d'Obligations sera destiné aux besoins de financement de l'activité de l'Emetteur, sauf dispositions contraires dans les Conditions Définitives concernées.</p> <p><i>Résumé de l'émission</i></p> <p>[Le produit net de l'émission des Obligations sera destiné aux besoins de financement de l'activité de l'Emetteur.] / [Autre (préciser).]</p>
E.3	Modalités de l'offre	<p>Les Obligations pourront être offertes au public en France et/ou dans un autre Etat Membre de l'EEE, dans lequel le Prospectus de Base aura été "passeporté" et qui aura été spécifié dans les Conditions Définitives applicables.</p> <p>A l'exception des stipulations de la section A.2 ci-dessus, ni l'Emetteur ni aucun des Agents Placeurs n'a autorisé une personne à faire une Offre au Public en aucune circonstance et aucune personne n'est autorisée à utiliser le Prospectus de Base dans le cadre de ses offres d'Obligations. Ces offres ne sont pas faites au nom de l'Emetteur ni par aucun des Agents Placeurs ou des Etablissements Autorisés et ni l'Emetteur ni aucun des Agents Placeurs ou des Etablissements Autorisés n'est responsable des actes de toute personne procédant à ces offres.</p> <p>Il existe des restrictions concernant l'achat, l'offre, la vente et la livraison des Obligations ainsi qu'à la possession ou la distribution du Prospectus de Base ou tout autre document d'offre dans différents pays.</p> <p><i>Résumé de l'émission</i></p> <p>[Sans objet, les Obligations ne font pas l'objet d'une offre au public.] /</p> <p>[Les Obligations sont offertes au public en [●].</p> <p>Période d'Offre : Du [●] au [●].</p> <p>Prix d'Offre : [●].</p> <p>Conditions auxquelles l'Offre est soumise : [●].</p> <p>Description de la procédure de demande de souscription : [Sans objet]/[●].</p> <p>Informations sur le montant minimum et/ou maximum de souscription : [Sans objet]/[●].</p> <p>Modalités et date de publication des résultats de l'Offre : [Sans objet]/[●].</p>
E.4	Intérêts, y compris conflictuels, pouvant influencer sensiblement	<p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Obligations.</p> <p><i>Résumé de l'émission</i></p>

	l'émission/l'offre	<p>[Sans objet, à la connaissance de l'Emetteur, aucune personne participant à l'émission n'y a d'intérêt pouvant influencer sensiblement l'émission ou l'offre des Obligations.] /</p> <p>[Sous réserve de conflits d'intérêts potentiels lorsque <i>[préciser]</i>, à la connaissance de l'Emetteur, aucune autre personne participant à l'émission n'y a d'intérêt pouvant influencer sensiblement l'émission ou l'offre des Obligations.]</p>
E.7	Estimation des dépenses mises à la charge de l'investisseur par l'Emetteur ou l'offreur	<p>Les Conditions Définitives concernées préciseront les estimations des dépenses pour chaque Tranche d'Obligations.</p> <p><i>Résumé de l'émission</i></p> <p>[Les dépenses mises à la charge de l'investisseur sont estimées à [●].] / [Sans objet, aucune dépense ne sera mise à la charge de l'investisseur.]</p>

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "**Elements**" the communication of which is required by Annex XXII of delegated Regulation (EU) n°486/2012 dated 30 March 2012, as amended and delegated Regulation (EU) n°862/2012 dated 4 June 2012. These elements are numbered in sections A to E (A.1 –E.7).

This summary contains all the Elements required to be included in the summary for this type of securities and 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 the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In such case, a short description of the Element is included in the summary with the mention of "not applicable".

This summary is provided for issues of Notes with a specified domination of less than €100,000 made under this Programme. A specific summary of each type of issue of Notes of less than €100,000 shall be set forth in a schedule to the relevant Final Terms and shall include (i) key information from the summary contained in the Base Prospectus appearing below and (ii) the information contained under the headings entitled "summary of the issue" set forth below.

Section A – Introduction and warnings

Element	Heading	
A1	General warning relating to the summary	<p>This summary should be read as an introduction to the Base Prospectus dated 4 July 2019 in respect of which the <i>Autorité des marchés financiers</i> granted the visa no. 19-322 on 4 July 2019 as may be supplemented (the "Base Prospectus") relating to the Euro Medium Term Note Programme (the "Programme") of Banque Palatine.</p> <p>Any decision to invest in any notes issued under the Programme ("Notes") should be based on a thorough consideration by investors of this Base Prospectus as a whole, including any documents incorporated by reference, any supplement to this Base Prospectus and the applicable final terms relating to the Notes (the "Final Terms").</p> <p>Where a claim relating to information contained in the Base Prospectus and the Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated.</p> <p>No civil liability will attach to any person in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or it does not provide, when read in conjunction with the other parts of the Base Prospectus, key information, as defined in article 2.1 of the Prospectus Directive in order to aid investors when considering whether to invest in the Notes.</p>
A.2	Information relating to the	In connection with any offer of Notes in France and/or any other EEA Member State (" Public Offer Jurisdiction ") which is not exempt from the

	<p>Issuer's consent to use of the Prospectus</p>	<p>requirement to publish a prospectus in accordance with the Prospectus Directive (a "Non-Exempt Offer"), the Issuer consents to the use of the Base Prospectus in connection with a Public Offer of any Note during the offer period specified in the relevant Final Terms (the "Offer Period"), in the Public Offer Jurisdictions specified in the relevant Final Terms, by any duly authorised financial intermediary as specified in the relevant Final Terms (each an "Authorised Offeror") or any financial intermediary which comply with the conditions stated by the Issuer in the relevant Final Terms and has considered the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the relevant Final Terms.</p> <p>The above-mentioned consent applies to Offer Periods (if any) during the twelve (12) months following the date of the <i>visa</i> granted by the AMF in respect of the Base Prospectus.</p> <p>The terms of the Public Offer must be notified to investors by the Authorised Offeror at the time of the Public Offer.</p> <p><i>Summary of the issue</i></p> <p>[Not applicable] /</p> <p>[In with the context of the offer of Notes made in [●] (the "Public Offer Jurisdictions"), such offer not being exempt from the requirement to publish a prospectus in accordance with the Prospectus Directive (the "Public Offer"), the Issuer consents to the use of the Prospectus in connection with the Public Offer of the Notes during the offer period from [●] to [●] (the "Offer Period") in the Public Offer Jurisdiction(s) by [●]/[any financial intermediary] (the "Authorised Offeror[s]"). [The Authorised Offeror[s] must satisfy the following conditions: [●].]</p> <p>The terms and any other arrangements in place in relation to the Public Offer shall be provided to investors by the Authorised Offeror at the time of the Public Offer.]/[Not Applicable]</p>
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Section B – Issuer

Element	Heading	
B.1	<p>Legal and commercial name of the Issuer</p>	<p>Banque Palatine (the "Issuer")</p>
B.2	<p>Registered office and legal form of the Issuer/legislation governing the activity and country of incorporation of the Issuer</p>	<p>The Issuer is a company (<i>société anonyme</i>) incorporated under French law.</p> <p>The Issuer is registered at the Trade and Companies Registry of Paris under number 542 104 245.</p> <p>The Issuer's registered office address is: 42 rue d'Anjou, à Paris (75008).</p> <p>The Issuer is governed by:</p> <ul style="list-style-type: none"> - the provisions of the French <i>Code de commerce</i> on commercial

		<p>companies;</p> <ul style="list-style-type: none"> - the provisions of the French <i>Code monétaire et financier</i> relating to the activities, and regulatory supervision, of credit institutions; and - the provisions of its by-laws and internal regulations.
B.4b	Description of known trends affecting the Issuer and the markets in which it operates	<p>Corporate market</p> <p>In 2018, within an economic context that was both dynamic and that had contrasts, the development of commercial activity in the medium-sized company market took place through the following three main components:</p> <ul style="list-style-type: none"> - the conquest of the core target - businesses with more than €15 million in revenue - continued at a sustained pace with 315 new customer relationships in 2018. Thus, from 2013 to 2018, the number of core target business customers increased 32%, from 1,988 to 2,632; - with its full range of financing solutions, Banque Palatine continues to support medium-sized businesses. Loans outstanding to business customers grew by 3.6% to €7,359 million. Income from financing was dynamic in all types of loans (equipment, real estate, acquisition and LBO). It was €1,973 million, <i>i.e.</i> a level comparable to 2017, confirming the desire to support companies in their development and their investments; Banque Palatine also confirmed its position in arranging financial solutions (structured loans, LBO, EuroPP, real estate, financing of senior executives) with 32 transactions arranged, generating fee income of more than €100,000, for a total of €9,249 million; - loans to companies based on their balance sheet resources remained relatively stable at €10,118 million, reflecting the strategy of adjustment of liabilities in the context of negative interest rates. <p>Private banking market</p> <p>The development of business activity with its core private banking customers composed of company senior executives and wealth management customers grew in accordance with ambitious targets set for the year.</p> <p>Thus, the conquest of private banking customers with more than €50,000 in assets at the start of the relationship achieved a record of 1,354 new accounts, up 9% compared with 2017. The conquest thus grew by 2.5 times in 5 years.</p> <p>The development of financial and balance sheet resources continues, despite the downturn in the financial markets, with total savings deposits of €4,529 million at the end of 2018, an increase of 1.7%. The net inflow was +€202 million compared to -€14 million in 2017.</p> <p>Outstanding real estate loans increased by 6% and amounted to €1.56 billion at end-2018.</p> <p>Financial activities</p> <p>Fiscal year 2018 was again marked by an unfavourable interest rate context.</p>

		<p>In this environment, Banque Palatine invested €372 million over the year in Eurozone sovereign bonds during the first half. At the end of 2018, the value of the portfolio stood at €1,655 million. This portfolio's objective is to constitute the liquidity reserve of the Liquidity Coverage Ratio ("LCR"). As this portfolio is eligible to be posted as collateral against central bank financing, these securities represent a secure source of funding for Banque Palatine.</p> <p>Banque Palatine's financial strategy is in line with the regulatory ratios set by the Group. The LCR remained above 100% throughout 2018. Thus, Banque Palatine's financing is assured by customer deposits thanks to a complete range of investment products. The ratio of loans to customer deposits was close to 100% at the end of the year. Banque Palatine therefore has a substantial customer deposit base giving it significant scope for commercial development.</p> <p>Banque Palatine maintained its targets for balance sheet management, limiting its liquidity and rate risks:</p> <ul style="list-style-type: none"> - managing short- and medium-long-term liquidity is first and foremost aimed at ensuring the refinancing of Banque Palatine while guaranteeing attractive loan terms for its customers; - the second objective is the strict control of interest-rate risk on the balance sheet. This approach allows Banque Palatine to manage changes in yields caused by interest rate movements. Through its careful management of its balance sheet, Banque Palatine is well-prepared for any future changes in interest rates. The residual gap measuring global interest-rate risk is now negative, which means Banque Palatine's balance sheet is favourably exposed to any rise in rates.
B.5	<p>Description of the Issuer Group and the position of the Issuer within the Group</p>	<p>Groupe BPCE is a cooperative group whose members own two retail banking networks: the 14 Banques Populaires and the 15 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central body.</p> <p>The Banque Populaire network consists of the Banque Populaire banks and the mutual guarantee companies granting them the exclusive benefit of their guarantees.</p> <p>The Caisse d'Epargne network consists of the Caisses d'Epargne and the local savings companies (LSCs).</p> <p>The Banque Populaire banks are wholly-owned by their cooperative members.</p> <p>The capital of the Caisse d'Epargne banks is wholly-owned by the local savings companies. Local savings companies are cooperative entities with open-ended share capital owned by cooperative members. They are tasked with coordinating the cooperative membership, in line with the general objectives laid down for the individual Caisse d'Epargne with which they are affiliated, and they cannot perform banking transactions.</p>

		<p>Banque Palatine, the bank for medium-sized companies and their leaders and private banking, has been supporting entrepreneurs both personally and professionally for more than 230 years. It uses its expertise with SMEs and medium-sized companies. Its network of 46 branches in France in synergy with the specialist business lines (asset, legal and tax engineering, investment advisory, global approach to leaders' wealth, corporate finance, property, international, trading room, etc.) currently support 12,800 companies and 64,000 individual customers.</p> <p>Wholly owned by the BPCE Group, Banque Palatine benefits from the strength and financial guarantees of France's second largest banking Group.</p>																														
B.9	Profit forecast or estimate	Not applicable. The Issuer does not publish profit forecasts or estimates.																														
B.10	Qualifications contained in the auditor's report	<p>The Issuer's consolidated accounts for the year ending 31 December 2018 were audited by the statutory auditors who issued a report appearing on pages 168 to 170 of the 2018 Financial Report. An audit report observation has been made by the auditor.</p> <p>The Issuer's consolidated accounts for the year ending 31 December 2017 were audited by the statutory auditors who issued a report appearing on pages 184 to 187 of the 2017 Financial Report. No audit report observation has been made by the auditor.</p>																														
B.12	Key historic financial information	<table border="1"> <thead> <tr> <th colspan="3">INCOME STATEMENT</th> </tr> <tr> <th>In millions of Euros</th> <th>Financial year 2018 (IFRS9)</th> <th>Financial year 2017 (IAS39)</th> </tr> </thead> <tbody> <tr> <td>Net Banking Income</td> <td>331.5</td> <td>319.3</td> </tr> <tr> <td>Gross Operating Profit</td> <td>79.0</td> <td>112.8</td> </tr> <tr> <td>Cost of risk</td> <td>(41.4)</td> <td>(39.5)</td> </tr> <tr> <td>Operating profit</td> <td>37.7</td> <td>73.3</td> </tr> <tr> <td>Net profit</td> <td>23.4</td> <td>45.9</td> </tr> <tr> <th colspan="3">BALANCE SHEET</th> </tr> <tr> <td>Assets</td> <td>15,170.9</td> <td>14 767.5*</td> </tr> <tr> <td>Liabilities</td> <td>15,170.9</td> <td>14 767.5*</td> </tr> </tbody> </table> <p>* Asset and Liability in IAS39 after IFRS9 reclassification. Amounts at 31 December 2017 correspond to the balance sheet published after reclassifications without change in the methods for measuring the financial assets and liabilities presented in IFRS 9 format. The impact of the first application of IFRS 9 on equity, linked to the implementation of the new impairment model, is a decrease of € 99 million before taxes. To cope with the changeover to IFRS 9, Banque Palatine issued TSSDI (perpetual subordinated notes) of € 100 million on 28/03/2018.</p> <p>The Core Equity Tier One ratio (CET1), as of 31 December 2018 is equal to 7.99%.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2018.</p> <p>There has been no significant change in the financial or trading position of</p>	INCOME STATEMENT			In millions of Euros	Financial year 2018 (IFRS9)	Financial year 2017 (IAS39)	Net Banking Income	331.5	319.3	Gross Operating Profit	79.0	112.8	Cost of risk	(41.4)	(39.5)	Operating profit	37.7	73.3	Net profit	23.4	45.9	BALANCE SHEET			Assets	15,170.9	14 767.5*	Liabilities	15,170.9	14 767.5*
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		the Issuer since 31 December 2018.
B.13	Recent events relating to the Issuer having a significant impact on the Issuer's solvency	Not applicable.
B.14	Dependence of the Issuer on other Group entities	Banque Palatine is 99.999% owned by the BPCE Group.
B.15	Principal activities of the Issuer	<p>Banque Palatine operates in two markets.</p> <p>The corporate market</p> <p>Growth in activity in the corporate market rests on a personalised approach to its customers, through national network of 30 agencies spread out over 6 regions (Greater West, Southern Mediterranean, Eastern Centre, Western Paris, Paris Centre and Eastern Paris) and its expertise, which make it possible, together with the specialised business lines of Groupe BPCE to offer a tailored and complete range of products and services.</p> <p>The retail market</p> <p>The development of commercial activity in the private customer market is based on the following:</p> <ul style="list-style-type: none"> - a national network of 34 branches dedicated to these customers; - its specialist business lines consisting of private bankers, wealth management specialists and experts in financing for company senior executives (capital transactions for businesses and capital incentive plans for senior executives), put their skills and know-how to work in support of the network; - a subsidiary dedicated to protected adult customers, with 4 locations in France (Paris, Nice, Lyon and Toulouse); - an extensive range of savings, investment and loan products, supported by the skills and know-how of Banque Palatine, of Groupe BPCE and external partners.
B.16	Entities or persons directly or indirectly owning or controlling the Issuer	Banque Palatine is 99.999% owned by the BPCE Group.
B.17	Rating assigned to the Issuer and/or its	The long-term debt of the Issuer is rated "A1 (stable outlook)" and for its short-term debt is rated "P-1" by Moody's Investors Service Ltd. (" Moody's ") and its long-term debt is rated "A+ (stable outlook)" and its

	securities	<p>short-term debt is rated "F1" by Fitch Ratings ("Fitch").</p> <p>Moody's and Fitch are established in the European Union and are registered under Regulation (EC) n° 1060/2009 of the European Parliament and Council dated 16 September 2009 on credit rating agencies (the "CRA Regulation") and is included in the list of rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk), in accordance with the CRA Regulation.</p> <p>The rating of the Notes, if any, shall be specified in the relevant Final Terms.</p> <p>The rating of the Notes may not necessarily be the same as the rating of the Issuer, and a rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.</p> <p><i>Summary of the issue</i></p> <p>[The Notes have not been rated]/[The Notes have been rated [●] by Moody's]/[and] [rated [●] by Fitch].</p>
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Section C – Securities

Element	Heading	
C.1	Type, class and identification of the Notes	<p>The aggregate nominal amount of Notes outstanding under the Euro Medium Term Note Programme (the Programme) will not at any time exceed Euro 5,000,000,000 (or the equivalent in other currencies at the date of issue).</p> <p>The Notes are issued by series (each a "Series"), on the same date or on different dates. The Notes of a single Series shall have identical terms and conditions (in all respects other than the issue date, the aggregate nominal amount and the first interest payment), the Notes of each Series being fungible. Each Series may be issued in tranches (each a "Tranche"), with the same issue date or different issue dates. The specific terms and conditions of each Tranche (including, but without limitation, the aggregate nominal amount, the Issue Price, the redemption amount and interest, if any, payable on such Notes), shall be determined by the Issuer and set forth in the Final Terms.</p> <p>The Notes shall be issued, at the option of the Issuer, either in bearer form (<i>au porteur</i>), entered in the books of Euroclear France (acting as central depository) which shall credit the accounts of the account holders with Euroclear France (the "Account Holders"), or in registered form and, in such case, at the option of the relevant holder, either in administered registered form (<i>au nominatif administré</i>), entered in the books of an Account Holder nominated by the relevant noteholder, or in fully registered form (<i>au nominatif pur</i>), entered in an account held by the Issuer or by a registration agent acting on behalf of the Issuer.</p> <p>An identification number for the Notes (ISIN Code) shall be specified in the</p>

		final terms applicable to each issue of Notes (the " Final Terms ").
		Summary of the issue
		Series N°: [●]
		Tranche N°: [●]
		Aggregate Nominal Amount: [●]
		ISIN Code: [●]
		Common Code: [●]
		Form of the Notes: [Dematerialised Notes [bearer] / [fully] / [administered] registered Notes (<i>au porteur/au nominatif pur/au nominatif administré</i>)]
		Central Depository: [Euroclear France]
C.2	Currencies	<p>Subject to compliance with all applicable laws, regulations and directives, the Notes may be issued in Euros, US dollars, Japanese yen, Swiss francs, Pounds Sterling or any other Currency as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms.</p> <p>Summary of the issue</p> <p>The Currency of the Notes is [●].</p>
C.5	Description of any restrictions on free transferability of the Notes	<p>Subject to certain restrictions on the purchase, offering, sale and delivery of Notes and the possession or distribution of the Base Prospectus or any other offering material, there are no restrictions on the free transferability of the Notes.</p> <p>Summary of the issue</p> <p>[insert any relevant selling restrictions applicable to the issue]</p>
C.8	Description of rights attaching to the Notes	<p>Issue Price</p> <p>The Notes may be issued at par or at a discount or premium to their nominal value.</p> <p>Specified denomination</p> <p>The Notes of a single Series shall be issued in the specified denomination set out in the relevant Final Terms and there may only be one single specified denomination per Series.</p> <p>Status</p> <p>The Notes constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer (subject to paragraph "<i>Negative pledge</i>" below) and rank equally amongst themselves and (subject to mandatory exceptions under French law) equally with all other unsubordinated and unsecured debt present</p>

	<p>or future of the Issuer.</p> <p><i>Negative pledge</i></p> <p>So long as any Notes remain outstanding, the Issuer shall not create or permit to subsist any mortgage over its real estate assets or rights that it does or may possess and shall not grant or permit to subsist any pledge over its business (<i>fonds de commerce</i>) to secure other obligations, unless the obligations of the Issuer under the Notes, are secured equally and rateably therewith.</p> <p>This obligation relates solely to issues of Notes by the Issuer and shall not prevent the Issuer from disposing of title to its property or granting any security over such property in any other circumstances.</p> <p><i>Events of default</i></p> <p>The Notes may become due and payable early if so requested by the holders or their Representative if:</p> <ul style="list-style-type: none"> • the Issuer is in default in the payment of principal of, or interest on, any Note when due and payable and such default continues for more than 45 days; • the Issuer is in default in the performance of any of its other obligations under the Notes and such default has not been cured within 60 calendar days; or • the Issuer makes a proposal for a general standstill in respect of its debts; enters into a safeguard procedure; or into an accelerated safeguard procedure; or into an accelerated financial safeguard procedure; or a judgment is entered for the judicial liquidation, or for a transfer of the whole of the business, of the Issuer; or, to the extent permitted by law, the Issuer is the subject of any other liquidation or bankruptcy procedure. <p><i>Taxation</i></p> <p>All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for any taxes or duties of whatever nature imposed, levied, collected or withheld by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.</p> <p>If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any taxes or duties, present or future, whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.</p> <p>All payments under the Notes are subject to all tax and other laws, regulations and directives, as provided in Condition 7.2 (<i>Payments subject to tax laws</i>).</p> <p><i>Governing law</i></p>
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		<p>The Notes are governed by French law.</p> <p>Summary of the issue</p> <p>Issue Price: [●]% of the Aggregate Nominal Amount [plus interest accrued as from [<i>insert date</i>] (if applicable)].</p> <p>Specified Denomination: [●]</p>
C.9	<p>Interest, maturity and redemption, yield and Noteholder representation</p>	<p>Please also refer to section C.8 above.</p> <p>Fixed Rate Notes</p> <p>Fixed-rate interest shall be payable in arrears on the date or dates in respect of each year specified in the relevant Final Terms.</p> <p>Floating Rate Notes</p> <p>Floating Rate Notes shall bear interest at the rate determined for each Series as follows:</p> <p>(a) on the same basis as the floating rate applicable to a notional interest rate swap agreement in the relevant Specified Currency, in accordance with the 2013 FBF Master Agreement as published by the <i>Fédération Bancaire Française</i> relating to transactions on forward financial instruments, as supplemented by the Technical Schedules, published by the FBF, or</p> <p>(b) on the same basis as the floating rate applicable to a notional interest rate swap agreement in the relevant Specified Currency, in accordance with an agreement incorporating the ISDA Definitions 2006 as published, supplemented and amended by the <i>International Swap and Derivatives Association, Inc.</i>, or</p> <p>(c) on the basis of a Reference Rate appearing on an agreed screen page of an official quotation service or financial database (including EURIBOR, EONIA, LIBOR, TEC10 or CMS Rate), subject to the application of the provisions of a Benchmark Discontinuation, if applicable.</p> <p>in each case, as adjusted upwards or downwards by reference to any applicable margin, and calculated and payable in accordance with the relevant Final Terms. Floating Rate Notes may also have a maximum interest rate, minimum interest rate, or both. Unless a higher minimum interest rate is specified in the relevant Final Terms, the minimum interest rate shall be deemed equal to zero.</p> <p>Fixed/Floating Rate Notes</p> <p>Fixed/Floating Rate Notes for which a change of interest is specified to be applicable may be issued by the Issuer.</p> <p>Zero Coupon Notes</p> <p>Zero Coupon Notes do not bear interest except in the case of late payment.</p>

	<p><i>Underlying Linked Notes</i></p> <p>For interest payments in respect of Underlying Linked Notes, refer to paragraphs C.10 and C.18.</p> <p><i>Interest Periods and Rates of Interest</i></p> <p>The Final Terms shall specify the interest calculation basis (fixed, floating or linked to an Underlying).</p> <p><i>Interest Commencement Date</i></p> <p>The Interest Commencement Date shall be specified in the relevant Final Terms.</p> <p><i>Maturity</i></p> <p>The Notes may have any agreed maturity.</p> <p><i>Redemption</i></p> <p>Subject to purchase and cancellation or early redemption, the Notes shall be redeemed on the Maturity Date at the Final Redemption Amount specified in the relevant Final Terms. The redemption amount may be below par.</p> <p>For Underlying Linked Notes, the Final Redemption Amount shall be calculated by reference to the following calculation formulas (each a "Final Payout") as specified in the relevant Final Terms:</p> <p>SPS Fixed Percentage Notes, SPS Reverse Convertible Notes, SPS Reverse Convertible Standard Notes, Vanilla Call Notes, Vanilla Call Spread Notes, Vanilla Put Notes, Vanilla Put Spread Notes, Vanilla Digital Notes, Knock-Out Vanilla Call Notes, Asian Notes, Capped Asian Notes, Himalaya Notes, Autocall Notes, Autocall One Touch Notes, Autocall Standard Notes, Booster Notes, Bonus Notes, Leveraged Notes, Twin Win Notes, Sprinter Notes, Generic Notes, Digital-A Generic Notes, Digital-B Generic Notes, Ratchet Notes, Sum Notes, Max Notes, FI FX Vanilla Notes, FI Digital Floor Notes, FI Digital Cap Notes, FI Digital Plus Notes or FI Inflation Linked Notes.</p> <p><i>Early Redemption</i></p> <p>The Early Redemption Amount payable under the Notes shall be specified in the relevant Final Terms.</p> <p>For Underlying Linked Notes, the Early Redemption Amount (where applicable) shall be calculated by reference to the Automatic Early Redemption Payout or Automatic Early Redemption Rate.</p> <p><i>Optional Redemption</i></p> <p>The Final Terms prepared in respect of each issue of Notes shall specify whether such Notes may be redeemed prior to the scheduled Maturity Date at the option of the Issuer (in whole or in part) and/or the Noteholders and, if so, the terms of such redemption by reference to the Call Payout or Put Payout, as the case may be.</p>
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	<p>Redemption for tax reasons</p> <p>The Notes may be redeemed early at the option of the Issuer for tax reasons.</p> <p>Representation of Noteholders</p> <p>The Noteholders of all Tranches of the same Series shall be automatically grouped together for the defence of their common interest in a <i>masse</i> (in each case, the "Masse") and the provisions of L. 228-46 and seq. of the French <i>Code de commerce</i> relating to the Masse, as amended and supplemented by the Terms and Conditions, shall apply.</p> <p>The Masse will act in part through the intermediary of a representative (the "Representative") whose identity and remuneration for performing such function shall be specified in the relevant Final Terms and in part through collective decisions of the Noteholders (the "Collective Decisions"). Collective Decisions are adopted either in a general meeting or through a written decision.</p> <p>Summary of the issue</p> <p>Interest Basis: [Fixed Rate of [●]%/ / [[LIBOR/EURIBOR/EONIA/TEC10/CMS Rate] +/- [●] % Floating Rate] / [Fixed Rate of [●] % followed by [[LIBOR/EURIBOR/EONIA/TEC10/CMS Rate] +/- [●] % Floating Rate] / [[[LIBOR/EURIBOR/EONIA/TEC10/CMS Rate] +/- [●] % Floating Rate followed by a Fixed Rate of [●] %] / [Zero Coupon] / [Zero Coupon redeemable prior to its Maturity Date]. /</p> <p>[For interest payments relating to Underlying Linked Notes, refer to paragraphs C.10 and C.18 below.]</p> <p>Benchmark Replacement : [Applicable] / [Not Applicable]</p> <p>Interest Commencement Date: [Specify]</p> <p>Maturity Date: [Specify]</p> <p>Final Redemption Amount: [[●] per Note of [●]] / [in the case of Underlying Linked Notes, reproduce where applicable the relevant calculation formula]</p> <p>Early Redemption Amount: [Applicable: [Specify the Early Redemption Amount and, in the case of Underlying Linked Notes, reproduce where applicable the relevant calculation formula]] / [Not applicable]</p> <p>Notes redeemable by instalments: [Applicable: The Notes are redeemable in [●] instalments of [●] payable on [●], [●], [●]] [Specify. In the case of Underlying Linked Notes, reproduce where applicable the relevant calculation formula] / [Not applicable]</p> <p>Issuer Redemption Option: [Applicable: [Specify the optional redemption amount and, in the case of Underlying Linked Notes, reproduce where applicable the relevant calculation formula]] / [Not applicable]</p> <p>Noteholder Redemption Option: [Applicable: [Specify the optional redemption amount and, in the case of Underlying Linked Notes, reproduce</p>
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		<p><i>where applicable the relevant calculation formula]] / [Not applicable]</i></p> <p>Yield: [Applicable: <i>[for Fixed Rate Notes, specify the yield]</i> / [Not applicable]</p> <p>Representation of Noteholders: The Noteholders of all Tranches of the same Series shall be automatically grouped together for the defence of their common interest in a <i>masse</i> (in each case, the "Masse") and the provisions of L. 228-46 and seq. of the French <i>Code de commerce</i> relating to the Masse, as amended and supplemented by the Terms and Conditions, shall apply.</p> <p>The Masse will act in part and shall act through the intermediary of a titular representative (the "Representative") whose identity and remuneration for performing such function shall be specified in the relevant Final Terms and an alternate representative in part through collective decisions of the Noteholders (the "Collective Decisions"). Collective Decisions are adopted either in a general meeting or through a written decision, whose identity and remuneration for performing such function shall be specified in the relevant Final Terms.</p> <p>The names and contact details of the titular and alternate representatives are [●]. The fees payable to them in respect of such functions are [●].</p> <p>The Representative appointed for the first Tranche of any Series of Notes shall be the representative of the single <i>Masse</i> for all other Tranches of the same Series.</p> <p>These provisions relating to the <i>Masse</i> shall not apply in the case where all of the Notes of a single Series are held by a single Noteholder.</p>
C.10	Payment of interest on derivative instruments	<p>Please also refer to section C.9 above.</p> <p>The payment of interest on Underlying Linked Notes may be linked to various types of Underlyings, such as one or more index/indices, shares, inflation index/indices, funds, commodities, exchange rates, interest rates, or any combination of such Underlyings ("Hybrid Notes").</p> <p>The value of an investment in Underlying Linked Notes is affected by that of the Underlying as described in section C.15 below.</p> <p>Summary of the issue</p> <p>Payment of interest on Underlying Linked Notes is linked to:</p> <p><i>[for Equity Linked Notes (single share or basket of shares): Specify the single share or the basket of shares] /</i></p> <p><i>[for Fund Linked Notes (single fund or basket of funds): Specify the fund(s)] /</i></p> <p><i>[for Index Linked Notes (single index or basket of indices): Specify the index/indices] /</i></p> <p><i>[for Commodity Linked Notes (one or more Commodity(ies)): Specify the commodity(ies)] /</i></p> <p><i>[for FX Linked Notes (one or more Exchange Rate(s)): Specify the exchange</i></p>

		<p>rate(s)] /</p> <p><i>[for Underlying Interest Rate Linked Notes (one or more Underlying Interest Rate(s)): Specify the interest rate(s)] /</i></p> <p><i>[for Inflation Index Linked Notes: Specify the inflation index] /</i></p> <p><i>[for Hybrid Notes: Specify the single share or the basket of shares / fund(s) / index/indices / commodity(ies) / exchange rate(s) / interest rate(s) and/or inflation index(indices)].</i></p>
C.11	Listing and admission to trading	<p>The Notes may be admitted to trading on Euronext Paris and/or any other regulated market and/or non-regulated market, as specified in the relevant Final Terms. A Series of Notes may also not be admitted to trading.</p> <p>Summary of the issue</p> <p>[The Notes shall be admitted to trading on [Euronext Paris] / [●] / Not applicable.]</p>
C.15	Description of the impact of the value of the underlying on the value of the investment	<p>The redemption amounts, interest amounts and physical delivery entitlement amounts on Underlying Linked Notes depend on the value of the Underlying which may affect the value of an investment in the Notes.</p> <p>Summary of the issue</p> <p>The value of the Underlying Linked Notes may be affected by:</p> <p>[the performance <i>[for Equity Linked Notes (single share or basket of shares):</i> of a share or basket of shares] /</p> <p><i>[for Fund Linked Notes (single fund or basket of funds):</i> of a fund or basket of funds] /</p> <p><i>for Index Linked Notes (single index or basket of indices):</i> of an index or basket of indices] /</p> <p><i>[for Inflation Index Linked Notes: [insert the applicable inflation index]/</i></p> <p><i>[for Commodity Linked Notes (one or more Commodities):</i> of a Commodity or several Commodities] /</p> <p><i>[for FX Linked Notes (one or more Exchange Rate(s)):</i> of an exchange rate or exchange rates] /</p> <p><i>[for Underlying Interest Rate Linked Notes (one or more Underlying Interest Rate(s)):</i> of an interest rate or interest rates]</p> <p><i>[for Hybrid Notes:</i> of a share or basket of shares / a fund or basket of funds / an index or basket of indices / <i>[insert the applicable inflation index]</i> / a Commodity or several Commodities / an exchange rate or exchange rates / an interest rate or interest rates].</p> <p>Indeed, [such Underlying has] / [such Underlyings have] an impact on the final redemption amount and the early redemption amount which are calculated in accordance with the formula specified in section C.9 above and on the amount of interest which is calculated in accordance with the formula</p>

		specified in section C.18 below.
C.16	Underlying Linked Notes – Maturity	<p>Subject to compliance with all applicable laws, regulations and directives, any maturity of one month minimum, from the initial issue date.</p> <p><i>Summary of the issue</i></p> <p>The maturity date of the Underlying Linked Notes is [<i>specify the maturity date</i>].</p>
C.17	Underlying Linked Notes – Settlement-Delivery	<p>Underlying Linked Notes shall be redeemed in cash, other than the following Notes which may also be redeemed by physical delivery: Equity Linked Notes (Single share or Basket of shares), Fund Linked Notes (Single fund or Basket of funds).</p> <p>The selected settlement method shall be specified in the Final Terms. The physical settlement date for Underlying Linked Notes to which, if relevant, physical settlement applies shall be the Maturity Date, subject to the occurrence of a Settlement Disruption Event.</p> <p><i>Summary of the issue</i></p> <p>The Underlying Linked Notes linked to one or more Underlying(s) shall be settled [in cash] / [by physical delivery].</p>
C.18	Proceeds of Underlying Linked Notes	<p>The proceeds of Underlying Linked Notes shall be calculated in accordance with the following formulas: SPS Fixed Coupon, Digital Coupon, Snowball Digital Coupon, Accrual Digital Coupon, Stellar Coupon, Cappuccino Coupon, Ratchet Coupon, Driver Coupon, Sum Coupon, Max Coupon, Min Coupon, FI Digital Coupon, Range Accrual Coupon, Combination Floater Coupon, PRDC Coupon, FI Digital Floor Coupon, FI Digital Cap Coupon or FI Target Coupon.</p> <p>Underlying Linked Notes may also bear interest at a fixed rate or floating rate.</p> <p><i>Summary of the issue</i></p> <p>The proceeds of the Underlying Linked Notes are calculated in accordance with the calculation formula [<i>reproduce the relevant calculation formula</i>].</p>
C.19	Underlying Linked Notes – Final Price, Closing Price, Reference Price or Final Level	<p>The Final Price, Reference Price, Closing Price or Final Level of the Underlying Linked Notes and any other reference price shall be specified in the relevant Final Terms and determined in accordance with the terms set forth in the Conditions.</p> <p><i>Summary of the issue</i></p> <p>[<i>for Inflation Index Linked Notes, FX Linked Notes, Underlying Interest Rate Linked Notes: Not applicable</i>] /</p> <p>[<i>for Equity Linked Notes (single share or basket of shares), Fund Linked Notes (single fund or basket of funds): The Closing Price is [specify the applicable price]</i>]/</p> <p>[<i>for Index Linked Notes (single index or basket of indices): The Final Level is</i></p>

		<p>[specify the relevant level]]</p> <p>[for Commodity Linked Notes (one or more Commodities): The Reference Price is [specify the applicable price]]</p>
C.20	Underlying Linked Notes – Description of the underlying and places where relevant information can be obtained	<p>The underlying (the "Reference Underlying") in respect of Underlying Linked Notes may be a share, an index, an inflation index, a fund unit, a commodity, an exchange rate, an interest rate or a basket of some of the above, or any formula, strategy or combination thereof, as specified in the relevant Final Terms.</p> <p>Summary of the issue</p> <p>The underlying(s) of the Underlying Linked Notes [is/are] [for Equity Linked Notes (single share or basket of shares): specify the share or basket of shares] / [for Fund Linked Notes (single fund or basket of funds): specify the fund or basket of funds] / [for Index Linked Notes (single index or basket of indices): specify the index or basket of indices] / [for Inflation Index Linked Notes: the inflation index] / [for Commodity Linked Notes (one or more Commodities): specify the commodity(ies)] / [for FX Linked Notes (one or more Exchange Rate(s)): specify the exchange rate(s)] / [for Underlying Interest Rate Linked Notes (one or more Underlying Interest Rate(s)): specify the Rate(s) of Interest],</p> <p>Information on such underlying(s) may be found [insert the relevant website, etc].</p>
C.21	Market where Notes will be traded	<p>The relevant Final Terms shall specify, if relevant, the regulated market(s) for which it is intended that this Base Prospectus shall be published, as specified in section C.11 above.</p> <p>Summary of the issue</p> <p>For information on the market(s) on which the Notes shall, if relevant, be traded and for which the Base Prospectus has been published, please refer to section C.11 above.</p>

Section D - Risks

Element	Heading	
D.2	Key information on the principal risks specific to the Issuer or its business and operations	<p>Prospective investors should consider, among other things, the risk factors relating to the Issuer, its operations and its industry and that may affect the Issuer's ability to fulfill its obligations under the Notes issued under the Programme. These risk factors include the following:</p> <p>Risks related to Banque Palatine's 2018-2020 Strategic Plan:</p> <ul style="list-style-type: none"> – Banque Palatine may not realise the objectives in its 2018-2020 Strategic Plan; <p>Risks related to Banque Palatine's activities and the banking sector:</p> <ul style="list-style-type: none"> – Banque Palatine is exposed to several risks related to the banking sector, including credit risks, market and liquidity risks, operational

		<p>risk and insurance risk;</p> <ul style="list-style-type: none"> – Recent economic and financial conditions in Europe have had and may continue to have an impact on Banque Palatine and the markets in which it operates; – The United Kingdom’s vote to leave the European Union could have an adverse impact on Banque Palatine and its markets of operation; – Legislative action and regulatory measures in response to the global financial crisis may materially impact Banque Palatine and the financial and economic environment in which it operates; – Banque Palatine’s ability to attract and retain qualified employees is critical to the success of its business and any failure to do so may significantly affect its performance; – Banque Palatine must maintain high credit ratings or its business and profitability could be adversely affected; – A substantial increase in new asset impairment charges or a shortfall in the level of previously recorded asset impairment charges in respect of Banque Palatine’s loan and receivables portfolio could adversely affect its results of operations and financial condition; – Changes in the fair value of Banque Palatine’s securities and derivatives portfolios and its own debt could have an impact on the carrying value of such assets and liabilities, and thus on net income and shareholders’ equity; – An economic environment characterised by sustained low interest rates could adversely affect the profitability and financial condition of Banque Palatine; – Future events may differ from those reflected in the assumptions used by management in the preparation of Banque Palatine’s financial statements, which may cause unexpected losses in the future; – Investment activities may be impacted by market fluctuation and volatility; – Banque Palatine may generate lower revenues from commission and fee-based businesses during market downturns; – An extended market decline may reduce the liquidity of assets and make it more difficult to sell them. Such a situation could give rise to significant losses; – Significant interest rate changes could adversely affect Banque Palatine’s net banking income or profitability; – Significant foreign exchange rate changes could adversely affect Banque Palatine’s net banking income or profitability; – Intense competition in Banque Palatine’s main market of France could adversely affect its net revenues and profitability; – Any interruption or failure of Banque Palatine’s information systems, or those of third parties, may result in lost business and other losses; – Unforeseen events may cause an interruption of Banque Palatine’s operations and cause substantial losses as well as additional costs; – Banque Palatine may be vulnerable to political, macroeconomic and
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		<p>financial environments or to specific circumstances in the countries it operates;</p> <ul style="list-style-type: none"> – Banque Palatine is subject to significant regulation in France and in several other countries; regulatory actions and changes in these regulations could adversely affect Banque Palatine’s business and results; – Tax law and its application in France are likely to have a significant impact on Banque Palatine’s results; – A failure of or inadequacy in Banque Palatine’s risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses; – The hedging strategies implemented by Banque Palatine do not eliminate all risk of loss; – Difficulties could be encountered in connection with an acquisition or a joint-venture in order to adapt, implement or integrate the policy of Banque Palatine; – The financial soundness and behavior of other financial institutions and market participants could have an adverse impact on Banque Palatine; – Banque Palatine’s profitability and business outlook could be adversely affected by reputational and legal risk; <p>Risks related to BPCE’s group as majority shareholder of Banque Palatine:</p> <ul style="list-style-type: none"> – Banque Palatine may suffer a lack of liquidity in case of one of the entities of Groupe BPCE, part of the financial solidarity mechanism, encounter financial difficulties; and – Banque Palatine is subject to the EU Recovery and Resolution Directive: the provisions of the EU Recovery and Resolution Directive (the "BRRD") may impact the way credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. In particular, potential investors in the Notes should consider the risk of losing all or a part of their investment, including the principal and any interests, if measures such as the bail-in is used. The implementation of resolution measures by the competent resolution authority could adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.
D.3	Key information on the principal risks regarding the Notes	<p>In addition to the risks (including default risk) that may affect the ability of the Issuer to satisfy its obligations under Notes issued under the Programme, certain factors are fundamental in determining the market risks relating to Notes issued under the Programme. These factors include:</p> <p>Financial risks</p> <ul style="list-style-type: none"> – Credit risk. The Issuer may not be able to reimburse the Notes to the investor. – The Notes may not be a suitable investment for all investors. Each potential investor should determine the suitability of an investment in the Notes in light of its own particular circumstances. – The Notes may include an option for the Issuer to redeem the notes

		<p>early. Notes with an optional redemption provision are likely to limit their market value. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such 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.</p> <ul style="list-style-type: none"> – Payment of principal on the Notes may not be guaranteed, which may result in a total or partial loss of the initial investment. – Floating Rate Notes are linked to a rate which is or might be subject to regulatory reforms relating to the new Benchmarks regulation, the risk of discontinuance of LIBOR or other benchmarks and the occurrence of a Benchmark Event. – Risk on returns. The actual return on the Notes obtained by the Noteholder may be less than the stated return due to transaction costs. – The market value of Notes issued below par or with an issue premium tends to fluctuate more in relation to changes in interest rates than the market value for conventional interest-bearing Notes. – If payments (whether of principal and/or interest, and whether at maturity or otherwise) on the Underlying Linked Notes are calculated by reference to one or more Underlying(s), the return on the Notes is based on changes in the value of the Underlying, which itself fluctuates. Fluctuations in the value of the Underlying are unpredictable. Fluctuations in the value of the Underlying are unforeseeable. Although it may be possible to obtain historic data on the Underlying, historic performance of the Underlying should not be taken as an indication of future performance. – The use of leverage may increase the risk of loss in value of an Underlying Linked Note. <p>Refer to "Summary of the issue" below for certain risks specific to each type of Note.</p> <p>Legal risks</p> <p><i>Taxation</i></p> <p>Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes.</p> <p><i>Changes to existing legislation</i></p> <p>The Notes are governed by French law in effect on the date of the Base Prospectus. No assurance can be given that any possible judicial decision or change of administrative practice after the date of this Base Prospectus will not have an impact on the Notes.</p> <p><i>Modification of the Terms and Conditions of the Notes</i></p> <p>Noteholders not present or represented at a General Meeting of Noteholders</p>
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	<p>or those that voted contrary to the will of the majority or those who did not respond to, or rejected, a Written Decision may be bound by the vote of Noteholders present or represented even if they disagree with the vote.</p> <p><i>Summary of the issue</i></p> <p><i>[for Fixed Rate Notes, insert the following paragraphs:</i></p> <p>Fixed Rate Notes may change in value due to changes in interest rates.</p> <p>Investors in Fixed Rate Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes.]</p> <p><i>[for Fixed/Floating Rate Notes, insert the following paragraph:</i></p> <p>Fixed/Floating Rate Notes may bear interest at a fixed rate that the Issuer may elect to convert to a floating rate, or at a floating rate that the Issuer may elect to convert to a fixed rate. Where the Issuer has the right to effect such conversion, this rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Notes may be less favourable than the then prevailing spreads on Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its other Notes.]</p> <p><i>[for Floating Rate Notes, insert the following paragraphs:</i></p> <p>Investment in Floating Rate Notes involves (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such reference rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment of the reference rate (for example, every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of Floating Rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.</p> <p>Notes with variable interest rates can be volatile investments. If they are structured to include caps or floors, or any combination of those features or other similar related features, their market value may be even more volatile than that for Notes that do not include such features.</p> <p>In addition, Floating Rate Notes are linked to rate which is or might be subject to regulatory reforms relating to the new Benchmarks regulation, the risk of discontinuance of LIBOR or other benchmarks and the occurrence of a Benchmark Event.]</p> <p><i>[for Inverse Floating Rate Notes, insert the following paragraph:</i></p> <p>Inverse Floating Rate Notes have a yield equal to a fixed rate, less a rate calculated by reference to a rate such as LIBOR. The market value of such Notes is typically more volatile than the market value of other conventional</p>
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	<p>floating rate debt securities with the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.]</p> <p><i>[for Zero Coupon Notes, insert the following paragraphs:</i></p> <p>Zero Coupon Notes and Notes issued at a substantial discount or with an issue premium tend to fluctuate in value more than Notes that are not issued below par.</p> <p>Changes in interest rates generally have a much greater impact on the price of Zero Coupon Notes and Notes issued at a substantial discount or with an issue premium than on the price of ordinary securities because the issue price of securities issued at below par are well below par. If interest rates rise, Zero Coupon Notes and Notes issued at a substantial discount or with an issue premium may suffer greater losses than other securities with the same maturity or credit rating.]</p> <p><i>[for Partly Paid Notes, insert the following paragraph:</i></p> <p>The Issuer may issue Notes for which the issue price is payable by the Noteholder in two or more instalments on the dates set forth in the Final Terms. Failure to pay any subsequent instalment may constitute an early redemption event and could result in an investor losing some or all of its investment depending on market conditions.]</p> <p><i>[for Underlying Linked Notes, insert the following paragraphs:</i></p> <p>Risks relating to exposure to the underlying</p> <p><i>(insert the type of Underlying Linked Note issued)</i></p> <p>Equity Linked Notes (single share or basket of shares) / Fund Linked Notes (single fund or basket of funds) / Index Linked Notes (single index or basket of indices) / Inflation Index Linked Notes / FX Linked Notes (one or more exchange rate(s)) / Underlying Interest Rate Linked Notes (one or more underlying interest rate(s)) / Hybrid Notes provide exposure to:</p> <p><i>(insert the applicable underlying)</i></p> <p>a single share / basket of shares / a single fund / basket of funds / a single index / basket of indices and/or inflation index / one or more commodities / one or more exchange rates / and/or one or more underlying interest rate(s) (each an "Underlying").</p> <p>Such Notes may involve the same or even greater level of risk (in particular where leverage is used) as a direct investment in the Underlying.</p> <p><i>Specific risks relating to the nature of the Underlying</i></p> <p>Each Underlying involves specific risks which may result in the holder of the Notes losing all or part of its investment. The yield or redemption amount payable on a Note may fluctuate depending on changes to the rate or price of each relevant Underlying. Such specific risks may also involve extraordinary events affecting the relevant Underlying. Investors should understand the</p>
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		specific risks likely to affect each relevant Underlying before investing in such Notes.]
D.6	Principal risks specific to Underlying Linked Notes	Please also refer to section D.3 above. Warning: in certain circumstances, Noteholders may lose all or part of the value of their investment as a result of the application of the terms and conditions of the Notes.

Section E - Offer

Element	Heading	
E.2b	Reasons for the Offer and use of the proceeds of the Offer	The net proceeds of issue of each Tranche of Notes shall be used to finance the Issuer's business, unless provided otherwise in the relevant Final Terms. <i>Summary of the issue</i> [The net proceeds of issue of the Notes shall be used to finance the Issuer's business.] / [Other (specify).]
E.3	Conditions of the Offer	The Notes may be offered to the public in France and/or in any other European Economic Area Member State, in which the Base Prospectus has been "passport" and which is specified in the relevant Final Terms. Except as provided in section A.2 above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person under any circumstances and no such person is permitted to use the Prospectus in connection with the offer of any Notes. Such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and neither the Issuer nor any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers. There are restrictions on the purchase, offering, sale and delivery of Notes and the possession or distribution of the Base Prospectus or any other offering material in various countries. <i>Summary of the issue</i> [Not applicable, the Notes are not being offered to the public.] / [The Notes are being offered to the public in [●]]. Offer Period: From [●] to [●]. Offer Price: [●]. Conditions to which the Offer is subject: [●]. Description of the subscription application procedure: [Not applicable]/[●]. Information on minimum and/or maximum subscription amounts: [Not applicable]/[●]. Method and date of publication of results of the Offer: [Not applicable]/[●].

E.4	Interests, including conflicts of interest, that may materially affect the issue/offer	<p>The relevant Final Terms shall specify the interests of natural or legal persons involved in the issue of the Notes.</p> <p><i>Summary of the issue</i></p> <p>[Not applicable, as far as the Issuer is aware, no person involved in the issue has an interest material to the issue or offering of the Notes.] /</p> <p>[Subject to potential conflicts of interest arising [<i>specify</i>], as far as the Issuer is aware, no person involved in the issue has an interest material to the issue or offering of the Notes.]</p>
E.7	Estimated expenses charged to the investor by the Issuer or offeror	<p>The relevant Final Terms shall specify the estimated expenses for each Tranche of Notes.</p> <p><i>Summary of the issue</i></p> <p>[Expenses to be charged to the investor are estimated at [●].] / [Not applicable, no expenses will be charged to the investor.]</p>

RISK FACTORS

Terms in capital letters and not defined in this section shall have the meaning given to them in the section "Terms and Conditions of the Notes".

1. RISKS RELATING TO THE ISSUER AND ITS ACTIVITIES

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may concern the Issuer or any of its subsidiaries.

The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons than those identified below and the Issuer does not represent that the risks of holding any Notes as identified below are exhaustive. The risks described below and in the documents incorporated by reference are not the only risks to which the Issuer may be exposed. Other risks and uncertainties which today are unknown to the Issuer or which the Issuer does not currently consider to be significant may also have a significant impact on its business. Prospective investors should also read the detailed information set out elsewhere or incorporated by reference in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should form their own opinion as to the risks associated with the Issuer before investing in Notes issued under the Programme. The attention of investors is drawn to the fact that they may lose all or part, as the case may be, of the value of their investment.

The order in which the following risk factors are presented is not an indication of the likelihood of their occurrence.

RISK FACTORS RELATING TO THE ISSUER

See 2018 Financial Report, pages 171 to 202.

Risks related to Banque Palatine's 2018-2020 Strategic Plan:

Banque Palatine may not realise the objectives in its 2018-2020 Strategic Plan

Banque Palatine launched its new strategic plan, Envol. This plan, within the framework of Groupe BPCE's TEC 2020 plan, covers the 2018-2020 period. Envol brings together 5 strategic orientations: (i) accelerate development and adapt the distribution model; (ii) strengthen operational efficiency; (iii) support our human capital and aim for excellence; (iv) strengthen our commitment to society; (v) develop synergies within the Group. There were 32 projects that were identified to implement these orientations, including the migration of Banque Palatine's information system to the i-BP platform of Groupe BPCE. This document contains forward-looking information, which is necessarily subject to uncertainty. In particular, in connection with the 2018-2020 Strategic Plan, Banque Palatine announced a number of financial targets, including for revenue growth and cost reduction, as well as targets for liquidity and regulatory capital ratios. The financial objectives were established primarily for purposes of planning and allocation of resources, are based on a number of assumptions, and do not constitute projections or forecasts of anticipated results. The actual results of Banque Palatine are likely to vary (and could vary significantly) from these targets for a number of reasons, including the materialisation of one or more of the risk factors described in this section "Risk Factors" of this Base Prospectus. If Banque Palatine does not realize its objectives, then its financial condition and the value of the Notes could be adversely affected.

Risks related to Banque Palatine's activities and the banking sector:

Risk Factors relating to Banque Palatine's activities and the banking sector

Banque Palatine is exposed to several risks related to the banking sector.

There are four main categories of risks inherent in Banque Palatine's activities, which are summarised below. The risk factors that follow elaborate on or give specific examples of these different types of risks, and describe certain additional risks faced by Banque Palatine.

- **Counterparty Risk.** Credit risk is the risk of financial loss relating to the failure of a counterparty to meet, in whole or in part, its contractual obligations. The counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, a natural person or any client of the bank. Counterparty risk arises in lending activities and also in various other activities where Banque Palatine is exposed to the risk of counterparty default, such as its trading, capital markets, derivatives and settlement activities. With respect to home loans, the degree of credit risk also depends on the value of the home that secures the relevant loan.
- **Market and Liquidity Risk.** Market risk is the risk to the issuer's profits that arises primarily from adverse movements of market parameters. These parameters include, but are not limited to, foreign exchange rates, bond prices and interest rates, securities and commodities prices, derivatives prices, credit spreads on financial instruments and prices of other assets such as real estate. Liquidity is also an important component of market risk. In instances of little or no liquidity, a market instrument or transferable asset may not be negotiable at its estimated value (as was the case for some categories of assets in the recent disrupted market environment). A lack of liquidity can arise due to diminished access to capital markets, unforeseen cash or capital requirements or legal restrictions. Market risk arises in trading portfolios and in non-trading portfolios. In non-trading portfolios, it encompasses:
 - the risk associated with asset and liability management, which is the risk to earnings arising from asset and liability mismatches in the banking book. This risk is driven primarily by interest rate risk;
 - the risk associated with investment activities, which is directly connected to changes in the value of invested assets within securities portfolios, which can be recorded either in the income statement or directly in shareholders' equity; and
 - the risk associated with certain other activities, such as real estate, which is indirectly affected by changes in the value of negotiable assets.
- **Operational Risk.** Operational risk is the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Internal processes include, but are not limited to, human resources and information systems, risk management and internal controls (including fraud prevention), legal risk, accounting risk, compliance and reputational risks. External events include floods, fires, windstorms, earthquakes or terrorist attacks.
- **Insurance Risk.** Insurance risk is the risk to earnings due to mismatches between expected and actual claims. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behavior, changes in public health, pandemics, accidents and catastrophic events (such as earthquakes, windstorms, industrial disasters, or acts of terrorism or war).

Recent economic and financial conditions in Europe have had and may continue to have an impact on Banque Palatine and the markets in which it operates

European markets have recently experienced significant disruptions that have affected economic growth. Initially originating from concerns regarding the ability of certain countries in the euro-zone to refinance their debt obligations, these disruptions have created uncertainty more generally regarding the near-term economic prospects of countries in the European Union, as well as the quality of debt obligations of sovereign debtors in the European Union. There has also been an indirect impact on financial markets in Europe and worldwide.

While Banque Palatine's holdings of sovereign bonds affected by the crisis has been limited, Banque Palatine has been indirectly affected by the spread of the consequences of the euro-zone crisis, which has affected most countries in the euro-zone, including the Banque Palatine's home market of France. The credit ratings of French sovereign obligations were downgraded by certain rating agencies in recent years, in some cases resulting in the mechanical downgrading of the credit ratings by the same agencies of French commercial banks' senior and subordinated debt issues. More recently, anti-austerity sentiment has led to political uncertainty in certain European countries, and financial and banking markets have been affected by other factors, such as the many unconventional economic support programs introduced by the European Central Bank (the "ECB") and other central banks. Financial markets have also experienced sharp market volatility in response to a variety of events, including the slump in oil and commodity prices, the slowdown in the emerging market economies and turmoil in equity markets, among others.

The referendum in Great Britain on the "Brexit" also affected the markets as it raised the uncertainty on the future of the euro-zone.

If economic or market conditions in France or elsewhere in Europe were to deteriorate further, the markets in which Banque Palatine operates could be more significantly disrupted, and its business, results of operations and financial condition could be adversely affected.

The United Kingdom's vote to leave the European Union could have an adverse impact on Banque Palatine and its markets of operation;

On 23 June 2016, the voters of the United Kingdom chose to exit the European Union ("**Brexit**"). On 29 March 2017, Article 50 of the Treaty on the European Union (the "**Lisbon Treaty**") relating to withdrawal was invoked by the government of the United Kingdom. The Brexit was expected to take effect on 29 March 2019. It has been reported until 31 October 2019. Although negotiations have begun to determine future relations between the United Kingdom and the European Union, the nature, timetable as well as the economic and political impacts of a potential Brexit are still highly uncertain. This uncertainty creates and may continue to spark major disturbances on the European markets, and on the global economic and financial markets, potentially impacting Banque Palatine activity and results.

Legislative action and regulatory measures in response to the global financial crisis may materially impact Banque Palatine and the financial and economic environment in which it operates.

Legislation and regulations have recently 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 global financial crisis, the impact of the new measures could be to change substantially the environment in which Banque Palatine and other financial institutions operate.

The measures that have been or may be adopted include more stringent capital and liquidity requirements, taxes on financial transactions, limits or taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly

proprietary trading and investment and ownership in private equity funds and hedge funds), or new ring-fencing requirements relating to certain activities, enhanced prudential standards applicable to large non-U.S.-based banking organisations, restrictions on the types of entities permitted to conduct swap activities, restrictions on certain types of activities or financial products such as derivatives, mandatory write-down or conversion into equity of certain debt instruments, enhanced recovery and resolution regimes, revised risk-weighting methodologies (particularly with respect to insurance businesses), periodic stress testing and the creation of new and strengthened regulatory bodies including the transfer of certain supervisory functions to the ECB, which became effective on 4 November 2014. Some of the new measures are proposals that are under discussion and that are subject to revision and interpretation, and need adapting to each country's framework by national regulators.

As a result of some of these measures, Banque Palatine has restrained, and may further restrain, the size and the scope of certain of its activities in order to allow it to comply with the new requirements. These measures may also increase compliance costs. This could lead to reduced consolidated revenues and profits in the relevant activities, the reduction or sale of certain operations and asset portfolios, and asset-impairment charges.

Certain of these measures may also increase the Issuer's funding costs. For example, on 9 November 2015, the Financial Stability Board (the "**FSB**") finalised international standards, through the publication of a term sheet (the "**FSB TLAC Term Sheet**") that requires "Global Systemically Important Banks" (including the Issuer) to maintain significant amounts of liabilities that are subordinated (by law, contract or structurally) to certain priority operating liabilities, such as guaranteed or insured deposits. The purpose of these requirements, relative to the "TLAC" ("total loss absorbing capacity") ratio is to ensure that losses are absorbed by shareholders and creditors, other than creditors in respect of secured operating liabilities, and thus without calling on public funds.

On 16 November 2018, the FSB, in consultation with Basel Committee on Banking Supervision and national authorities, has published the 2018 list of global systemically important banks ("**G-SIBs**"). Groupe BPCE of which Banque Palatine is a member qualifies as a G-SIB under the FSB assessment framework and is on the list of the Global Systemically Important Institutions ("**G-SIIs**").

On 23 November 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including the CRD IV Directive, the CRD IV Regulation, the BRRD and the Single Resolution Mechanism Regulation (as these terms are defined below) (together, the proposed "**CRD V package**"). These legislative proposals intend to, among other things, give effect to the FSB TLAC Term Sheet and modify the requirements applicable to the "minimum requirement for own funds and eligible liabilities" (MREL).

It should be noted that on 16 April 2019, the European Parliament has adopted the CRD V package. Substantially agreed texts published in February 2019 remain subject to formal approval of the Council of the European Union, and are currently expected to be published in the Official Journal of the European Union in June 2019. The provisions of such texts shall start applying between the date of entry into force in summer 2019 as it will be the case for the new requirements for own funds and eligible liabilities and two years after date of entry into force of the text at the latest, depending of the relevant applicable provisions. The new provisions will implement the Basel Committee's finalised Basel III reforms dated December 2017.

The implementation of the current texts and the new agreed proposals, and their application to Banque Palatine or the taking of any action thereunder is currently uncertain.

The law n°2016-1691 dated 9 December 2016 entered into force on 11 December 2016 created a priority between senior preferred securities and senior non-preferred securities issued by credit

institutions and which rank senior to ordinary subordinated instruments.

Moreover, the general political environment has evolved unfavorably for banks and the financial industry, resulting in additional pressure on legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures can have adverse consequences on lending and other financial activities, and on the economy. Because of the continuing uncertainty regarding the new legislative and regulatory measures, it is not possible to predict what impact they will have on Banque Palatine.

Banque Palatine's ability to attract and retain qualified employees is critical to the success of its business and any failure to do so may significantly affect its performance

The employees of Banque Palatine are its most important resource. In many areas of the financial services industry, competition for qualified personnel is intense. Banque Palatine's results depend on its ability to attract new employees and to retain and motivate its existing employees. Changes in the business environment (including taxes or other measures designed to limit compensation of banking sector employees) may cause the bank to move employees from one business to another or to reduce the number of employees in certain of its businesses, which may cause temporary disruptions as employees adapt to new roles and may reduce the bank's ability to take advantage of improvements in the business environment. This may impact the bank's ability to take advantage of business opportunities or potential efficiencies.

Banque Palatine must maintain high credit ratings or its business and profitability could be adversely affected

Credit ratings are important to the liquidity of BPCE and its affiliates that are active in financial markets. This includes Banque Palatine. A downgrade in credit ratings could adversely affect the liquidity and competitiveness of BPCE, and by consequence Banque Palatine. It could increase borrowing costs, limit access to the capital markets or trigger obligations under certain bilateral provisions in some trading, derivatives and collateralised financing contracts. Banque Palatine's cost of obtaining long-term unsecured funding is directly related to its credit spreads (the amount in excess of the interest rate of government securities of the same maturity that is paid to debt investors), which depends in large part on its credit rating. Increases in credit spreads can significantly increase Banque Palatine's cost of funding. Changes in credit spreads are permanent, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of creditworthiness. In addition, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to BPCE's or Natixis' debt obligations, which are influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of Groupe BPCE.

A substantial increase in new asset impairment charges or a shortfall in the level of previously recorded asset impairment charges in respect of Banque Palatine's loan and receivables portfolio could adversely affect its results of operations and financial condition

In connection with Banque Palatine's lending activities, the bank periodically establishes asset impairment charges, whenever necessary, to reflect actual or potential losses in respect of its loan and receivables portfolio, which are recorded in its profit and loss account under "cost of risk". Banque Palatine's overall level of such asset impairment charges is based upon the bank's 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 Banque Palatine uses its best efforts to establish an appropriate level of asset impairment charges, the bank's lending businesses may have to increase their charges for loan losses in the future as a result of increases in non-performing assets or for other reasons, such as deteriorating market conditions or factors affecting particular countries. Any significant increase in charges for loan losses or a significant change in the estimate of the risk of loss inherent in Banque Palatine's portfolio of non-impaired loans, as well as the occurrence of loan losses in

excess of the charges recorded with respect thereto, could have an adverse effect on Banque Palatine's results of operations and financial condition.

Changes in the fair value of Banque Palatine's securities and derivatives portfolios and its own debt could have an impact on the carrying value of such assets and liabilities, and thus on net income and shareholders' equity

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

An economic environment characterized by sustained low interest rates could adversely affect the profitability and financial condition of Banque Palatine

In recent years, global markets have been characterized by low interest rates, and there are indications that this low interest rate environment may persist for an extended period of time. During periods of low interest rates, interest rate spreads tend to tighten, and Banque Palatine may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower market interest rates. Banque Palatine's efforts to reduce its cost of deposits may be restricted by the prevalence, particularly in its home market of France, of regulated savings products (such as Livret A passbook savings accounts and PEL home savings plans) with interest rates set above current market levels. In addition, Banque Palatine may experience an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients look to take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, could result in an overall decrease in the average interest rate of Banque Palatine's portfolio of loans. The reduction in credit spreads and decline in retail banking income resulting from lower portfolio interest rates may adversely affect the profitability of Banque Palatine's retail banking operations and its overall financial condition. Furthermore, if market interest rates were to rise in the future, a portfolio featuring significant amounts of lower interest loans as a result of an extended period of low interest rates would be expected to decline in value. If Banque Palatine's hedging strategies are ineffective or provide only a partial hedge against such a change in value, Banque Palatine could incur losses. An environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by Banque Palatine from its funding activities and negatively affect its profitability and financial condition. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility.

Future events may differ from those reflected in the assumptions used by management in the preparation of Banque Palatine's financial statements, which may cause unexpected losses in the future

Pursuant to the IFRS standards and interpretations currently in force, Banque Palatine is required to use certain estimates in the preparation of its financial statements, including accounting estimates to determine provisions relating to loans and doubtful debts, provisions relating to possible litigation, and the fair value of certain assets and liabilities, among other items. If the values used for these items by Banque Palatine should prove to be significantly inaccurate, particularly in the event of significant and/or unexpected market trends, or if the methods by which they are determined should be changed under future IFRS standards or interpretations, Banque Palatine may be exposed to unexpected losses.

Investment activities may be impacted by market fluctuation and volatility

For its own account portfolio, Banque Palatine holds net long positions in the bond and equity markets, as well as in unlisted securities, real estate assets and other asset classes. Any market correction would lead to losses due to a decrease in the value of these positions. High price fluctuation on the markets (especially the financial markets) may also impact these positions.

Banque Palatine may generate lower revenues from commission and fee-based businesses during market downturns

Market downturns are likely to lead to a decline in the volume of transactions that Banque Palatine's entities execute for their customers, and, therefore, to a decline in net banking income from these activities. In addition, because the fees that Banque Palatine's entities charge for managing their customers' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its customers' portfolios or increases the amount of withdrawals would reduce the revenues such entities receive from the distribution of mutual funds and other financial savings products (for the Banque Palatine's branches), or from asset management businesses (for Banque Palatine Asset Management).

Even in the absence of a market downturn, below-market performance by the bank's entities mutual funds and other products may result in increased withdrawals and reduced inflows, which would reduce the revenues the bank receives from its asset management business.

An extended market decline may reduce the liquidity of assets and make it more difficult to sell them. Such a situation could give rise to significant losses

In some of Banque Palatine's businesses, a prolonged fall in asset prices could threaten the level of activity or reduce liquidity in the market concerned. This situation would expose Banque Palatine to significant losses if it was unable to rapidly close out its potentially loss-making positions. This is particularly true in relation to assets that are intrinsically illiquid. Certain assets that are not traded on a stock exchange or on a regulated market, such as derivatives traded between banks, are generally valued using models rather than market prices. Given the difficulty in monitoring changes in prices of these assets, Banque Palatine could suffer unforeseen losses.

Significant interest rate changes could adversely affect Banque Palatine's net banking income or profitability

The amount of net interest income earned by Banque Palatine during any given period significantly affects its overall net banking income and profitability for that period. In addition, significant changes in credit spreads, can impact the results of operations of the bank. Interest rates are highly sensitive to many factors beyond the control of Banque Palatine. 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 net interest income from lending activities. In addition, increases in the interest rates at which short-term funding is available and maturity mismatches may adversely affect the profitability of the bank. Increases in interest rates, high interest rates, low interest rate levels and/or widening credit spreads, especially if such changes occur rapidly and/or persist over time, may create a less favorable environment for certain banking businesses.

Significant foreign exchange rate changes could adversely affect Banque Palatine's net banking income or profitability

Banque Palatine could carry out a part of its activity in currencies other than the euro. Fluctuations in exchange rates may affect the net banking income and results. This exposure is hedged by Banque Palatine according its risk management policy. However, this financial hedging may be

partial in regards to the impact of unfavorable exchange rates on operating income.

Intense competition in Banque Palatine's main market of France could adversely affect its net revenues and profitability

Competition is intense in all of Banque Palatine's primary business areas in where it has significant operations. Consolidation, both in the form of mergers and acquisitions and through alliances and cooperation, is increasing competition. Consolidation has created a number of firms that have the ability to offer a wide range of products and services, ranging from insurance, loans and deposits to brokerage, investment banking and asset management. These big banking groups, which usually used to concentrate their commercial efforts on large capitalized companies, are more and more interested in the medium sized companies, the main clients of Banque Palatine. If Banque Palatine is unable to maintain its competitiveness in France with attractive and profitable product and service offerings, it may lose market share in important areas of its business or incur losses on some or all of its operations. In addition, downturns in the global economy are likely to increase competitive pressure, notably through increased price pressure and lower business volumes for Banque Palatine and its competitors. More competitive new competitors could also enter the market, subject to separate or more flexible regulation, or other requirements relating to prudential ratios. These new market participants may therefore be able to offer more competitive products and services. Technological advances and the growth of e-commerce have made it possible for non-deposit taking institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. These new players may exert downward price pressure on Banque Palatine's products and services or may affect Banque Palatine's market share. Technological advances may lead to rapid and unforeseen changes in the markets in which Banque Palatine operates. If Banque Palatine is unable to appropriately adapt its operations or strategy in response to any such developments, its competitive position and results of operations may be affected.

Any interruption or failure of Banque Palatine's information systems, or those of third parties, may result in lost business and other losses

Like most of its competitors, Banque Palatine relies heavily on its communication and information systems as its operations require it to process a large number of increasingly complex transactions. Any malfunction, interruption or failure of these systems could result in errors or interruptions to customer relationship management, general ledger, deposit, transaction and/or loan processing systems. If, for example, Banque Palatine's information systems failed, even for a short period of time, it would be unable to meet customers' needs in a timely manner and could thus lose transaction opportunities. Likewise, a temporary breakdown of Banque Palatine's information systems, despite back-up systems and contingency plans, could result in considerable information retrieval and verification costs. The inability of Banque Palatine system to adapt to increasing volumes of transactions may compromise its business development.

Banque Palatine is also exposed to the risk of an operational failure or interruption by one of its clearing agents, foreign exchange markets, clearing houses, custodians or other financial intermediaries or external service providers that it uses to execute or facilitate its securities transactions. As its interconnectivity with its customers grows, Banque Palatine may also be increasingly exposed to the risk of operational failure of its customers' information systems. Banque Palatine's communication and information systems, and those of its customers, service providers and counterparties may also be subject to malfunctions or interruptions resulting from cybercrime or cyber terrorism. Banque Palatine cannot guarantee that such malfunctions or interruptions in its systems or in those of other parties will not occur or, if they do occur, that they will be adequately resolved.

Unforeseen events may cause an interruption of Banque Palatine's operations and cause substantial losses as well as additional costs

Unforeseen events like severe natural disasters, pandemics, terrorist attacks or other states of emergency can lead to an abrupt interruption of operations of entities in Banque Palatine, and, to the extent not partially or entirely covered by insurance, can cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events may additionally disrupt the bank's infrastructure, or that of third parties with which it conducts business, and can also lead to additional costs (such as relocation costs of employees affected) and increase costs (such as insurance premiums). Such events may also make insurance coverage for certain risks unavailable and thus increase the bank's global risk.

Banque Palatine may be vulnerable to political, macroeconomic and financial environments or to specific circumstances in the countries it operates

Linked to its international activities, Banque Palatine is exposed to the risk that economic, financial, political or social conditions in a foreign country became unfavorable and affect its financial interests.

Banque Palatine is subject to significant regulation in France and in several other countries; regulatory actions and changes in these regulations could adversely affect Banque Palatine's business and results

A variety of supervisory and regulatory regimes apply to Banque Palatine even in jurisdictions in which it does not operate. This is due to the fact that it belongs to a wider group, Groupe BPCE, which is present in various countries around the world. Non-compliance could lead to significant intervention by regulatory authorities and fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate. The financial services industry has experienced increased scrutiny from a variety of regulators in recent years, as well as an increase in the penalties and fines sought by regulatory authorities, a trend that may be accelerated in the current financial context. The businesses and earnings of Banque Palatine can be materially adversely affected by the policies and actions of various regulatory authorities of France, other European Union or foreign governments and international organisations. Such constraints could limit the ability of Banque Palatine to expand its businesses or to pursue certain activities. The nature and impact of future changes in such policies and regulatory action are unpredictable and are beyond the bank's control. Such changes could include, but are not limited to, the following:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy liable to significantly influence investor decisions, in particular in markets where entities of the Groupe BPCE operate;
- general changes in regulatory requirements, notably prudential rules relating to the regulatory capital adequacy framework and the recovery and regulation regime;
- changes in rules and procedures relating to internal controls;
- changes in the competitive environment and prices;
- changes in financial reporting rules;
- expropriation, nationalisation, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership rights; and
- any adverse change in the political, military or diplomatic environments creating social instability or an uncertain legal situation capable of affecting the demand for the products and services offered by Groupe BPCE.

Tax law and its application in France are likely to have a significant impact on Banque Palatine's results

Modifications to the tax regime by the competent authorities in France may have a significant effect on the results of Banque Palatine. The bank manages its business so as to create value from the synergies and commercial capacities of its different entities. It also endeavors to structure the

financial products sold to its clients in a tax-efficient manner. It is possible that in the future tax authorities may question some of its rules, as a result of which Banque Palatine may be subject to tax re-assessments.

A failure of or inadequacy in Banque Palatine's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses

The risk management techniques and strategies of Banque Palatine may not effectively limit its risk exposure in all economic market environments or against all types of risk, including risks that the bank fails to identify or anticipate. The bank's risk management techniques and strategies may also not effectively limit its risk exposure in all market fluctuations. These techniques and strategies may not be effective against certain risks, particularly those that the bank has not previously identified or anticipated. Some of the bank's qualitative tools and metrics for managing risk are based upon its use of observed historical market behavior. The bank's risk managers apply statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the bank did not anticipate or correctly evaluate in its statistical models or from unexpected and unprecedented market movements. This would limit the bank's ability to manage its risks. The bank's losses could therefore be significantly greater than the historical measures indicate. In addition, the bank's quantified modeling does not take all risks into account. The bank's qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. In addition, while no material issue has been identified to date, the risk management systems are subject to the risk of operational failure, including fraud. See "Risk Management" section and the related sections of the Banque Palatine 2018 Financial Report for a more detailed discussion of the policies, procedures and methods that the bank uses to identify, monitor and manage its risks.

The hedging strategies implemented by Banque Palatine do not eliminate all risk of loss

Banque Palatine uses hedging strategies to diminish its exposure to various kinds of risks. However these strategies are typically calibrated on historic market behavior and may provide a partial or ineffective hedge, especially if unforeseen trends appear in the markets. Moreover, these strategies may not effectively mitigate Banque Palatine's total risk exposure in all market configurations or may not be effective against all types of future risks. The accounting recognition of gains and losses from ineffective hedges may increase the volatility of results of Banque Palatine.

Difficulties could be encountered in connection with an acquisition or a joint-venture in order to adapt, implement or integrate the policy of Banque Palatine;

Acquisitions are not the major part of the actual Banque Palatine Strategic Plan. However, Banque Palatine may consider acquisition or partnership in the future. Although Banque Palatine would have to carry a precise analysis, unforeseen liabilities may have to be managed, higher costs may appear or expected synergies may not materialise after the transaction. Consolidation of new entities may generate difficulties and departure of key personnel that could increase costs to try to retain them or decline the profitability if they leave. In case of a joint venture, Banque Palatine is exposed to risks and uncertainties linked to systems, controls and persons that are outside the control of Banque Palatine and may cause additional losses and damage its reputation. Conflicts with its associate may have negative impacts on the targeted benefits of the joint venture.

The financial soundness and behavior of other financial institutions and market participants could have an adverse impact on Banque Palatine

Banque Palatine's ability to carry out its operations could be affected by the financial soundness of other financial institutions and market participants. Financial institutions are closely interconnected

as a result, notably, of their trading, clearing, counterparty and financing operations. The default of a sector participant, or even simple rumors or questions concerning one or more financial institutions or the finance industry more generally, have led to a widespread contraction in liquidity in the market and in the future could lead to additional losses or defaults. Banque Palatine is exposed to several financial counterparties such as investment service providers, commercial or investment banks, mutual funds and hedge funds, as well as other institutional clients, with which it conducts transactions in the usual manner, thus exposing Banque Palatine to a risk of insolvency if a group of Banque Palatine's counterparties or customers should fail to meet their commitments. This risk would be aggravated if the assets held as collateral by Banque Palatine were unable to be sold or if their price was unable to cover all of Banque Palatine's exposure relating to loans or derivatives in default. In addition, fraud or misappropriations committed by financial sector participants may have a significant adverse impact on financial institutions as a result, notably, of interconnections between institutions operating in the financial markets. The losses that could result from the above-mentioned risks could have a significant bearing on Banque Palatine's results.

Banque Palatine's profitability and business outlook could be adversely affected by reputational and legal risk

Banque Palatine's reputation is essential in attracting and retaining its customers. The use of inappropriate means to promote and market its products and services, inadequate management of potential conflicts of interest, legal and regulatory requirements, ethical issues, money laundering laws, information security policies and sales and trading practices may damage Banque Palatine's reputation. Its reputation could also be harmed by any inappropriate employee behavior, fraud or misappropriation of funds committed by participants in the financial sector to which Banque Palatine is exposed, any decrease, restatement or correction of the financial results, or any legal or regulatory action that has a potentially unfavorable outcome. Any damage caused to Banque Palatine's reputation could be accompanied by a loss of business likely to threaten its results and its financial position.

Inadequate management of these issues could also give rise to additional legal risk for Banque Palatine and cause an increase in the number of legal proceedings and the amount of damages claimed against Banque Palatine, or expose Banque Palatine to sanctions from the regulatory authorities.

Risks related to BPCE's group as majority shareholder of Banque Palatine:

Risks related to the structure of groupe BPCE and Natixis

As an entity of the Groupe BPCE, Banque Palatine is part of the financial solidarity mechanism. This mechanism insures, for the entities of Groupe BPCE and even for some entities in which Groupe BPCE holds no economic interest, a liquidity and solvency guarantee provided by BPCE. This concerns the Caisses d'Épargne and the Banques Populaires, as well as the other members of the affiliated group that are credit institutions subject to regulation in France. The affiliated group includes BPCE affiliates such as Natixis, Crédit Foncier de France and Banque Palatine. There can be no assurance that the benefits of the financial solidarity mechanism for Banque Palatine will outweigh its costs. Should any other entity of the group need the support of the financial solidarity mechanism, it implies that Banque Palatine will have more difficulty to finance itself from the Groupe BPCE.

EU Recovery and Resolution Directive

On 15 May 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU of the European Parliament and the Council, establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "BRRD") in order to provide relevant resolution authorities (the "**Relevant Resolution**

Authorities") with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. The BRRD was implemented in France by the *Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière* dated 20 August 2015. .

Under this Ordonnance, the *Autorité de contrôle prudentiel et de résolution* (the "**ACPR**") or the single resolution board (the "**Single Resolution Board**") established by Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund (the "**Single Resolution Mechanism Regulation**") (each of the ACPR, the Single Resolution Board and any other authority entitled to exercise or participate in the exercise of the bail-in power from time to time, including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation, is hereinafter referred to as a "Relevant Resolution Authority") may commence resolution proceedings in respect of an institution such as Groupe BPCE when the Relevant Resolution Authority determines that:

- the institution is failing or likely to fail;
- there is no reasonable prospect that another action will prevent the failure within a reasonable time; and
- a resolution measure is required, and a liquidation procedure would fail, to achieve the objectives of the resolution: (i) to ensure the continuity of critical functions, (ii) to avoid a significant adverse effect on the financial system, (iii) to protect public funds by minimizing reliance on extraordinary public financial support, and (iv) to protect client funds and assets, and in particular those of depositors.

An institution will be considered as failing or likely to fail when it is, or is 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) or the value of its liabilities exceeds the value of its assets.

After resolution proceedings are commenced, the Relevant Resolution Authority may use one or more of several resolution tools with a view to recapitalizing or restoring the viability of the institution, as described below. Resolution tools are to be implemented so that shareholders bear losses first, then holders of capital instruments qualifying as additional tier 1 and tier 2 instruments, such as the Subordinated Notes, and thereafter creditors bear losses in accordance with the order of their claims in normal insolvency proceedings, subject to certain exceptions. French law also provides for certain safeguards when certain resolution tools and measures are implemented including the "no creditor worse off than under normal insolvency proceedings" principle, whereby creditors of the institution under resolution should not incur greater losses than they would have incurred had the institution been wound up under a liquidation proceeding.

(a) *Write-Down and Conversion of Capital Instruments*

Capital instruments may be written down or converted into equity or other instruments either in connection with (and prior to) the opening of a resolution proceeding, or in certain other cases described below (without a resolution proceeding). .

The Relevant Resolution Authority must write down capital instruments, or convert them to equity or other instruments, if it determines that the conditions for the initiation of a resolution procedure have been satisfied or if (i) the issuing institution or the group to which it belongs is failing or likely to fail and the write-down or conversion is necessary to avoid such failure, (ii) the viability of the institution depends on the write-down or conversion (and there is no reasonable perspective that another measure, including a resolution measure, could avoid the failure of the issuing institution or its group in a reasonable time), or (iii) the institution or its group requires extraordinary public support (subject to certain exceptions). The failure of an issuing institution is determined in the manner described above. The failure of a group is considered to occur or be likely if the group breaches its consolidated capital ratios or if such a breach is likely to occur in

the near term, based on objective evidence (such as the incurrence of substantial losses that are likely to deplete the group's own funds).

If one or more of these conditions is met, common equity tier 1 instruments are first written down, transferred to creditors or, if the institution enters resolution and its net assets are positive, significantly diluted by the conversion of other capital instruments and eligible liabilities. Once this has occurred, other capital instruments (first additional tier 1 instruments, then tier 2 instruments) are either written down or converted to common equity tier 1 instruments or other instruments (which are also subject to possible write-down).

(b) *The Bail-In Tool*

Once a resolution procedure is initiated, the powers provided to the Relevant Resolution Authority include the "Bail-in Tool", meaning the power to write down (including to zero) eligible liabilities of a credit institution in resolution, or to convert them to equity. Eligible liabilities include subordinated debt instruments not qualifying as capital instruments, senior unsecured debt instruments and other liabilities that are not excluded from the scope of the Bail-in Tool pursuant to the BRRD, such as non-covered deposits or financial instruments that are not secured or used for hedging purposes. The Bail-in Tool may also be applied to any liabilities that are capital instruments and that remain outstanding at the time the Bail-in Tool is applied. Before the Relevant Resolution Authority may exercise the Bail-in Tool in respect of eligible liabilities, capital instruments must first be written down or converted to equity or other instruments, in the following order of priority: (i) common equity tier 1 instruments are to be written down first, (ii) other capital instruments (additional tier 1 instruments) are to be written down or converted into common equity tier 1 instruments and (iii) tier 2 capital instruments are to be written down or converted into common equity tier 1 instruments. Once this has occurred, the Bail-in Tool may be used to write down or convert eligible liabilities as follows: (i) subordinated debt instruments other than capital instruments are to be written down or converted into common equity tier 1 instruments in accordance with the hierarchy of claims in normal insolvency proceedings, and (ii) other eligible liabilities are to be written down or converted into common equity tier 1 instruments, in accordance with the hierarchy of claims in normal insolvency proceedings. Instruments of the same ranking are generally written down or converted to equity on a pro rata basis.

(c) *Other resolution measures*

In addition to the Bail-in Tool, the Relevant Resolution Authority is provided with broad powers to implement other resolution measures with respect to failing institutions or, under certain circumstances, their groups, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a temporary administrator (*administrateur spécial*) and the issuance of new equity or own funds.

The exercise of these powers by Relevant Resolution Authorities could result in the partial or total write-down or conversion to equity of the Notes issued by Banque Palatine. In addition, if Banque Palatine's financial condition, or that of Groupe BPCE, deteriorates or is perceived to deteriorate, the existence of these powers could cause the market value of the Notes issued by Banque Palatine to decline more rapidly than would be the case in the absence of such powers.

(d) *Limitation on Enforcement*

Article 68 of BRRD, as transposed in France in Articles L.613-45-1 and L.613-50-4 of the French *Code monétaire et financier*, provides that certain crisis prevention measures and crisis management measures, including the opening of a resolution proceeding in respect of the Issuer, may not by themselves give rise to a contractual enforcement right against the Issuer or the right to modify the Issuer's obligations, so long as the Issuer continues to meet its payment obligations.

Accordingly, if a resolution proceeding is opened in respect of the Issuer, holders of the Notes will not have the right to declare an event of default, to accelerate the maturity of the Notes, to modify the terms of the Notes or to exercise other enforcement rights in respect of the Notes so long as the Issuer continues to meet its payment obligations.

2. RISKS RELATING TO THE NOTES

In addition to the risks (including default risk) that may affect the ability of the Issuer to satisfy its obligations under Notes issued under the Programme, the following paragraphs describe the principal risk factors that the Issuer considers significant in respect of Notes that are to be listed and admitted to trading, in order to assess the market risks associated with such Notes. Potential investors should consult their own financial and legal advisers on the risks associated with an investment in a specific Series of Notes and the suitability of such an investment in light of their personal circumstances.

2.1 General risks relating to the Notes

The Notes may not be a suitable investment for all investors

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

- 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 in this Base Prospectus or in any supplement to this Base Prospectus and in the relevant Final Terms;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its own particular situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- 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;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks.

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

Potential Conflicts of Interest

There are no Dealers appointed permanently in respect of the Programme. The Issuer may from time to time appoint one or more dealers in respect of any Tranches of Notes. All or some of the Dealers, if any, the Calculation Agent and their respective affiliates have and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of Group BPCE. They have or may (i) engage in investment banking, trading or hedging activities including

activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of Group BPCE or (iii) act as financial advisers to the Issuer or other companies of Group BPCE. In the context of these transactions, certain of such Dealers or the Calculation Agent have or may hold shares or other securities issued by entities of Group BPCE. Where applicable, they have or will receive customary fees and commissions for these transactions.

Each of the Issuer, the Dealers or the Calculation Agent may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the Calculation Agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the terms and conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

2.2 Risks relating to particular issues of structured Notes

A wide range of Notes may be issued under this Programme. Certain Notes may have features which involve specific risks for potential investors. The most common features of these Notes are set forth below:

Credit Risk

An investment in the Notes involves taking a credit risk on the Issuer. If the financial situation of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes and investors may lose all or part of their investment.

Notes with an Issuer redemption option

The existence of an optional redemption provision is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes will not generally rise substantially above the price at which they can be redeemed. This may also apply prior to any redemption period.

In general, the Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. In such circumstances, an investor generally would not be able to reinvest the redemption proceeds in financial securities that have a yield as high as the yield on the Notes being redeemed and may only be able to reinvest the redemption proceeds in financial securities that have a significantly lower yield. Potential investors should consider reinvestment risk in light of other potential investments.

Fixed Rate Notes

Investment in Notes which bear interest at a Fixed Rate involves the risk that subsequent changes in market interest rates may have a significant adverse effect on the value of the relevant tranche of Notes.

Floating Rate Notes

Investment in Floating Rate Notes involves (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such reference rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (for example, every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of Floating Rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of

these Notes upon the next periodic adjustment of the relevant reference rate. Should the reference rate be at any time negative, it could, notwithstanding the existence of the relevant margin, result in the actual floating rate, consisting in the reference rate and the relevant margin, be lower than the relevant margin, provided that in no event will the relevant interest amount be less than zero.

Notes with variable interest rates can be volatile investments. If they are structured to include caps or floors, or any combination of those features or other similar related features, their market value may be even more volatile than that of Notes without such features.

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

A key difference between Floating Rate Notes and 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 definitive 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.

Limited events of default

The holders of Notes may only give notice that such Notes are immediately due and repayable in a limited number of events of default. Such events of default do not include, for example, a cross-default of the Issuer's other debt obligations.

Notes with no capital protection guarantee

In certain circumstances, redemption of the entire principal amount of the Notes is not guaranteed which may result in the Noteholder suffering a total or partial loss of its initial investment.

Inverse floating rate Notes

Inverse floating rate Notes have a yield equal to a fixed rate, less a rate calculated by reference to a benchmark. The market value of such Notes is typically more volatile than the market value of other conventional floating rate debt securities with the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Zero Coupon Notes

Changes in market interest rates generally have a much greater impact on the price of Zero Coupon Notes and Notes issued at a substantial discount or with an issue premium than on the price of ordinary securities because the issue price of securities issued at below par are well below par. If interest rates rise, Zero Coupon Notes and Notes issued at a substantial discount or with an issue premium may suffer greater losses than other securities with the same maturity or credit rating.

Zero Coupon Notes and Notes issued at a substantial discount or with an issue premium tend to fluctuate in value more than Notes that are not issued below par.

Fixed to Floating Rate Notes

Fixed to Floating Rate Notes bear interest at a rate that, automatically or if so elected by the Issuer, converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Such conversion (whether automatic or optional), may affect the secondary market and the market value of the Notes since the conversion may result in a lower overall cost of borrowing. If the Issuer converts

from a fixed rate to a floating rate, the spread between the fixed rate and the floating rate may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing rates on its Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Floating Rate Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR, EONIA, LIBOR, TEC10 and CMS rate) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, to be subject to revised calculation methods or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Floating Rate Notes (including the value and/or liquidity thereof and/or the return thereon) linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, inter alia, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Floating Rate Notes linked to or referencing a "benchmark", in particular:

- (i) an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- (ii) the methodology or other terms of the "benchmark" could be changed in order to comply with the requirements of the Benchmarks Regulation, and such changes could, among other things, have the effect of reducing, increasing the rate or level or otherwise affecting the volatility of the published rate or level of the "benchmark".

Either of the above could potentially lead to the Floating Rate Notes being adjusted or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Floating Rate Notes or have other adverse effects or unforeseen consequences.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks"; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Floating Rate Notes linked to or referencing a "benchmark".

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Floating Rate Notes (it being specified that if "Benchmark Replacement" applies, a specific fall-back shall apply - please refer to the risk factor entitled "*The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any Floating Rate Notes linked to or referencing such "benchmarks"*" below). Depending on the manner in which a benchmark is to be determined under the Terms and Conditions, this may (i) if ISDA Determination or FBF Determination applies, be relying upon the provision by reference banks of offered quotations for the relevant benchmark which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied for the immediately preceding Interest Period for which the benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Floating Rate Notes linked to or referencing a "benchmark".

Future discontinuance of LIBOR and other benchmarks may adversely affect the value of Floating Rate Notes

On 27 July 2017, the Chief Executive of the UK Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that it intends to stop persuading or compelling panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR in its current form (or at all) after 2021 cannot and will not be guaranteed. In a further speech on 12 July 2018, the Chief Executive Officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions of outstanding Floating Rate Notes of any Series, or result in other consequences, in respect of any Floating Rate Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Floating Rate Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Floating Rate Notes.

Other interbank offered rates such as EURIBOR (together with LIBOR, the "**IBORs**") suffer from similar weaknesses to LIBOR and as a result may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Floating Rate Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Floating Rate Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Floating Rate Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding notes linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any Floating Rate Notes linked to or referencing such "benchmarks"

If "Benchmark Replacement" is specified to be "Applicable" in the applicable Final Terms, the Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant reference rate, and/or any page on which such benchmark may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Floating Rate Notes by reference to such benchmark under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the Notes), with or without the application of an adjustment spread (which, if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Independent Adviser and without the consent of the Noteholders.

In certain circumstances, the ultimate fallback for a particular Interest Period, including where no Successor Rate or Alternative Rate (as applicable) is determined, may be that the rate of interest for such Interest Period be based on the rate which applied for the immediately preceding Interest Period.

This ultimate fallback may result in the effective application of a fixed rate Notes linked to or referencing a "benchmark". In such case, the investor may not benefit from a potential rising interest context. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

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

The Successor Rate or Alternative Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the Successor Rate or Alternative Rate may perform differently from the discontinued benchmark. This could significantly affect the performance of an alternative rate compared to the historical and expected performance of the relevant benchmark. There can be no assurance that any adjustment factor applied to any Series of Notes will adequately compensate for this impact. This could in turn impact the rate of interest on, and trading value of, the affected Notes. Moreover, any holders of such Notes that enter into hedging instruments based on the relevant Screen Page may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the Successor Rate or Alternative Rate.

Any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes linked to or referencing a "benchmark" or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes linked to or referencing a "benchmark". Investors should note that, the Independent Adviser will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes linked to or referencing such "benchmarks".

Notes issued below par or with an issue premium

The market value of Notes issued below par or with an issue premium tends to fluctuate more in relation to changes in interest rates than is the case for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Partly Paid Notes

The Issuer may issue Notes for which the issue price is payable by the Noteholder in two or more instalments on the dates set forth in the Final Terms. Failure to pay any subsequent instalment may constitute an early redemption event and could result in an investor losing some or all of its investment depending on market conditions.

Underlying Linked Notes

If payments (whether of principal and/or interest, and whether at maturity or otherwise) on Underlying Linked Notes are calculated by reference to one or more Underlying(s) (as defined in Condition 1 of the Terms and Conditions), the return on the Notes is based on changes in the value of the Underlying, which itself fluctuates. Fluctuations in the value of the Underlying are unpredictable. Fluctuations in the value of the Underlying are unforeseeable. Although it may be possible to obtain historic data on the Underlying, historic performance of the Underlying should not be taken as an indication of future performance.

Furthermore, unlike conventional fixed or floating rate debt securities, Underlying Linked Notes, whose payments (whether of principal and/or interest, and whether at maturity or otherwise) are calculated by reference to an index, may not provide investors with periodic interest payments. Furthermore, with respect to the Final Redemption Amount or Early Redemption Amount, the effective yield to maturity of the Notes may be less than that which would be payable on a conventional fixed rate or floating rate debt security. The return of only the Final Redemption Amount or Early Redemption Amount on each Note at maturity may not compensate the holder for any opportunity cost implied by inflation and other factors relating to the value of money over time.

Refer to the "Technical Annex" for more detailed information on Underlying Linked Notes.

Underlying Interest Rate Linked Notes

Potential investors in these Notes should be aware that depending on the terms and conditions of the Underlying Interest Rate Linked Notes (i) they may receive no interest or only receive 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. Further, changes in rates 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 a relevant rate may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the relevant rate, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a rate multiplier greater than one, or by reference to any other leverage factor, the impact of any movements in the factor on the principal or interest payable is likely to be magnified.

The market price of such Notes may be volatile and depend on the residual term to maturity and price volatility. Price movements may be affected by economic, financial and political events occurring in one or more countries.

Index Linked Notes

Neither the Issuer, nor the Dealers nor any of their respective affiliates make(s) any representation in respect of any index. Each of such persons may have acquired, or may acquire, whilst the Notes remain outstanding, non-public information relating to an index which is or may be a determining factor in respect of such Index Linked Notes. The issuance of Index Linked Notes does not place any such person under any obligation to bring such information (whether or not confidential) to the attention of Noteholders or any other person.

A decision to purchase Index Linked Notes involves complex financial analysis and risks associated with movements in the index which cannot be predicted with certainty. The yield on Index Linked Notes may be less than the yield on Notes not linked to an index. The Issuer makes no representation as to the tax treatment of the Notes or the lawfulness of acquiring the Notes in any jurisdiction.

(a) Return does not reflect dividends

Depending upon the calculation methodology of an index, where the performance of an index forms part of the calculation of payments due under the Index Linked Notes, the payment of income (such as dividends for indices with stocks as underlyings) may not be reflected as the index may be calculated by reference to the prices of the underlyings comprised in the index without taking into consideration the value of any income paid on those underlying assets. Therefore, the yield to maturity of Index Linked Notes referring to an index may not be the same as the yield that would be produced if such underlying assets were purchased and held for a similar period.

(b) Index-related risks

Index Linked Notes are subject to risks broadly similar to those associated with any investment in a diversified portfolio of assets including, without limitation, the risk that the general level of prices for such assets may decline. The following is a list of some of the significant risks associated with an index:

- historical performance of the index is not indicative of the future performance of the index. It is impossible to predict whether the value of the index will fall or rise during the term of the Notes;
- if the index comprises underlying stocks, the trading price of such underlying stocks will be influenced by political, economic, financial, market and other factors. It is impossible to predict the impact that such factors will have on the value of any asset associated with the index, and, accordingly, the yield generated by the Notes.

The policies of the sponsor of an index (including a sponsor that is affiliated with the Issuer) as regards additions, deletions and substitutions of the assets underlying the index and the manner in which the index sponsor takes account of certain changes affecting such underlying assets may affect the value of the index. The policies of an index sponsor with respect to the calculation of an index could also affect the value of the index. An index sponsor may discontinue or suspend calculation or dissemination of information relating to its index. Any such actions could affect the value of the Notes.

In addition, indices may be subject to management fees and other fees as well as charges that are payable to the index sponsor(s) and which can reduce the Early or Final Redemption Amounts payable to Noteholders. Such fees may be paid to index sponsors that are affiliates of the Issuer.

Equity Linked Notes

(a) No ownership rights over underlying shares

A Noteholder will not be the owner of the underlying shares and therefore will not be entitled to

receive any dividends or similar amounts paid on the underlying shares. Further, Noteholders will not be entitled to any voting rights or other control rights that holders of the underlying shares have with respect to the issuer of such underlying shares. The Early or Final Redemption Amount will not reflect the payment of any dividends on the underlying shares. Accordingly, the return on the Notes will not reflect the return that would be expected if the investor actually owned the underlying shares and received dividends, if any, paid on those shares. Therefore, the yield to maturity based on the methodology for calculating the Early or Final Redemption Amount, will not be the same yield as would be produced if the underlying shares were purchased directly and held for a similar period.

(b) Limited anti-dilution protection

The Calculation Agent may make adjustments to elements of the Notes as described in the Technical Annex. The Calculation Agent is not required to make an adjustment for every capital or corporate restructuring event that may affect the underlying shares. Those events or other actions by the issuer of underlying shares or a third party may nevertheless adversely affect the market price of the underlying shares and, therefore, adversely affect the value of the Notes. The issuer of underlying shares or a third party could make an offering or exchange offer or the issuer of underlying shares could take other action that adversely affects the value of the underlying shares and the Notes but does not result in an adjustment.

(c) Risks arising from conduct of issuers of shares

The issuers of underlying shares are not in any way involved in the offer of the Notes and have no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes. The issuers of underlying shares may take actions that will adversely affect the value of the Notes.

Fund Linked Notes

This section relating to funds and fund managers also applies to any portfolio or basket of funds and to any associated portfolio manager.

The fund units may be issued by hedge funds, mutual funds or private equity funds (hereafter, "**underlying funds**").

(a) Investors should investigate the underlying funds as if investing directly

To the extent the underlying(s) of a Series of Notes include(s) a fund, investors should conduct their own due diligence into the underlying fund(s) as they would if they were directly investing in the underlying fund(s). The offering of the Notes does not constitute a recommendation by the Issuer or any of its subsidiaries with respect to an investment linked to an underlying fund (including in respect of funds that are managed by managers affiliated with the Issuer). Investors should not conclude that the sale by the Issuer of the Notes is any form of investment recommendation by the Issuer or any of its subsidiaries to invest in the underlying fund(s).

(b) Risks relating to underlying funds that are hedge funds

Fund units, and investments in hedge funds generally, are speculative and involve a high degree of risk. The Issuer does not give any assurance as to the performance of fund units.

To the extent that the underlying(s) of a Series of Notes include(s) a hedge fund, the Notes of such Series will be subject to some of the risks associated with an investment in a hedge fund. The lack of oversight and regulation associated with funds that are hedge funds may increase the likelihood of fraud and negligence by the fund's managers and/or the investment advisers, their brokerage firms or banks.

Hedge funds may involve complex tax structures and delays in distribution of important tax information and may have high fees and expenses that may offset the hedge fund's trading profits.

Changes to the current regulatory environment may affect the investment, operations and structure of the underlying fund(s) and adversely affect the performance of the underlying fund(s).

Substantial redemptions on a hedge fund on a particular day could require such funds to liquidate positions more rapidly than otherwise would be desirable.

Hedge funds, including the funds to which the Notes may be linked, generally do not make information about their operations and holdings public. Even if the Issuer or any of its affiliates may have arrangements with fund managers to obtain information required to calculate the value of the fund, it may not have access to the activities of the fund on a continuous basis or at all. There are currently no regulatory requirements compelling funds to release information of the kind that would allow the Issuer or any of its affiliates to value a fund or to accurately determine the value of the fund units and, consequently, the relevant Early or Final Redemption Amount of the relevant Notes.

During the ordinary course of their business, the Issuer or any of its affiliates may recommend, or determine not to recommend, specific hedge funds to their clients. Hedge funds as to which the Issuer or any of its affiliates have formed investment recommendations may, now or in the future, be among the underlying funds used in the redemption formula for Notes. Any views that may be held by the Issuer or any of its affiliates with respect to the expected future performance of one or more of the funds (including in respect of funds that are managed by managers affiliated with the Issuer) would not be an indication of the future expected performance of the fund, and neither the Issuer nor any of its affiliates has formed a view with respect to the expected future performance of a fund.

(c) Volatility of the markets may adversely affect the value of fund units

Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the underlying fund(s) increases or decreases, the market value of the Notes may be affected.

Fund performances (especially hedge funds) may be highly volatile. The net asset value of the fund, reflected by the fund units, may vary significantly from month to month. Trades made by fund managers may be based upon their expectation of price movements as the relevant investments approach and reach maturity several months after initiation of the trades. In the meantime, the market value of positions may not increase, and may in fact decrease, and this will be reflected in the net asset value per unit or share.

Investments made by the underlying funds can involve substantial risks. The nature of these investments means that the value of the fund units may fluctuate significantly during a day or over longer periods. Consequently, the performance of the fund units over a given period will not necessarily be indicative of future performance.

Market volatility may produce significant losses on the fund units.

(d) The use of leverage may increase the risk of loss in the value of the fund units

The underlying funds may use leverage techniques, in other words borrow amounts that represent more than 100% of the value of their assets to invest further in assets that involve additional risks. Accordingly, a small downward movement in the value of a fund's assets may result in a significantly larger loss for the fund.

(e) Fund managers' investments are not verified

None of the Issuer or its affiliates are or will be responsible for verifying or ensuring that fund

managers comply with their stated trading strategies (including managers affiliated to the Issuer).

The underlying funds may invest in assets that involve further risks and such risks may not be fully disclosed at the time of investment by the relevant Issuer. The fund managers and/or the investment advisers to hedge funds may invest in and trade in a variety of financial instruments using sophisticated investment techniques for hedging and non-hedging purposes. Such financial instruments and investment techniques include, without limitation, leverage (i.e. borrowing money for investment purposes), short-selling of securities, the use of derivatives such as swaps, stock options, index options, futures contracts and options on futures, securities lending, repurchase and/or reverse repurchase agreements and investment in foreign securities and foreign currencies. Furthermore, hedge funds may borrow an amount of more than 100% of its assets to increase its leverage. While these investment strategies and financial instruments provide the fund managers and/or investment advisers with the flexibility to implement a range of strategies in an attempt to generate positive returns for the fund, they also involve the risk of significant losses that may adversely affect the fund.

(f) Reliance on fund managers and/or investment advisers of the underlying fund(s)

Investment in the Notes is speculative and involves substantial risks. The Early Redemption Amount and/or the Final Redemption Amount are based on changes in the value of the underlying fund(s), which fluctuates and cannot be predicted. Moreover, anyone relying on the performance of the underlying fund(s) should note that such performance will depend to a considerable extent on the performance of the fund's managers and/or investment advisers. Neither the Issuer nor its subsidiaries are in a position to protect Noteholders against fraud or misrepresentation by fund managers or the investment advisers affiliated to the fund. Investors should understand that they could be materially adversely affected by any such acts. Noteholders do not have and are not entitled to any beneficial interests in the underlying fund(s) and as such, have no recourse against the underlying fund(s), any investment adviser or manager either contractually or statutorily. Furthermore, as a practical matter, it may be difficult to bring an action, or to seek to enforce a judgment obtained in an action, against any of the above-mentioned entities. In addition, the fund managers and/or the investment advisers may be removed or replaced, the allocation of assets may vary from time to time and the various positions of the investments of the underlying fund(s) may be economically offsetting, all of which may affect the performance of the underlying fund(s).

(g) Net Asset Value

The market value of the Notes is likely to depend substantially on the then current net asset value of the underlying fund(s). If an investor chooses to sell its Notes, such investor may receive substantially less than the amount that would be payable at any relevant payment date based on that net asset value because of, for example, possible market expectations that the net asset value of the underlying fund(s) will continue to fluctuate between such time and the time when the final net asset value of the underlying fund(s) is determined. Political, economic and other developments that affect the investments underpinning the underlying fund(s) may also affect the net asset value of the underlying fund(s) and, thus the value of the Notes.

(h) No ownership rights in any underlying funds

An investment in the Notes does not entitle Noteholders to any ownership interest or rights in any underlying fund(s), such as voting rights or rights to any payments made to investors in the underlying fund(s). Instead, a Note represents a notional investment in the underlying fund(s). The term "notional" is used because although the value of the underlying fund(s) will be used to calculate payments under the Notes, the investment in the Notes will not be used to purchase interests in the underlying fund(s) on behalf of the holders of the relevant Notes.

The Issuer, or any subsidiary of the Issuer, may purchase interests in the underlying fund(s) in order to hedge its obligations under the Notes but it is under no obligation to do so. Such interests,

if any, are the separate property of the Issuer or such subsidiary and do not secure, or in any event underpin, the Notes. Therefore, in the event of a failure by the Issuer to pay the Early or Final Redemption Amount under the Notes, the Noteholders will have no beneficial interest in or claim to any such interests in the underlying fund(s).

Inflation Index Linked Notes

The Issuer may issue Notes in respect of which the amount of principal and/or interest payable depends on the level of one or more inflation index/indices.

Potential investors in these Notes should be aware that depending on the terms and conditions of the Inflation Index Linked Notes (i) they may receive no interest or only receive 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. Further, changes in the level of the inflation index/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 any relevant inflation index/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 the result of a formula, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a rate multiplier greater than one, or by reference to any other leverage factor, the impact of any movements in the level of the inflation index/indices on the principal or interest payable is likely to be magnified.

The market price of such Notes may be volatile and depend on the residual term to maturity and the volatility of the level of the inflation index/indices. Inflation index levels may be affected by economic, financial and political events occurring in one or more countries.

Commodity Linked Notes

The Issuer may issue Notes in respect of which the amount of principal and/or interest payable depends on the price or fluctuations in the price of commodities and/or commodity indices. An investment in Commodity Linked Notes may involve market risks similar to those of a direct investment in the relevant commodities, and potential investors should therefore take appropriate advice. Potential investors in these Notes should be aware that depending on the terms and conditions of the Commodity Linked Notes (i) they may receive no interest or only receive 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. Further, changes in the price of the commodity and/or level of the commodity index 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 price of the commodity and/or level of the commodity index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the relevant commodity and/or level of the relevant commodity index, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a rate multiplier greater than one, or by reference to any other leverage factor, the impact of any movements in the the price of the relevant commodity and/or level of the relevant commodity index on the principal or interest payable is likely to be magnified.

The market price of such Notes may be volatile and depend on the residual term to maturity and volatility of the price of the relevant commodity and/or level of the relevant commodity index. The price of the relevant commodity and/or level of the relevant commodity index may also be affected by economic, financial and political events occurring in one or more countries, including factors affecting the exchanges or quotation systems on which such commodities or components of such

commodity indices may be traded.

Exchange Rate Linked Notes

The Issuer may issue Notes in respect of which the amount of principal and/or interest payable depends on the level of one or more exchange rates. Potential investors in these Notes should be aware that depending on the terms and conditions of the Exchange Rate Linked Notes (single exchange rate or basket of exchange rates) (i) they may receive no interest or only receive 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. Further, changes in the level of the rate(s) of exchange 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 rate(s) of exchange may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price, level or rate, as the case may be, of one or more rates of exchange, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a rate multiplier greater than one, or by reference to any other leverage factor, the impact of any movements in the price, level or rate, as the case may be, of the rate(s) of exchange on the principal or interest payable is likely to be magnified.

The market price of such Notes may be volatile and depend on the residual term to maturity and volatility of the price, level or rate, as the case may be, of the relevant rate(s) of exchange. The level of the rate(s) of exchange may also be affected by economic, financial and political events occurring in one or more countries.

2.3 General risks relating to the Notes

A brief presentation of certain general risks relating to the Notes is set forth below:

Modification of the Terms and Conditions of the Notes

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse*, as defined in Condition 11 of the Terms and Conditions of the Notes "*Representation of Noteholders*". In certain cases the Terms and Conditions of the Notes permit holders of Notes, including those that did not participate (or were not represented) or vote at a General Meeting, those that voted contrary to the will of the majority or those who did not respond to, or rejected, a Written Decision, to be bound by a decision. Noteholders may through Collective Decisions deliberate on any proposed amendment to the Terms and Conditions of the Notes subject to the limitations provided by French law.

Change of law

The Terms and Conditions of the Notes are based on French law in force as at the date of this Base Prospectus. No assurance can be given as to the impact on the Notes of any possible judicial decision or change of law or administrative practice after the date of this Base Prospectus.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of innovative financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. These

investment considerations should be read in connection with the information set forth in the "Taxation" section of this Base Prospectus.

The proposed financial transactions tax (FTT)

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

In March 2016, Estonia officially indicated that it will no longer be a Participating Member State.

The Commission Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission Proposal the FTT could also apply in certain circumstances to persons 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 established in a Participating Member State, 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 dealings is issued in a Participating Member State.

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 and/or Participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

French law on companies in financial difficulties

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

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

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

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

give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders which have cast a vote at such Assembly). No quorum is required to convene the Assembly.

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

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

CRD IV package Risk-Weighted Asset Framework

Under EU legislation through the "**CRD IV package**" which consists of the Capital Requirements Directive n°2013/36/EU dated 26 June 2013 (the "**CRD IV Directive**"), the Capital Requirements Regulation n°575/2013 dated 26 June 2013 (the "**CRD IV Regulation**") and their subsequent Delegated Regulations and Commission Implementing Regulations, a number of requirements arising from the CRD IV package was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of the CRD IV package at the legislative level was finalized under French law by Ordinance n°2014-158 dated 20 February 2014 and by several *décrets* and *arrêtés* dated 3 November 2014.

The implementation of CRD IV package, and any of its expected amendments, have and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of CRD IV package, and any of its expected amendments, will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition and application of the CRD IV package.

In addition, the implementation of CRD IV package and any of its expected amendments could affect the risk weighting of the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the CRD IV package. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of CRD IV package and any of its expected amendments could have on them.

U.S. Foreign Account Tax Compliance Act" (FATCA) Withholding risk

While the Notes are held within the Clearing System (as defined in Condition 7.1 (*Payment Method*)), in all but the most remote circumstances, it is not expected that FATCA (as defined in "Taxation – Foreign Account Tax Compliance Act") will affect the amount of any payment received by the Clearing System. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure

each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the Clearing System and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Clearing System and custodians or intermediaries.

2.4 Market risks

Set forth below are the principal market risks including liquidity risk, forex risk, interest rate risk and credit risk:

Market value of the Notes

The market value of the Notes may be affected by the creditworthiness of the Issuer and by other additional factors including the value of reference assets or an index, in particular the volatility of the reference assets or index, dividends payable on securities comprised in the index, interest rates or market yields or residual term to maturity.

The value of the Notes, reference assets or the index are dependent on interrelated factors, including economic, financial or political factors in France or elsewhere, including factors affecting the capital markets in general and the exchanges on which the Notes, the reference assets, the securities comprised in the index or the index are traded. The price at which a Noteholder may sell its Notes prior to the scheduled maturity date may be substantially less than the Issue Price or purchase price paid by such holder. Historic prices for the reference assets or index should not be considered as an indication of future performance of such reference assets or index up to the maturity date of any Note.

Absence of a secondary market

The Notes may have no established trading market when issued, and one may never develop. Even if a secondary market does develop, it may not be very liquid. Although particular series of Notes may specify that they are expected to be admitted to trading on Euronext Paris and/or any other Regulated Market in the European Economic Area, there is no assurance that any particular Tranche of Notes will be so admitted or that an active trading market will develop. 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. This type of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse affect on the market value of the Notes.

Exchange rate risks and exchange controls

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

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

Credit ratings may not reflect all risks

The Notes issued under the Programme will not be rated. Nevertheless, one or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the 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 Notes and may be revised or withdrawn by the rating agency at any time.

The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those arising from the offered Notes. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the relevant Notes.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the relevant rating agencies as a result of changes in or unavailability of information or if, in the rating agencies' judgment, circumstances so warrant. Any rating agency other than Moody's Investors Services Ltd. and Fitch Ratings could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Issuer by Moody's Investors Services Ltd. and Fitch Ratings, such unsolicited ratings could have an adverse effect on the value of the Notes.

Investment laws and regulations may restrict certain investments

The investment activities of certain investors are subject to laws and regulations on investment criteria, or review or regulation by certain authorities. All potential investors should consult their legal advisers to determine whether and to what extent, (1) they are authorised to invest in the Notes, (2) the Notes may or may not be used as collateral for various types of borrowing and, (3) other restrictions apply to the purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Neither the Issuer, nor any Dealer(s), or any of their respective affiliates assume or have assumed responsibility for the lawfulness of the acquisition of any Notes by a potential investor, whether pursuant to the laws in force in the jurisdiction in which they are incorporated or (if different) where they conduct their activities, or for compliance by any potential investor with all applicable laws, regulations or rules of any relevant regulator.

CONDITIONS RELATING TO THE ISSUER'S CONSENT TO USE THIS BASE PROSPECTUS

In connection with any offer of Notes in France and/or in any other EEA Member State ("**Public Offer Jurisdiction**") which is not exempt from the requirement to publish a prospectus in accordance with the Prospectus Directive (a "**Non-Exempt Offer**"), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (the "**Prospectus**") in connection with a public offer (the "**Public Offer**") of any Note during the offer period (the "**Offer Period**"), in the Public Offer Jurisdictions specified in the relevant Final Terms and has considered the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms, by:

- (a) subject to the conditions specified in the Final Terms, any financial intermediary authorised to make such offers under Directive 2014/65/EU on markets in financial instruments, as amended, and which satisfies the conditions referred to (if any) in the relevant Final Terms; or
- (b) if specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any regulatory bodies (the "**Rules**"), including, without limitation and in each case, the Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set forth under section "*Subscription and Sale*" of this Base Prospectus which shall apply as if it were a Dealer; (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by such financial intermediary in relation to the offering or sale of Notes is fully and clearly disclosed to investors or potential investors; (d) holds all permits, authorisations, approvals and consents required in connection with solicitation of interests in, or offers or sales of, the Notes under the Rules; (e) retains investor identification records for at least the minimum period required under the applicable Rules and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and "know your client" rules applying to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (g) satisfies any further conditions specified in the relevant Final Terms, (in each case an "**Authorised Offeror**"). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and, therefore, neither the Dealer(s) nor the Issuer shall have any liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Base Prospectus in relation to any person (an "**Investor**") in such Public Offer Jurisdiction(s) to whom an offer of any Notes is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval (*visa*) of this Base Prospectus by the AMF.

In the event that the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during the Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will

publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the publication of the relevant Final Terms on the website: www.palatine.fr.

If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its website that it is using the Prospectus for the relevant public offer with the consent of the Issuer and in accordance with the conditions attached thereto.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person under any circumstances and no such person is permitted to use the Prospectus in connection with the offer of any Notes. Such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and neither the Issuer nor any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an 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, settlement arrangements and expenses relating to taxes invoiced to the investor (the "*Terms and Conditions of the Public Offer*"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or Authorised Offerors has any responsibility or liability for such information or the consequences of its use by the relevant Investors.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published and have been filed with the AMF. Such documents shall be incorporated in, and shall be deemed to form part of, this Base Prospectus:

- (a) the 2018 annual financial report (the "**2018 Financial Report**") of the Issuer in English language which includes the consolidated financial statements for the fiscal year ended 31 December 2018, together with the explanatory notes and the related auditors reports;
- (b) the 2017 annual financial report (the "**2017 Financial Report**") of the Issuer in English language which includes the consolidated financial statements for the fiscal year ended 31 December 2017, together with the explanatory notes and the related auditors reports; and
- (c) the sections "Terms and Conditions of the Notes" of the following base prospectuses: (i) the base prospectus dated 4 July 2018 (pages 86 to 114), (ii) the base prospectus dated 3 July 2017 (pages 81 to 109), (iii) the base prospectus dated 4 July 2016 (pages 78 to 106), and (iv) the base prospectus dated 22 August 2014 (pages 49 to 73) (together, the "**EMTN Previous Conditions**") and
- (d) the press release "Résultats 2018 de la Banque Palatine" in French language, published on 7 March 2019, which includes unaudited condensed financial statements for the fiscal year ended 31 December 2018 (the "**2018 Annual Results Press Release**").

For the sake of clarity, sections not identified in the table below are not part of this Base Prospectus. Any websites included in this Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

For as long as any Notes are outstanding, all documents incorporated by reference into this Base Prospectus may be obtained, free of charge at the registered office of the Issuer during normal business hours and at specified offices of the Paying Agent, and will be available on the website of the Issuer (www.palatine.fr) and on the following website: www.info-financiere.fr.

Cross Reference Table - Annex IV of EC Regulation no. 809/2004, as amended

		2018 Annual Results Press Release	2018 Financial Report	2017 Financial Report
3.	Selected Financial Information			
3.1	Selected historical financial information regarding the issuer, presented, for each financial year for the period covered by the historical financial	Pages 1 to 4	Pages 87 to 99	Pages 103 to 105

	information, and any subsequent interim financial period, in the same currency as the financial information.			
3.2	If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year.	Not Applicable	Not Applicable	Not Applicable
13.1	<i>Historical financial information</i>			
	Audited historical financial information covering the latest 2 financial years	Not Applicable	Pages 56 to 159	Pages 65 to 174
	Statutory Auditors reports	Not Applicable	Pages 160 to 170	Pages 175 to 192
	Balance sheet	Pages 3 to 4	Pages 90	Page 103
	Income statements	Pages 3 to 4	Pages 87	Pages 104 to 105
	Cash flow statements	Not Applicable	Page 93	Page 108
	Accounting principles	Not Applicable	Pages 63 to 69	Pages 122 to 135
	Explanatory notes	Not Applicable	Pages 100 to 159	Pages 109 to 174
13.2	<i>Financial statements</i>			
	Own and consolidated financial statements, include at least the consolidated financial statements in the registration	Pages 3 to 4	Pages 56 to 159	Pages 65 to 174

	document.			
13.3	<i>Auditing of historical annual financial information</i>	Not Applicable	Pages 160 to 170	Pages 175 to 192

The EMTN Previous Conditions are incorporated by reference into the Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single Series with Notes already issued under the relevant EMTN Previous Conditions.

<i>EMTN Previous Conditions</i>	
Base prospectus dated 4 July 2018	Pages 86 to 114
Base prospectus dated 3 July 2017	Pages 81 to 109
Base prospectus dated 4 July 2016	Pages 78 to 106
Base prospectus dated 22 August 2014	Pages 49 to 72

Non-incorporated parts of the base prospectuses of the Issuer dated 4 July 2018, 3 July 2017, 4 July 2016 and 22 August 2014 respectively are not relevant for investors.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to the Base Prospectus pursuant to the Article 212-25 of the *Règlement Général* of the AMF implementing Article 16 of the Prospectus Directive in France, the Issuer will prepare and make available, on (a) its website (www.palatine.fr) and (b) the AMF (www.amf-france.org), an appropriate supplement to this Base Prospectus, which in respect of any subsequent issue of Notes to be admitted to trading on Euronext Paris or on a Regulated Market of a Member State of the European Economic Area, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the *Règlement Général* of the AMF the Prospectus Directive.

In accordance with and pursuant to Article 16.2 of the Prospectus Directive, where the Notes are offered to the public, investors who have already agreed to purchase or subscribe for Notes before any supplement is published have the right, exercisable within two working days after the publication of such supplement, to withdraw their acceptance provided that the new factor, mistake or inaccuracy referred to in Article 16.1 of the Prospectus Directive arose before the final closing of the offer to the public and the delivery of the Notes. The period may be extended by the Issuer or, if agreed to by the Issuer, the relevant Authorised Offeror(s). The final date of the right of withdrawal shall be stated in the supplement.

TERMS AND CONDITIONS OF THE NOTES

*The following provisions constitute, together with (if relevant) the technical annex set forth on pages 122 to 281 (the "**Technical Annex**") and the relevant Final Terms, the terms and conditions (the "**Conditions**") which shall apply to the Notes. All expressions beginning with a capital letter and which are not defined in these Conditions or in the Technical Annex (if relevant) shall have the meanings given to them in the relevant Final Terms. References herein to "**Articles**" shall, unless the context requires otherwise, be to the numbered paragraphs below. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued by Banque Palatine (the "**Issuer**" or "**Banque Palatine**") by series (each a "**Series**"), on the same date or on different dates. The Notes of a single Series shall have identical terms and conditions (in all respects other than the issue date, issue price, the aggregate nominal amount and the first interest payment), the Notes of each Series being fungible. Each Series may be issued in tranches (each a "**Tranche**"), with the same issue date or different issue dates. The specific terms and conditions of each Tranche (including, but without limitation, the aggregate nominal amount, the issue price, the redemption amount and interest, if any, payable on such Notes), shall be determined by the Issuer and set forth in the final terms (the "**Final Terms**").

The Issuer shall act as fiscal agent in respect of the Notes (payment of accrued interest and redemption of amortized Notes). The Issuer in its capacity as fiscal agent and paying agent shall be referred to herein as the "**Fiscal Agent**" and the "**Paying Agent**" (such expression including the Fiscal Agent). A fiscal agency agreement (the "**Fiscal Agency Agreement**") in respect of the Notes may be entered into between the Issuer and any third party acting as fiscal agent and paying agent.

Whenever it may be necessary or required for a calculation agent to determine an amount or make any calculation or adjustment under a Tranche of Notes (including, but without limitation, under a Tranche of Underlying Linked Notes and/or Physical Redemption Notes and/or Floating Rate Notes (as defined below)) in accordance with the Conditions and the Technical Annex, a calculation agency agreement (the "**Calculation Agency Agreement**") in respect of the relevant Notes shall be entered into between the Issuer and any third party acting as calculation agent (the "**Calculation Agent**").

For the purposes of these Conditions, "**Regulated Market**" means any regulated market situated in a member state of the European Economic Area ("**EEA**"), as defined in the Directive 2014/65/EU on markets in financial instruments, as amended.

1. **FORM, DENOMINATION AND TITLE**

1.1 **Form**

The Notes shall be issued in dematerialised form.

Title to the Notes shall be evidenced by account entry, in accordance with Articles L.211-3 *et seq.* and R. 211-1 *et seq.* of the French *Code monétaire et financier*. No physical documents of title to the Notes (including representative certificates (*Certificats représentatifs*)) in accordance with Article R.211-7 of the French *Code monétaire et financier* shall be issued in respect of the Notes.

The Notes shall be issued, at the option of the Issuer, as specified in the relevant Final Terms, either in bearer form (*au porteur*), entered in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form and, in such case, at the option of the relevant holder, either in

administered registered form (*au nominatif administré*), inscribed in the books of an Account Holder nominated by the relevant holder, or in fully registered form (*au nominatif pur*), entered in an account held by the Issuer or by a registration agent (specified in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

Unless this possibility is expressly excluded in the relevant Final Terms and to the extent permitted by applicable law, the Issuer may, in accordance with the provisions of Article L.228-2 of the French *Code de commerce*, at any time request from the central depository identification information of the Noteholders such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, e-mail address of holders of Dematerialised Notes in bearer form.

In these Conditions, "**Account Holder**" means any intermediary authorised to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking S.A. ("**Clearstream**").

The Notes may be "**Fixed Rate Notes**", "**Floating Rate Notes**", "**Fixed/Floating Rate Notes**", "**Zero Coupon Notes**", "**Underlying Linked Notes**" (including "**Underlying Linked Interest Notes**" the interest in respect of which is calculated by reference to one or more Underlying(s) and "**Underlying Linked Redemption Notes**" the redemption of the principal of which is calculated by reference to one or more Underlying(s)), "**Partly Paid Notes**", "**Physical Redemption Notes**" or a combination thereof (in which case the Notes shall be called "**Hybrid Notes**"), depending on the Interest Basis and terms of redemption specified in the relevant Final Terms. For the purposes hereof, "**Underlying**" means a share in a company, any other equity security or security other than an equity security, index, currency, exchange rate, interest rate, dividend, fund unit, an investment company share or forward contract as specified in the relevant Final Terms, a basket of any of the above, or any formula or combination thereof, as more fully described in the Technical Annex.

Any reference in these Conditions to "**Physical Redemption Notes**" means any Tranche of Notes specified as such in the relevant Final Terms, provided however that in respect of such Notes the amount of principal and/or interest is payable by reference to one or more Underlying(s) and/or the amount calculated by reference to the number of Underlying(s) plus or minus any amount payable to the relevant Noteholder (the "**Physical Redemption Amount**") is deliverable and/or settled in accordance with the conditions specified in the relevant Final Terms.

1.2 **Denominations**

The Notes of a single Series shall be issued in the specified denomination as set out in the relevant Final Terms (the "**Denomination**"), provided that there may only be one single Denomination per Series.

1.3 **Title**

Title to bearer and administered registered Notes is transferred, and the transfer of such Notes shall only take effect, by registration of the transfer in the accounts of the Account Noteholders. Title to fully registered Notes is transferred, and the transfer of such Notes shall only take effect, by registration of the transfer in the accounts held by the Issuer or the Registration Agent.

Subject to any judicial or administrative decision rendered by a competent jurisdiction or to any applicable laws or regulations, the Noteholder (as defined below), shall be

deemed, under all circumstances, to be the sole owner and may be treated as such, whether or not such Note has matured, irrespective of any declaration of ownership, any rights over such Note and without any liability attaching to any person for having treated the holder in such manner.

In these Conditions,

"**Noteholder(s)**" means the person whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as holder of such Notes.

2. **CONVERSION AND EXCHANGE OF NOTES**

Notes issued in bearer form may not be converted into registered Notes, whether in fully registered or administered registered form.

Notes issued in registered form may not be converted into bearer form.

Notes issued in fully registered form may, at the option of the Noteholder, be converted into Notes in administered registered form and *vice versa*. Exercise of such option by the Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any costs relating to such conversion shall be borne by the relevant Noteholder.

3. **STATUS AND RANKING**

The Notes constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer (subject to Condition 4), and rank equally amongst themselves and (subject to mandatory exceptions under French law) equally with all other unsubordinated and unsecured debt present or future of the Issuer.

4. **NEGATIVE PLEDGE**

So long as any Notes remain outstanding (as defined below), the Issuer shall not create or permit to subsist any mortgage over its real estate assets or rights that it does or may possess and shall not grant or permit to subsist any pledge over its business (*fonds de commerce*) to secure other obligations, unless the obligations of the Issuer under the Notes, are secured equally and rateably therewith.

This obligation relates solely to issues of Notes by the Issuer and shall not prevent the Issuer from disposing of title to its property or granting any security over such property in any other circumstances.

For the purposes of this Condition:

"**outstanding**" means, in respect of the Notes of any Series, all Notes issued other than (a) Notes that have been redeemed in accordance with these Conditions, (b) Notes in respect of which the date for redemption has occurred and the redemption amount (including interest accrued on such Notes up to the date of redemption and any interest payable after such date) has been duly paid in accordance with Condition 7, (c) Notes that have become void or in respect of which claims have become prescribed, (d) Notes that have been redeemed and cancelled pursuant to these Conditions.

5. INTEREST AND OTHER CALCULATIONS

5.1 Definitions

In these Conditions, unless the context requires otherwise, the terms below shall have the following meanings:

"Benchmark" means the benchmark rate EURIBOR, EONIA, LIBOR, TEC10 or CMS Rate, as specified in the relevant Final Terms, subject as provided in Condition 5.3(iii)(F) (*Benchmark Discontinuation*).

"Business Day" means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including foreign exchange transactions and currency deposits) in all Business Centres specified in the relevant Final Terms; and
- (b) (i) in respect of any amount payable in a Specified Currency other than the Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including foreign exchange transactions and currency deposits) in the principal financial centre of the currency of the Specified Currency, (if this is not one of the Business Centres), or (ii) in respect of any amount payable in Euros, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET 2) ("**Target**"), or any successor system is operating.

"Day Count Fraction" means, for the purpose of calculating the amount of interest on any Note for a specific period (beginning on the first day (inclusive) of such period and ending on the last day (exclusive)) (whether or not such period is an Interest Period, hereafter the "**Calculation Period**"):

- (a) if "**Actual/365**" or "**Actual/365 - FBF**" or "**Actual/Actual - ISDA**" are specified in the relevant Final Terms, this means the actual number of days in the Calculation Period divided by 365 (or if any portion of this Calculation Period falls in a leap year, the sum of (A) the actual number of days in this Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in the Calculation Period falling in a non-leap year divided by 365);
- (b) if "**Actual/Actual - ICMA**" is specified in the relevant Final Terms:
 - (i) if the Calculation Period is of a duration equal to or shorter than the Determination Period in which such Calculation Period falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in one year; and
 - (ii) if the Calculation Period is of a duration greater than one (1) Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period during which such Calculation Period begins, divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Periods normally ending in one year, and
 - (y) the number of days in such Calculation Period falling in the next

Determination Period, divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Periods normally ending in one year,

where, in each case, "**Determination Period**" means the period commencing on an Interest Determination Date (inclusive) in any year and ending on the next Interest Determination Date (exclusive) and "Interest Determination Date" means the date specified in the relevant Final Terms, or if none is specified, the Interest Payment Date;

- (c) if "**Actual/Actual - FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days in such period and whose denominator is 365 (or 366 if 29th February is included in the Calculation Period). If the Calculation Period is of a duration greater than one (1) year, the basis shall be calculated as follows:
- (x) the number of complete years shall be counted back from the last day of the Calculation Period,
 - (y) this number shall be increased by the fraction for the relevant period, calculated as described in the first paragraph of this definition;
- (d) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (e) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360 (in other words, the number of days to be calculated based on a year of 360 days comprising twelve (12) months of thirty (30) days each (unless (a) the last day of the Calculation Period is the 31st day of a month and the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month comprising the last day shall not be shortened to a month of thirty (30) days or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be lengthened to a month of thirty (30) days));
- (g) if "**30/360 - FBF**" or "**Actual 30A/360 (American Bond Basis)**" is specified in the relevant Final Terms, this means, for each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated in accordance with the 30E/360 – FBF basis, except:

where the last day of the Calculation Period is a 31st and the first day is neither a 30th nor a 31st, the last month of the Calculation Period is deemed to be a month of thirty one (31) days,

using the same definitions as those set forth below for 30E/360 FBF, the fraction is:

if $dd2 = 31$ and $dd1 \neq (30, 31)$,

then:

$$\frac{1}{360} \times [(yy2-yy1) \times 360 + (mm2-mm1) \times 30 + (dd2-dd1)]$$

if not

$$\frac{1}{360} \times [(yy2-yy1) \times 360 + (mm2-mm1) \times 30 + \text{Min}(dd2,30) - \text{Min}(dd1,30)]$$

- (h) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated based on a year of 360 days comprising twelve (12) months of thirty (30) days, ignoring the date on which the first or the last day of the Calculation Period falls, unless, in the case of a Calculation Period ending on a Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be extended to a month of thirty (30) days); and
- (i) if "**30E/360 - FBF**" is specified in the relevant Final Terms, this means, for each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days during such period, calculated on the basis of a year of twelve (12) months of thirty (30) days, except:

where the last day of the Calculation Period is the last day of the month of February, the number of days during such month is the actual number of days,

where:

D1 (dd2, mm1, yy1) is the period commencement date

D2 (dd2, mm2, yy2) is the period end date

the fraction is:

$$\frac{1}{360} \times [(yy2-yy1) \times 360 + (mm2-mm1) \times 30 + \text{Min}(dd2,30) - \text{Min}(dd1,30)]$$

"**Effective Date**" means, in respect of a Floating Rate to be determined on any Interest Determination Date, the date specified in the relevant Final Terms, or, if no such date is specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"**Eurozone**" means the region comprising the Member States of the European Union which have adopted the single currency.

"**FBF Definitions**" means the definitions set forth in the 2013 version of the FBF Master Agreement relating to forward financial instruments, as may be supplemented by FBF Technical Schedules (*additifs techniques*), as published by the *Fédération Bancaire Française* (together, the "**FBF Master Agreement**").

"**Interest Accrual Period**" means the period commencing on the Interest Commencement Date (inclusive) and ending on the first Interest Period Date (exclusive) and each successive period commencing on an Interest Period Date (inclusive) and ending on the next Interest Period Date (exclusive).

"**Interest Amount**" means the amount of interest payable for a particular period and, in the case of Fixed Rate Notes, the Fixed Coupon Amount or the Broken Amount, as specified in the relevant Final Terms, as the case may be.

"**Interest Commencement Date**" means the Issue Date or any other date specified in the relevant Final Terms.

"Interest Determination Date" means, in respect of a Rate of Interest and an Interest Accrual Period, the date specified as such in the relevant Final Terms or, if no such date is specified, (i) the day falling two (2) TARGET Business Days before the first day of such Interest Accrual Period if the Specified Currency is the Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is pounds Sterling or (iii) if the Specified Currency is neither pounds Sterling nor the Euro, the day falling two (2) Business Days in the city specified in the relevant Final Terms for the Specified Currency before the first day of such Interest Accrual Period.

"Interest Payment Date" means the date(s) specified in the relevant Final Terms.

"Interest Period" means the period commencing on the Interest Commencement Date (inclusive) and ending on the first Interest Payment Date (exclusive) and each successive period commencing on an Interest Payment Date (inclusive) and ending on the next Interest Payment Date (exclusive).

"Interest Period Date" means each Interest Payment Date, unless specified otherwise in the relevant Final Terms.

"ISDA Definitions" means the 2006 ISDA definitions, as published by the *International Swaps and Derivatives Association, Inc.*, as may be supplemented or amended as at the Issue Date, unless otherwise specified in the relevant Final Terms.

"Local time" means, in the case of Europe and the Eurozone as Relevant Financial Centre, 11.00 a.m. (Brussels time).

"Rate of Interest" means the interest rate payable on the Notes and which is specified in the relevant Final Terms.

"Reference Banks" means the entities specified as such in the relevant Final Terms or, if no such entity is specified, four prime banks selected by the Calculation Agent on the interbank market (or if appropriate, the money market, the swaps market, or the OTC index options market) most closely associated with the Benchmark (which, if the relevant Benchmark is EURIBOR or EONIA, shall be the Eurozone, if the Benchmark is LIBOR, shall be London and if the Benchmark is CMS Rate, shall be the swap market of the Relevant Financial Centre).

"Relevant Date" means in respect of any Note, the date on which any payment to be made on such Notes becomes due and payable or (if any amount due is not paid or payment is improperly withheld) the date on which any outstanding amount is paid in full.

"Relevant Financial Centre" means, in respect of a Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date, the financial centre specified as such in the relevant Final Terms or, if no financial centre is specified, the financial centre with which the relevant Benchmark is most closely associated (which in the case of EURIBOR or EONIA, shall be the Eurozone, and in the case of LIBOR, shall be London and if the Benchmark is CMS Rate, shall be the swap market of the Relevant Financial Centre) or, failing which, Paris.

"Relevant Rate" means the Benchmark for a Representative Amount in the Specified Currency for a period equal to the Specified Duration as from the Effective Date (if such period is applicable to, or compatible with, the Benchmark).

"Relevant Time" means, in respect of any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to

determine bid and offered rates for deposits in the Specified Currency in the interbank market in such Relevant Financial Centre.

"Representative Amount" means in respect of any Floating Rate to be determined in accordance with Screen Rate Determination on any Interest Determination Date, the amount specified as such on such date in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Screen Page" means any page, section, heading, column or other part of a document provided by an information service (including without limitation, Reuters Markets 3000) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, heading, column or other part of a document of such information service, or any other replacement information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing on such service, for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Specified Currency" means the currency specified in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

"Specified Duration" means, in respect of a Floating Rate to be determined in accordance with Screen Rate Determination on any Interest Determination Date, the period specified in the relevant Final Terms, or if no period is specified, a period equal to the Interest Accrual Period, without any adjustments under Condition 5.3(b).

5.2 Interest on Fixed Rate Notes

Each Fixed Rate Note shall bear interest calculated on its outstanding nominal amount, from the Interest Commencement Date, at an annual rate (expressed as a percentage) equal to the Rate of Interest. Interest will be payable in arrears on each Interest Payment Date.

If a fixed coupon amount ("**Fixed Coupon Amount**") or a reduced coupon amount (being calculated by reference to a shorter than normal interest period) ("**Broken Amount**") is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date shall be equal to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and, in the case of a Broken Amount, it shall be payable on the Interest Payment Date(s) specified in the relevant Final Terms.

5.3 Interest on Floating Rate Notes and Underlying Linked Notes

(a) *Interest Payment Dates*: Each Floating Rate Note and each Underlying Linked Note shall bear interest calculated on its outstanding nominal amount, from the Interest Commencement Date, at an annual rate (expressed as a percentage) equal to the Rate of Interest. Interest will be payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) shall be specified in the relevant Final Terms as Scheduled Interest Payment Date(s) or, if no Scheduled Interest Payment Date is specified in the relevant Final Terms, Interest Payment Date shall mean each date which falls at the end of such number of months or other period as may be specified in the relevant Final Terms as being the Interest Period, after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(b) *Business Day Convention*: if a date specified in these Conditions, expressed to be subject to adjustment in accordance with a Business Day Convention, does not fall on a Business Day, and the applicable Business Day Convention is (A) "**Floating Rate Business Day Convention**", such date shall be postponed until the

next following Business Day, unless such day would fall in the next calendar month, in which case (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent payment date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) "**Following Business Day Convention**", such date shall be postponed until the next following Business Day, (C) "**Modified Following Business Day Convention**", such date shall be postponed until the next following Business Day, unless such day falls in the next calendar month, in which case such date shall be brought forward to the immediately preceding Business Day, or (D) "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the above, if the relevant Final Terms specify that the applicable Business Day Convention is "non adjusted", the Interest Amount payable on any date shall not be adjusted pursuant to any Business Day Convention.

(c) *Rate of Interest on Floating Rate Notes*: The Rate of Interest applicable to Floating Rate Notes for each Interest Accrual Period shall be determined in accordance with the method set forth below for FBF Determination, ISDA Determination or Screen Rate Determination, depending on the option specified in the relevant Final Terms.

(i) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as being the applicable method for determining the Rate of Interest, the Rate of Interest applicable to each Interest Accrual Period shall be determined by the Agent as being a rate equal to the relevant FBF Rate, plus or minus, as the case may be (as specified in the relevant Final Terms), the Margin. For the purposes of this sub-paragraph (i), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate as would be determined by the Agent for a swap transaction entered into in the Specified Currency and incorporating the FBF Definitions under the terms of which:

- (A) the Floating Rate is as specified in the relevant Final Terms; and
- (B) the Floating Rate Determination Date is as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (i), "**Floating Rate**", "**Agent**" and "**Floating Rate Determination Date**" shall have the meanings ascribed thereto in the FBF Definitions.

(ii) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as being the applicable method for determining the Rate of Interest, the Rate of Interest applicable to each Interest Accrual Period shall be determined by the Calculation Agent as being a rate equal to the relevant ISDA Rate, plus or minus, as the case may be (as specified in the relevant Final Terms), the Margin. For the purposes of this sub-paragraph (ii), the "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate as would be determined by the Calculation Agent for a Swap Transaction entered into under an agreement incorporating the ISDA Definitions under the terms of which:

- (A) the Floating Rate Option is as specified in the relevant Final Terms;

- (B) the Designated Maturity is as specified in the relevant Final Terms; and
- (C) the relevant Reset Date is the first day of such Interest Accrual Period or any other date specified in the relevant Final Terms.

For the purposes of this sub-paragraph (ii), the terms "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" shall have the meanings ascribed thereto in the ISDA Definitions.

(iii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the method to be used to determine the Rate of Interest, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at (or about) the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (A) if the Principal Source for the Floating Rate is a Screen Page, subject as provided below or (if applicable) in Condition 5.3(ii)(F) (*Benchmark Discontinuation*), the Rate of Interest shall be:
 - I. the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity), or
 - II. the arithmetic mean of the Relevant Rates of the institutions whose Relevant Rates appear on that Screen Page,

in each case as appearing on such Screen Page at the Relevant Time on the Interest Determination Date, as specified in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any);

- (B) if the Principal Source for the Floating Rate is Reference Banks or if sub-paragraph (A)(I) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (A)(II) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date then, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any);
- (C) if paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount in the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is

the euro, in the Eurozone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date and equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are quoting such rates to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; it being understood that, if fewer than two such banks are quoting such rates to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after adjustment for any difference between any Margin, Rate Multiplier, or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period);

- (D) Where Screen Rate Determination is specified in the relevant Final Terms as the method to be used to determine the Rate of Interest and the Relevant Rate in respect of the Floating Rate Notes is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period will, subject as provided below or (if applicable) in Condition 5.3(iii)(F) (*Benchmark Discontinuation*), be determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

If the relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide it with its quotation for the Relevant Swap Rate at (or around) the Relevant Time on the Interest Determination Date. If at least three Reference Banks provide quotations to the Calculation Agent, the CMS Rate for the relevant Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest quotations) and the lowest quotation (or, in the event of equality, one of the lowest quotations).

If on any Interest Determination Date, less than three or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent, in accordance with then prevailing standard market practice.

For the purposes of this sub-paragraph (D):

CMS Rate means the applicable swap rate for swap transactions in the Specified Currency with a maturity of the Specified Duration, expressed as a percentage, which appears on the Screen Page at the Relevant Time on the relevant Interest Determination Date, as determined by the Calculation Agent.

Relevant Swap Rate means where the Specified Currency is the Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated

Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a Designated Maturity determined by the Calculation Agent by reference to then prevailing standard market practice and/or the ISDA Definitions.

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time, as determined by the Calculation Agent; and

- (E) Where Screen Rate Determination is specified in the relevant Final Terms as the method to be used to determine the Rate of Interest and the Relevant Rate in respect of the Floating Rate Notes is specified as being TEC10, the Rate of Interest for each Interest Accrual Period will, subject as provided below or (if applicable) in Condition 5.3(iii)(F) (*Benchmark Discontinuation*), be determined by the Calculation Agent by reference to the following formula:

TEC10 + Margin

- "TEC 10" means the offered quotation (expressed as a percentage rate per annum) for the EUR-TEC10-CNO, calculated by the *Comité de Normalisation Obligataire* ("CNO"), which appears on the relevant Screen Page, being the caption "TEC10" on the Reuters Screen Page CNOTEC10 or any successor page, as at 10.00 a.m. Paris time on the relevant Interest Determination Date.
- If, on any Interest Determination Date, TEC10 does not appear on the Reuters Screen Page CNOTEC or any successor page, (i) it shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two reference OAT (*Obligation Assimilable du Trésor*) that would have been used by the CNO to calculate the relevant rate, quoted in each case by five *Spécialistes en Valeurs du Trésor* (preferred counterparties of *Agence France Trésor* and the *Caisse de la Dette Publique* for all of their market activities, with responsibility for participating in auction sales, placing *Trésor* securities and providing liquidity in the secondary market) at approximately 10.00 a.m., Paris time, on the relevant Interest Determination Date; (ii) the Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price; and (iii) TEC10 will be the redemption yield of the arithmetic mean of such prices as determined by the Calculation Agent after discarding the highest and lowest of such quotations. The above mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the CNO for the determination of the relevant rate.

For information purposes only, the EUR-TEC10-CNO, established in April 1996, is the percentage yield (rounded to the nearest second decimal point, 0.005 per cent. being rounded upwards) of a notional 10 year French Treasury Bond (Obligation Assimilable du Trésor, "OAT") corresponding to the linear interpolation between the yield to maturity of the two actual OATs (the "Reference OATs") whose

periods to maturity are closest in duration to the notional 10 year OAT, one Reference OAT's duration being of less than 10 years and the other Reference OAT's duration being greater than 10 years.

(F) Benchmark discontinuation

This Condition 5.3(iii)(F) applies only if "*Benchmark Replacement*" is specified to be "Applicable" in the relevant Final Terms. For the avoidance of doubt, if "*Benchmark Replacement*" is specified to be "Not Applicable" in the relevant Final Terms, if a Benchmark Event occurs, then the provisions over other fallbacks specified in Condition 5.3(iii) shall apply and prevail.

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over other fallbacks specified in Condition 5.3.

I. Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.3(iii)(F)(II)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.3(iii)(F)(III)) and any Benchmark Amendments, if any (in accordance with Condition 5.3(iii)(F)(IV)).

An Independent Adviser appointed pursuant to this Condition 5.3(iii)(F) shall act in as an expert and (in the absence of manifest error or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the Noteholders for any determination made by it pursuant to this Condition 5.3(iii)(F).

II. Successor Rate or Alternative Rate

If the Independent Adviser determines that:

- (a) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.3(iii)(F)(IV)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.3(iii)(F)); or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.3(iii)(F)(IV)) subsequently be used in place of the Original Reference

Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.3(iii)(F)).

III. Adjustment Spread

If the Independent Adviser, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate(s) of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

IV. Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.3(iii)(F) and the Independent Adviser determines (A) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or relevant Screen Page) are strictly necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the relevant terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.3(ii)(F)(V), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5.3(ii)(F), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

V. Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 15, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and of the specific terms of any Benchmark Amendments, determined under this Condition 5.3(ii)(F). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

VI. Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the

immediately following Interest Determination Date, no Independent Adviser has been appointed or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the fallback provisions relating to the Original Reference Rate specified in condition 5.3(iii) will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5.3(iii)(F), mutatis mutandis, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5.3(iii)(F) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the fallbacks specified in Condition 5.3(iii)(F), will continue to apply).

VII. Definitions

In this Condition 5.3(iii)(F):

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines in accordance with customary market usage in the international debt capital market for such Successor Rate or the Alternative Rate and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (b) in the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (c) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in

customary market usage, the Independent Adviser determines to be appropriate.

"Alternative Rate" means, in the absence of Successor Rate, an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 5.3(iii)(F) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes.

"Benchmark Event" means, with respect to an Original Reference Rate:

- (a) the Original Reference Rate ceasing to exist or be published;
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the specified date referred to in (b)(i);
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the specified date referred to in (d)(i);
- (e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months;
- (f) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"), if applicable); or

- (g) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted.

"Independent Adviser" means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise, at all times acting in good faith and in a commercially reasonable manner, appointed by the Issuer at its own expense under Condition 5.3(iii)(F)(I).

"Original Reference Rate" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes.

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. If, following a Benchmark Event, more than one successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser will determine, among those successor or replacement rates, those one which is the most appropriate, taking into consideration, without limitation, the particular features of the relevant Notes and the nature of the Issuer.

(d) *Rate of Interest for Underlying Linked Notes:* The Rate of Interest applicable to Underlying Linked Notes for each Interest Accrual Period shall be determined in accordance with the method specified in Technical Annex 8 and interest shall be calculated by reference to one or more Underlying(s) as specified in the Technical Annex and the relevant Final Terms and/or as the case may be, by reference to the provisions of Conditions 5.2 or 5.3.

5.4 **Zero Coupon Notes**

Where a Note whose Interest Basis is specified as being Zero Coupon and can be redeemed prior to its Maturity Date pursuant to an Option exercised by the Issuer or, if specified in the relevant Final Terms, pursuant to Condition 6.5 or for any other reason, and is not paid on its due date, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount. As from the Maturity Date, the rate of interest on any overdue principal on such Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6.5(a)).

5.5 **Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest shall accrue as described above on the paid-up nominal amount of such Notes.

5.6 **Physical Redemption Notes**

In the case of Physical Redemption Notes (other than Physical Redemption Notes which are Zero Coupon Notes), the Rate of Interest and/or Interest Amount payable and the Physical Redemption Amount shall be determined in accordance with the terms of the Technical Annex.

5.7 **Automatic Interest Basis Conversion Notes or Automatic Interest Rate Conversion Notes**

If Automatic Interest Basis Conversion is specified as being applicable in the Final Terms and an Interest Conversion Event occurs, the Interest Basis of the Note specified in the Final Terms shall be replaced by the Converted Interest Basis as from the Interest Conversion Date specified in the Final Terms.

If Automatic Interest Rate Conversion is specified as applicable in the Final Terms and an Interest Conversion Event occurs, the Rate of Interest of the Note specified in the Final Terms shall be replaced by the Converted Rate of Interest as from the Interest Conversion Date specified in the Final Terms.

Any Automatic Interest Basis Conversion or Automatic Interest Rate Conversion shall be notified to the Noteholders in accordance with Condition 15 within three (3) Business Days of the change if a "Notice of Automatic Interest Basis Conversion" or a "Notice of Automatic Interest Rate Conversion" is specified as applicable in the Final Terms.

"Interest Conversion Event" means that the SPS Interest Conversion Value is (i) "greater", (ii) "greater than or equal to", (iii) "less" or (iv) "lower than or equal to", as specified in the relevant Final Terms, the Interest Conversion Level, (a) on a SPS Interest Conversion Valuation Date or (b) on one or more SPS Interest Conversion Valuation Date(s) (as specified in the Final Terms) in respect of a SPS Interest Conversion Valuation Period;

"SPS Interest Conversion Level" means the percentage, amount or number specified as such with reference to the relevant Interest Conversion Event in the Final Terms;

"SPS Interest Conversion Valuation Date" means each date specified in the Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the Final Terms; and

"SPS Interest Conversion Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payment Terms, specified as such with reference to the relevant Interest Conversion Event, in the Final Terms;

"SPS Interest Conversion Valuation Period" means any such period specified in the Final Terms.

The Interest Rate Conversion mechanism described above may be applied more than once, subject to the Maximum Number of Interest Conversions specified in the Final Terms.

5.8 **Accrual of interest**

Subject to any redemption event, interest shall cease to accrue on each Note on the due date for redemption unless on such due date, repayment of the principal (or, in the case of a Physical Redemption Note, the transfer of the Underlying(s) representing the Physical Redemption Amount) is improperly withheld or refused, in which case interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition up to the Relevant Date.

5.9 **Margin, Minimum/Maximum Rate of Interest, Instalment Amounts and Redemption Amounts and Rounding**

(a) If any Margin is specified in the relevant Final Terms, either (x) generally, or (y) in relation to one or more Interest Accrual Periods, an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5.9 (c) below by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the following paragraph.

(b) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(c) Unless a higher Minimum Rate of Interest is specified in the relevant Final Terms, the Minimum Rate of Interest shall be deemed equal to zero. For the avoidance of doubt, "Minimum Rate of Interest" shall refer to the relevant rate plus any relevant margin.

(d) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (w) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten thousandth (with halves being rounded up), (x) in all other cases, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal place (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up to the next decimal place) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

5.10 **Calculations**

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest

payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

5.11 Determination and publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

As soon as possible on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts for each Specified Denomination of the Notes for the relevant Interest Accrual Period. It shall also calculate the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the Instalment Amount, obtain any necessary quotation or make any necessary determination or calculation. It shall then cause the Rate of Interest and the Interest Amounts for each Interest Period, and the relevant Interest Payment Date and, if necessary, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or any Instalment Amount, to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders and any other Calculation Agent appointed in respect of such Notes to make additional calculations upon receipt of such information. If the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, it shall also notify such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. If the Interest Payment Date or the Interest Period Date is subject to adjustment pursuant to Condition 5.3(b), the Interest Amounts and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

5.12 Calculation Agent and Reference Banks

All calculations and determinations by the Calculation Agent shall be final and binding on the Issuer and the relevant Noteholders, in the absence of manifest or proven error. The appropriate market methods shall be determined by the Calculation Agent acting in good faith, in light of market conditions prevailing on such date and in compliance with all applicable laws and regulations. The Noteholders may obtain detailed information on any adjustment made or decision taken by the Calculation Agent, upon request to the specified address of the Calculation Agent.

The Issuer shall ensure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined above). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the

Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or an Interest Accrual Period, or to calculate an Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, is unable to make an adjustment following the occurrence of an event giving rise to an adjustment or a market disruption event affecting an Underlying, or cannot fulfil any other obligation, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or OTC index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as described above. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15.

5.13 **Fixed/Floating Rate Notes**

Fixed/Floating Rate Notes are Notes for which a change of interest basis (the "**Change of Interest Basis**") is specified to be applicable in the relevant Final Terms. Fixed/Floating Rate Notes may bear interest at a rate (a) that the Issuer may elect to convert on the date set out in the Final Terms (the "**Switch Date**") from a fixed rate to a floating rate, or from a floating rate to a fixed rate (the "**Issuer Change of Interest Basis**") or (b) that will automatically change from a fixed rate to a floating rate or from a floating rate to a fixed rate on the date set out in the Final Terms (the "**Automatic Change of Interest Basis**").

6. **REDEMPTION, PURCHASE AND OPTIONS**

6.1 **Final redemption**

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or its maturity is extended pursuant to any Issuer's option in accordance with Condition 6.3 or any Noteholder's option in accordance with Condition 6.4, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms (i) at its Final Redemption Amount as specified in the relevant Final Terms and, if the relevant Final Terms so specify, by reference to the Technical Annex or (ii) in the case of Physical Redemption Notes, by the transfer of any Underlying representing the Physical Redemption Amount, as specified in the relevant Final Terms or (iii) in the case of Notes to which Condition 6.2 below applies, at its last Instalment Amount.

6.2 **Redemption by Instalments**

Unless previously redeemed, purchased or cancelled as provided in this Condition 6 or the relevant Instalment Date (*i.e.* one of the dates so specified in the relevant Final Terms) is extended pursuant to the Issuer's option or Noteholder's option in accordance with Condition 6.3 or 6.4, each Note whose terms and conditions provide for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the (i) Instalment Amount specified in the relevant Final Terms (ii) in the case of Physical Redemption Notes, by transfer of any Underlying representing the Instalment Amount, as specified in the relevant Final Terms. The outstanding nominal amount of each of such Notes shall be reduced by the relevant Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on the due date for such payment, in which case such amount shall remain outstanding until the Relevant Date for the Instalment Amount.

6.3 **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption**

If an Issuer Redemption Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) days irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem, or exercise any Option available in respect of, all or, as the case may be, some of the Notes, on the Optional Redemption Date or on the Option Exercise Date. Any such redemption of Notes shall be made (i) at their Optional Redemption Amount specified in the relevant Final Terms and, if the relevant Final Terms so specify, by reference to the Technical Annex or (ii) in the case of Physical Redemption Notes, by transfer of any Underlying representing the Optional Redemption Amount, as specified in the relevant Final Terms, together with, in each case, interest accrued to the date fixed for redemption, if any. Any such redemption or exercise must be in respect of Notes with a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's Option, the redemption may be effected, at the option of the Issuer by reducing the nominal amount of all Notes in a Series in proportion to the aggregate nominal amount redeemed.

6.4 **Redemption at the Option of the Noteholders, Exercise of Noteholders' Options**

If a Noteholder Redemption Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than fifteen (15) nor more than thirty (30) days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms), redeem such Note on the Optional Redemption Date(s) at the Optional Redemption Amount specified in the relevant Final Terms and, if the relevant Final Terms so specify, by reference to the Technical Annex or (ii) in the case of Physical Redemption Notes, by the transfer of any Underlying representing the Optional Redemption Amount, as specified in the relevant Final Terms, together with, in each case, interest accrued up to the date fixed for redemption, if any.

To exercise such option, the Noteholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during normal business hours from the Paying Agent or the Registration Agent, as the case may be, within the notice period. The Noteholder shall transfer, or cause to be transferred, the Notes to be redeemed to the account of the Paying Agent with a specified office in Paris, as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so transferred, may be withdrawn without the prior written consent of the Issuer.

6.5 **Early redemption**

(a) Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the amount of which is not linked to an Underlying, shall, upon redemption pursuant to Condition 6.6, 6.7 or 6.11 upon it becoming due and payable as provided in Condition 9, be equal to the Amortised

Nominal Amount (calculated as provided below) of such Note.

(ii) Subject as provided in sub-paragraph (iii) below, the Amortised Nominal Amount of any Note shall be equal to the Final Redemption Amount of such Note on the Maturity Date, discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, unless specified otherwise in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Note if it were to be discounted back to its issue price on the issue date), compounded annually.

(iii) If the Amortised Nominal Amount payable in respect of each Note upon redemption pursuant to Condition 6.6, 6.7 or 6.11 or upon its early redemption as provided in Condition 9 is not paid when due, the Early Redemption Amount payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (ii) above, it being understood that such sub-paragraph shall have effect as though the date on which such Note becomes payable is the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after any judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date, plus any accrued interest, in accordance with Condition 5.4.

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

(b) Physical Redemption Notes

In the case of Physical Redemption Notes, the Early Redemption Amount shall be determined in the manner specified in the Technical Annex.

(c) Other Notes

(i) The Early Redemption Amount payable in respect of any Note (other than Notes referred to in paragraphs 6.5(a) and 6.5(b) above), upon its redemption pursuant to Condition 6.6, 6.7 or 6.11 or upon it becoming due and payable as provided in Condition 9, shall be equal to the Final Redemption Amount, plus interest accrued up to the date fixed for redemption.

(ii) The Early Redemption Amount payable in respect of any Note (other than Notes referred to in paragraphs 6.5(a) and 6.5(b)) in respect of which the Final Redemption Amount is, or may be, less than or greater than the Specified Denomination, shall be equal to the percentage of the Specified Denomination specified in the relevant Final Terms or the Market Value Less Expenses if any Market Value Less Expenses is specified in the relevant Final Terms.

"Market Value Less Expenses" means the amount determined in good faith by the Calculation Agent which on the due date for redemption of the Note shall represent the "fair" market value of the Note, the effect of which shall be to preserve for the benefit of the Noteholders the economic value of the Issuer's payment obligations under the Note had it become due and payable

on such Early Redemption Date, in the absence of an Event of Default.

Such market value shall be established after deduction of all expenses associated with unwinding all hedging transactions relating to the Note that would be borne by the Issuer in the event of such unwinding and ignoring the impact on the market value of the Note of the occurrence of the Event of Default in question on the credit rating of the Issuer.

6.6 **Redemption for tax reasons**

(a) If, by reason of any change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8.2 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than sixty (60) nor less than thirty (30) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(b) If the Issuer would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8.2 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent. The Issuer shall upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding (as defined above) at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes or, if that date is passed, as soon as practicable thereafter.

6.7 **Partly Paid Notes**

Partly Paid Notes shall be redeemed, either at maturity, or early or in any other manner, in accordance with the terms of this Condition 6 and/or as may be specified in the relevant Final Terms.

6.8 **Automatic Final Payment Formula Conversion Notes**

If Automatic Final Payment Formula Conversion is specified as applicable in the Final Terms and a Final Payment Formula Conversion Event occurs, the Redemption/Payment

Basis for the Notes specified in the Final Terms shall be replaced by the Converted Redemption/Payment Basis as from the Final Payment Formula Conversion Date specified in the Final Terms.

Any Automatic Final Payment Formula Conversion shall be notified to the Noteholders in accordance with Condition 15 within three (3) Business Days of the conversion if "Final Payment Formula Conversion Notice" is specified as applicable in the Final Terms.

"Final Payment Formula Conversion Event" means that the Final Payment Formula Conversion Value is (i) "greater than", (ii) "greater than or equal to", (iii) "less" or (iv) "lower than or equal to", as specified in the Final Terms, the Final Payment Formula Conversion Level, (a) on any Final Payment Formula Conversion Valuation Date or (b) on one or more Final Payment Formula Conversion Valuation Date(s) (as specified in the Final Terms) in respect of a Final Payment Formula Conversion Valuation Period;

"Final Payment Formula Conversion Level" means the percentage, amount or number specified by reference to the relevant Interest Conversion Event in the Final Terms;

"Final Payment Formula Conversion Valuation Period" means any such period specified in the relevant Final Terms.

"Final Payment Formula Conversion Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payment Terms specified in the Final Terms;

"Final Payment Formula Conversion Valuation Date" means each such date specified in the Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the Final Terms; and

6.9 **Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise (including by tender offer) at any price, in accordance with applicable laws and regulations. All Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations.

6.10 **Cancellation or holding of Notes by the Issuer**

All Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, unless provided otherwise in the relevant Final Terms, be held or cancelled in accordance with applicable laws and regulations.

Notes purchased by the Issuer for cancellation, shall be so cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France. Upon transfer and surrender, all such Notes shall, as with all Notes redeemed by the Issuer, be immediately cancelled (together with all rights relating to payment of interest and other amounts relating to such Notes). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.11 **Illegality**

If, by reason of the introduction of, or change in, any French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with any of its obligations under the Notes, the Issuer will, subject to having given not

more than forty five (45) nor less than thirty (30) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

7. PAYMENTS

For the purposes of this Condition 7, references to the payment of principal shall, if the context so permits, be deemed also to refer to the transfer of any Physical Redemption Amount.

7.1 Payment method

(a) Subject to the provisions below applicable to Physical Redemption Notes, all payments of principal and interest in respect of the Notes shall be made (x) in the case of bearer or administered registered Notes, by transfer to an account denominated in the relevant currency held with an Account Holder, for the benefit of the Noteholders, and (y) in the case of fully registered Notes, by transfer to an account denominated in the relevant currency, held with a Bank (as defined below) nominated by the relevant Noteholder. All payments validly made to such Account Holders or Bank shall release and discharge the Issuer from its payment obligations under the Notes.

(b) In the case of Physical Redemption Notes:

(i) Transfer of the Underlyings representing the Physical Redemption Amount shall be made, as specified in the relevant Final Terms, (a) by delivery to the Noteholder, or to its order, of the relevant Underlyings or (b) in any other manner indicated by the Noteholder in the Transfer Notice (as defined below) and in each case subject to compliance with all applicable laws and regulations. Delivery shall be made by Euroclear, Clearstream or any other relevant clearing system (a "**Clearing System**"). The Transfer Notice shall be delivered in accordance with the transfer procedures currently used by the relevant Clearing System. The right of a Noteholder to receive any Physical Redemption Amount shall be represented by the balance on the account of such Noteholder appearing in the books of the relevant Clearing System.

(ii) The Underlying used to determine the Physical Redemption Amount shall be the Underlying specified in the relevant Final Terms. The Physical Redemption Amount shall be determined subject to the adjustment and market disruption provisions of the Technical Annex. If, as a result of an adjustment or otherwise, the number of Underlyings to be delivered is not a whole number, any fraction thereof shall be payable in cash, based on the value of such Underlying, converted, where applicable, into the Specified Currency at the applicable rate of exchange at the relevant time.

(iii) Furthermore, if a Settlement Disruption Event (as defined below) prevents delivery of the Physical Redemption Amount being made on the Maturity Date, such delivery shall take place on the next following date on which it is possible for delivery of the Physical Redemption Amount to be made through the intermediary of the relevant Clearing System (the "**Settlement Date**"), unless delivery is prevented by reason of a Settlement Disruption Event for a period of twenty (20) Clearing System Days (as defined below) immediately following the original date which would otherwise have been the Settlement Date (the "**Delivery Period**"). In such

case, the Issuer shall, instead of delivering the Physical Redemption Amount, pay in respect of each Note an amount equal to the market value of the number of Underlying(s) to be delivered, converted, if necessary, into the Specified Currency at the applicable exchange rate on the relevant date (the "**Replacement Value**"). The Replacement Value shall be determined by the Calculation Agent by reference to market conditions existing on the first Business Day following the Delivery Period.

(iv) All stamp duties or other taxes and/or similar duties in respect of the Physical Redemption of Underlyings shall be borne by the Noteholders. All Underlyings shall be delivered at the risk of the relevant Noteholder, in such manner as may be specified in the Transfer Notice (as defined below) and any delivery of Underlyings shall be made in strict compliance with all applicable laws and regulations.

7.2 **Payments subject to tax laws**

All payments are subject to all applicable fiscal or other laws, regulations and directives but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders in respect of such payments.

7.3 **Appointment of Agents**

This Base Prospectus provides that the initial Fiscal Agent and the Paying Agent will be the Issuer, as indicated at the end of this Base Prospectus. The Issuer may, from time to time appoint another Fiscal Agent and Paying Agent with respect to one or several issues of Notes. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each such case, do not assume any obligation or relationship of agency for any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, the Calculation Agent or the Registration Agent and to appoint any other or additional Fiscal Agent(s), Paying Agent(s), Calculation Agent(s) or Registration Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Paying Agent having specified offices in at least two major European cities (and providing fiscal agency services for the Notes in France for as long as the Notes are listed on Euronext Paris, and in any other city where the Notes are admitted to trading on another Regulated Market for so long as the Notes are admitted to trading on such other Regulated Market), (iv) in the case of Notes in fully registered form (*au nominatif pur*), a Registration Agent and (v) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

7.4 **Business Days for payments**

If any date for payment in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

7.5 **Definitions**

For the purposes of this Condition 7:

"Bank" means a bank established in the principal financial centre where the Specified Currency is legal tender, or in the case of Euro payments, in a town in which banks have

access to the TARGET System;

"Clearing System Day" means, in respect of a Clearing System, a day on which such Clearing System is open to accept and execute settlement instructions;

"Delivery Date" means, as applicable, (a) the Maturity Date, or (b) if a Settlement Disruption Event has occurred, the Settlement Date (as defined above);

"Settlement Disruption Event" means any event outside the control of the Issuer, as a result of which the Clearing System is unable to clear the transfer of the Physical Redemption Amount;

"Transfer Notice" means an irrevocable notice of transfer sent by each Noteholder no later than five (5) Business Days prior to the Maturity Date specified in the relevant Final Terms (or such earlier date as the Issuer considers necessary for it, the Paying Agents and the Clearing System to perform their respective obligations under the Notes and for the Paying Agent and Noteholder notices to be given) to the relevant Clearing System in accordance with its applicable procedural rules, a copy of which is sent to the Paying Agent; such irrevocable notice, in a form approved by the Issuer must:

- (a) specify the name and address of the relevant Noteholder;
- (b) specify the number of Notes held by the Noteholder;
- (c) specify the account number of the Noteholder's account with the relevant Clearing System to be debited with such Notes, as applicable;
- (d) irrevocably instruct and authorise the Clearing System, where relevant, (A) to debit the account of the Noteholder with such Notes on the Delivery Date, if the Issuer elects (or has elected) for physical delivery on the Maturity Date and (B) in such manner as not to permit any other transfer of Notes under the Transfer Notice;
- (e) contain a representation and warranty by the relevant Noteholder that the Notes referred to in the Transfer Notice are free of any undertaking, obligation, security or third party rights;
- (f) specify the number and name of the account with the relevant Clearing System to be credited with the Underlyings, where applicable;
- (g) contain an irrevocable undertaking to pay all transfer expenses, where applicable;
- (h) authorise the disclosure of the Transfer Notice in any legal or administrative proceedings; and
- (i) more generally, contain any other terms necessary for the delivery of the Underlyings.

The Transfer Notice, once it has been received by the relevant Clearing System, is irrevocable and may not be withdrawn without the written consent of the Issuer. After delivery of the Transfer Notice to the relevant Clearing System, the relevant Noteholder may not transfer the Notes which are the subject of the Transfer Notice. A Transfer Notice shall only be valid to the extent that no prior contrary instructions have been received by the relevant Clearing System in respect of the Notes referred to in the Transfer Notice.

Any Transfer Notice that has not been correctly completed and delivered shall be treated as null and void. Any determination as to whether a Transfer Notice has been correctly

completed and delivered shall be made by the Paying Agent Principal and shall be conclusive and binding on the Issuer and the relevant Noteholder.

The Paying Agent shall promptly send a copy of the Transfer Notice to the Issuer (or any other person previously specified by the Issuer), one business day after its receipt.

8. TAXATION

8.1 Withholding taxes

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for any taxes or duties of whatever nature imposed, levied, collected or withheld by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

8.2 Additional amounts

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any taxes or duties, present or future, whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note where the Noteholder or, a third party acting on his behalf, is liable to such taxes or duties, in respect of such Note in the Republic of France other than by the mere fact of holding of such Notes.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

9. EVENTS OF DEFAULT

Any Noteholder, may, upon written notice addressed the Issuer (with a copy to the Fiscal Agent) given before the relevant breach has been cured, declare all Notes held by such Noteholder immediately due and payable, at the Early Redemption Amount together with all interest accrued thereon up to the effective date of payment, if any of the following events (each, an "**Event of Default**") occurs:

(a) the Issuer is in default in the payment of principal of, or interest on, any Note (including the payment of any additional amounts mentioned in Condition 8) when due and payable and such default shall continue for more than forty five (45) days thereafter; or

(b) the Issuer is in default in the performance of any of its other obligations under the Notes and such default has not been cured within sixty (60) days after the receipt by the Issuer of the written notice of such default by the Noteholder; or

(c) the Issuer makes a proposal for a general standstill in respect of its debts, enters into a safeguard procedure (*procédure de sauvegarde*), or into an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or into an accelerated

financial safeguard procedure (*procédure de sauvegarde financière accélérée*); or a judgement is entered for the judicial liquidation (*liquidation judiciaire*), or for a transfer of the whole of the business (*cession totale de l'entreprise*), of the Issuer; or, to the extent permitted by law, the Issuer is the subject of any other liquidation or bankruptcy procedure.

10. **PRESCRIPTION**

The prescription period for action to be commenced against the Issuer in respect of the Notes shall be ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the Relevant Date concerned.

11. **REPRESENTATION OF NOTEHOLDERS**

The Noteholders will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a masse (the "**Masse**") which will be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 11.

- 11.1 **Legal Personality:** The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the Noteholders (the "**Collective Decisions**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes.

- 11.2 **Representative:** The names and addresses of the Representative of the Masse will be set out in the relevant Final Terms.

The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, retirement, resignation, revocation, liquidation or dissolution of appointment of the Representative, such Representative will be replaced by its alternate Representative (if any). Another Representative may be appointed.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative (if any) at the registered office of the Issuer.

- 11.3 **Powers of the Representative:** The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

- 11.4 **Collective Decisions:** Collective Decisions are adopted either in a general meeting (the "**General Meeting**") or by consent following a written consultation (the "**Written Decision**") (as further described in Condition 11.4(b) below).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 11.8.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

- (a) *General Meeting*: A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for the General Meeting to be called. If such General Meeting has not been convened within two (2) months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (mandataire) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one-fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meetings at meetings shall be taken by a simple majority of votes held by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence.

Each Noteholder or Representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

- (b) *Written Decisions*: Pursuant to Article L. 228-46-1 of the French Code de commerce the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Decision. Subject to the following sentence, a Written Decision may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L. 228-46-1 and R. 225-97 of the French *Code de commerce*, approval of a Written Decision may also be given by way of electronic communication allowing the identification of Noteholders ("**Electronic Consent**").

Written Decisions shall not have to comply with formalities and time limits referred to in Condition 11.4(a) above. Any Written Decision shall, for all

purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders.

For the purpose hereof, a "**Written Decision**" means a resolution in writing signed by the Noteholders of not less than eighty five (85) per cent. in nominal amount of the Notes outstanding.

- 11.5 **Expenses:** The Issuer will pay all reasonable and duly documented expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.
- 11.6 **Single Masse:** The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse.
- 11.7 **Sole Noteholder:** If and for so long as the Notes of any Series are held by a sole Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the Representative and to the Noteholders acting through Collective Decisions by the provisions of the French *Code de commerce*.

From the date of appointment of the Representative in relation to any Series, if and for so long as the Notes of such Series are held by a sole Noteholder, such Noteholder shall exercise all the powers, rights and obligations entrusted to the Representative and to the Noteholders acting through Collective Decisions by the provisions of the French *Code de commerce*.

The Issuer shall hold a register of the decisions taken by the sole Noteholder in this capacity and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

- 11.8 **Notices to Noteholders:** Any notice to be given to Noteholders in accordance with this Condition 11 shall be given in accordance with Condition 15 below.
- 11.9 **Outstanding Notes:** For the avoidance of doubt, in this Condition 11, the term "outstanding" shall not include those Notes purchased by the Issuer pursuant to applicable laws and regulations.
- 11.10 **Notes with a denomination of less than €100,000:** For Notes issued with a denomination of less than €100,000 (or its equivalent in any other currency) that are not issued outside France within the meaning of Article L.228-90 of the French *Code de commerce*, Condition 11 shall apply to the Notes subject to the following modifications:
- (i) the second paragraph of Condition 11.4(a) shall be deleted and replaced by the following paragraph:

"General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes held by the Noteholders attending such General Meeting or represented thereat."
 - (ii) Condition 11.5 shall be deleted and replaced by the following:

"11.5 Expenses

The Issuer shall pay all expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions."

12. **FINAL TERMS**

These Conditions may in respect of any Series of Notes be supplemented by the terms of the relevant Final Terms applicable to such Series.

13. **ADJUSTMENTS AND DISRUPTIONS**

In the case of Underlying Linked Notes, the terms relating to Underlying adjustments and settlement disruption and market disruption events are set forth in the Technical Annex.

14. **FUNGIBLE ISSUES**

The Issuer shall have the right, without the consent of the Noteholders, to create and issue additional notes which are fungible with Notes already in issue, provided that such Notes and the additional notes confer on their Noteholders rights that are identical in all respects (or identical in all respects other than the first interest payment) and that the terms of such notes provide for fungibility and references to "Notes" in these Conditions shall be construed accordingly.

15. **NOTICES**

For as long as the Notes are admitted to trading on a Regulated Market, notices shall be deemed to be valid if published in a daily economic or financial newspaper with wide circulation in the town(s) in which the Regulated Market(s) on which such Notes are admitted to trading are located, which in the case of Euronext Paris, which is expected to be *Les Echos*, and in such other manner, if any, required by the applicable rules of such Regulated Market(s).

If the Notes are not admitted to trading on any Regulated Market, notices to be addressed to Noteholders in accordance with these Conditions may (i) in all cases, be delivered to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are cleared or (ii) in the case of holders of registered Notes, be delivered to their respective addresses, in which case they shall be deemed to have been delivered on the fourth weekday (other than Saturday or Sunday) after posting.

Notices of convocation to, and relating to decisions of, Noteholder general meetings shall be published in accordance with the provisions of Articles L.228-46 *et seq.* and R.228-60 *et seq.* of the French *Code de commerce*.

16. **GOVERNING LAW AND JURISDICTION**

The Notes shall be governed by, and construed in accordance with, French law.

Any claim against the Issuer in respect of the Notes shall be submitted to the jurisdiction of the competent courts in Paris.

TECHNICAL ANNEX

The Technical Annex which follows, including Technical Annex 1, Technical Annex 2, Technical Annex 3, Technical Annex 4, Technical Annex 5, Technical Annex 6, Technical Annex 7 and Technical Annex 8 forms an integral part of the Terms and Conditions of the Notes, if specified as applicable in the relevant Final Terms.

Payment of principal and/or interest on Notes to which the Technical Annex applies shall be determined or calculated on the basis of, or by reference to, one or more Underlying(s).

For the purposes of this Technical Annex, "**Underlying**" means a share, an index, an exchange rate, an interest rate, a fund unit, a commodity, or an inflation index, as specified in the relevant Final Terms, a basket of any of the aforementioned, or any formula or combination thereof as more fully described in the Technical Annex.

This Technical Annex contains technical terms relating, *inter alia*, (i) to the adjustments that may be made by the Calculation Agent, (ii) the manner in which a market disruption event affecting an Underlying shall be treated for the purposes of the Notes, or (iii) the mathematical formulas applied for calculating amounts payable under the Notes.

TECHNICAL ANNEX 1
SUPPLEMENTAL TERMS APPLICABLE TO INFLATION INDEX LINKED NOTES

*The terms applicable to Inflation Index Linked Notes include the terms and conditions of the Notes set forth on pages 89 to 121 (the "**Terms and Conditions of the Notes**") and the supplemental terms described below (the "**Inflation Index Linked Note Terms**"), in each case, subject as provided in the relevant Final Terms. In the event of conflict between the Terms and Conditions of the Notes and the Inflation Index Linked Note Terms, the Inflation Index Linked Note Terms shall prevail.*

All expressions beginning with a capital letter and not defined in these Inflation Index Linked Note Terms shall have the meanings given thereto in the Terms and Conditions of the Notes or the relevant Final Terms.

*References herein to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.*

1. **DELAY IN PUBLICATION**

If the Calculation Agent determines that an Index Level Publication Delay Event has occurred with respect to any Cut-Off Date, then the Relevant Level in respect of a Reference Month to be used for any calculation or determination to be made by the Calculation Agent on the relevant Determination Date (the "**Substitute Index Level**") shall be determined by the Calculation Agent (subject as provided in Condition 3.2 below), as follows:

(a) if "**Related Bond**" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

(b) if (a) "**Related Bond**" is specified as not-applicable in the relevant Final Terms, or (b) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level} / \text{Reference Level});$$

where:

"**Base Level**" means the level of the 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 Index Level is being determined;

"**Latest Level**" means the latest level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is to be determined;

"**Reference Level**" means the level of the 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 referred to in the definition of Latest Level.

The Calculation Agent shall notify any Substitute Index Level to the Issuer which shall immediately notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the relevant Final Terms, such Relevant Level shall not be used for the purpose of any calculation or determination under the Notes. The Substitute Index Level so determined in accordance with this Condition 1 shall be final and binding on the parties for the relevant Reference Month.

2. SUCCESSOR INDEX

If (a) the Calculation Agent determines that the level of the Index is not calculated and/or published by the Index Sponsor for two consecutive months and/or (b) the Index Sponsor announces that it will no longer continue to publish and/or announce the Index and/or (c) the Index Sponsor cancels the Index, then the Calculation Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

(a) if "**Related Bond**" is specified as being applicable in the relevant Final Terms, and at any time (except if the Calculation Agent has determined an Index Cancellation pursuant to Condition 2(d) below) a successor index has been determined by the Calculation Agent in accordance with the terms and conditions of the Related Bond, such index shall be determined by the Calculation Agent as the "**Successor Index**", notwithstanding any other successor index that may previously have been determined pursuant to Conditions 2(b) and 2(c) below;

(b) if (x) "**Related Bond**" is specified as not-applicable in the relevant Final Terms or (y) a Related Bond Redemption Event has occurred and "**Fall-Back Bond**" is specified as being not-applicable in the relevant Final Terms (and in the absence of a determination by the Calculation Agent of an Index Cancellation pursuant to Condition 2(d) below), and the Index Sponsor announces or notifies that it will no longer publish and/or announce the Index but that the Index shall be superseded by a replacement index specified by the Index Sponsor, and to the extent that the Calculation Agent considers that such replacement index is calculated by reference to the same, or a substantially similar, formula or calculation method as that used for calculating the Index, the Calculation Agent shall designate such replacement index as the Successor Index;

(c) if no Successor Index has been determined pursuant to paragraphs (a) or (b) above (and in the absence of a determination by the Calculation Agent of an Index Cancellation pursuant to Condition 2(d) below), the Calculation Agent shall request five leading, independent market operators to determine a replacement index for the Index; if between four and five responses are received, and of those four or five responses, three or more leading independent market operators choose the same index, such index shall be deemed to be the "Successor Index"; if three responses are received, and two or more leading independent market operators choose the same index, such index shall be deemed to be the "Successor Index"; if less than three responses are received by the Cut-Off Date, the Calculation Agent shall specify an appropriate alternative index for the relevant Determination Date, and such index shall be deemed to be the "Successor Index"; or

(d) if the Calculation Agent determines that there is no appropriate alternative index, there shall be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given by the Calculation Agent

to the Issuer which shall notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes.

3. ADJUSTMENTS

3.1 Successor Index

If a Successor Index is determined in accordance with Condition 2 above, the Calculation Agent may make any consequential adjustment to any amount payable under the Notes and, to the extent possible, adjust the relevant Terms and Conditions of the Notes accordingly.

3.2 Substitute Index Level

If the Calculation Agent determines a Substitute Index Level in accordance with Condition 1 above, the Calculation Agent may make any consequential adjustment to any amount payable under the Notes and, to the extent possible, adjust the relevant Terms and Conditions of the Notes accordingly.

3.3 Index Level Correction and Adjustment

(a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and binding on the parties, subject as provided in Condition 3.3(b) below. No subsequent revision of the Relevant Level shall be used in any calculations or determinations in respect of the Notes, except in the case of Revisable Indices (as defined below), in respect of which any revision of the Relevant Level published or announced up to and including the day that is two Business Days prior to any relevant Determination Date shall be taken into account. The revised Relevant Level for the relevant Revisable Index shall be deemed to be the final and binding Relevant Level for the relevant Reference Month.

For the purposes of this Condition, "**Revisable Index/Indices**" means "*ESP – Indice National des Prix à la Consommation Révisé (IPC)*", "*ESP – Indice des Prix à la Consommation Harmonisé Révisé IPCH*" and/or "*EUR – Indice des Prix à la Consommation Révisé Tous Postes*" (as defined below).

(b) If, within thirty (30) days of publication of the Relevant Level or at any time prior to a Determination Date in respect of which a Relevant Level will be used, the Calculation Agent determines that the Index Sponsor has modified the Relevant Level to correct a manifest error in the original publication, the Calculation Agent may make any consequential adjustment to any amount payable under the Notes and, to the extent possible, adjust the relevant Terms and Conditions of the Notes accordingly.

3.4 Currency

If the Calculation Agent determines that, following the occurrence of an event preventing the Specified Currency from being converted into other currencies, it is necessary to adjust any amount payable under the Notes, and/or any other applicable condition of the Notes (including the date on which an amount is payable by the Issuer), the Calculation Agent may make any adjustment it considers necessary.

3.5 Rebasing of the Index

If the Index has been rebased, the rebased Index (the "**Rebased Index**") may be used for the purposes of determining the Relevant Level from the date the rebasing took effect;

provided however that, (A) if "Related Bond" is specified as applicable in the relevant Final Terms, the Calculation Agent shall make the same adjustments as those made pursuant to the terms and conditions of the Related Bond, including if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased, or (B) if "Related Bond" is specified as being not-applicable in the relevant Final Terms or if a Related Bond Redemption Event has occurred, the Calculation Agent may make any adjustment to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased and in each case (A) or (B), the Calculation Agent shall make any adjustment to any amount payable under the Notes and, to the extent possible, adjust the relevant Terms and Conditions of the Notes accordingly to ensure that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If the Calculation Agent considers that neither (A) nor (B) above will produce a reasonable result, it may request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value as determined by the Calculation Agent taking into account the rebasing of the Index, (less the cost of unwinding or amending any underlying hedging arrangements) plus all interest accrued, if any, up to the effective date of redemption.

3.6 **Modification of the Index**

(a) If on or prior to the Cut-Off Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (A) if "Related Bond" is specified as being applicable in the relevant Final Terms, make any adjustment to the Index, the Relevant Level or any amount payable under the Notes and, to the extent possible, adjust the relevant Terms and Conditions of the Notes accordingly, consistent with the adjustment terms and conditions of the Relevant Bonds applicable in the event of a modification of the Index or (B) if "Related Bond" is specified as not-applicable in the Final Terms or if a Related Bond Redemption Event has occurred, make such adjustments to the Index, the Relevant Level or any amount payable under the Notes, as the Calculation Agent deems necessary for the modified Index to continue to be used as the Index and to take into account the economic effect of the Index Modification and, to the extent possible, adjust the relevant Terms and Conditions of the Notes accordingly.

(b) If an Index Modification occurs at any time after the Cut-Off Date, the Calculation Agent may decide (x) either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent on such Determination Date, and in such case, the Index Modification shall be deemed to have occurred in respect of the immediately succeeding Determination Date, (y) or to make any adjustment in accordance with paragraph (a) above, notwithstanding that the Index Modification occurred after the Cut-Off Date.

3.7 **Consequences of an Additional Disruption Event**

If the Calculation Agent determines that an Additional Disruption Event has occurred, it may request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value as determined by the Calculation Agent taking into account the relevant Additional Disruption Event, (less the cost of unwinding or amending any underlying hedging arrangements) plus all interest accrued, if any, up to the effective date of redemption.

3.8 **Index Cancellation**

If the Calculation Agent determines that an Index Cancellation has occurred, it may

request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value as determined by the Calculation Agent taking into account the Index Cancellation, (less the cost of unwinding or amending any underlying hedging arrangements) plus all interest accrued, if any, up to the effective date of redemption.

3.9 Notification

The Calculation Agent shall give notice to the Issuer of any adjustment and/or revision under this Condition and the Issuer shall immediately notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes.

The Issuer shall immediately notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes of any decision to redeem the Notes early under this Condition and the corresponding early redemption date.

4. DEFINITIONS

"Additional Disruption Event" means any Change in Law, Hedging Disruption or Increased Cost of Hedging, as specified, where applicable, in the relevant Final Terms.

"Change in Law" means that, on or after the Trade Date (inclusive), due to (A) the adoption of, or any change in, any applicable law or regulation (including, without limitation, any law and/or regulation relating to tax or to solvency and/or capital adequacy requirements), (B) 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 supervisory authority), or (C) the combined effect of any of the events described in (A) and (B):

(a) it has become illegal for the Issuer to hold, acquire or dispose of any hedging position in respect of the Notes; or

(b) the Issuer would incur a materially increased cost (including, without limitation, due to any tax, solvency or capital adequacy requirement) in respect of the Notes or the holding, acquisition or disposal of any hedging position in respect of the Notes.

"Cut-Off Date" means, in respect of a Determination Date, three Business Days prior to such Determination Date, unless provided otherwise in the relevant Final Terms.

"Determination Date" means the Coupon Determination Date and/or the Determination Date as specified in the relevant Final Terms.

"ESP – Harmonised-Revised Consumer Price Index HCPI" (*Indice des Prix à la Consommation Harmonisé Révisé (IPCH)*) means the Harmonised Index of Consumer Prices including Tobacco (*Indice des Prix à la Consommation Harmonisé Tabac inclus*), or the applicable replacement index, measuring the rate of inflation in Spain, expressed in the form of an index and published by the relevant index sponsor. The first publication or announcement of the level of this index, or, if revised, all subsequent revisions of the index level for a reference month shall be final and irrevocable, provided that the relevant revisions are published or announced before the day (inclusive) falling two (2) Business Days prior to the relevant Determination Date.

"ESP – National Revised Consumer Price Index (CPI)" (*Indice National des Prix à la Consommation Révisé (IPC)*) means the Year on Year Revised Index of Consumer Prices (*Indice des Prix à la Consommation Annuel Révisé*), or the applicable replacement index,

measuring the rate of inflation in Spain, expressed as an annual percentage and published by the relevant index sponsor. The first publication or announcement of the level of this index, or, if revised, all subsequent revisions of the index level for a reference month shall be final and irrevocable, provided that the relevant revisions are published or announced before the day (inclusive) falling two (2) Business Days prior to the relevant Determination Date.

"EUR – All Items Revised Consumer Price Index" (*EUR – Indice des Prix à la Consommation Révisé Tous Postes*) means the All Items Revised Index of Consumer Prices (*Indice des Prix à la Consommation Harmonisé Révisé Tous Postes*), or the applicable replacement index, measuring the rate of inflation in the Economic and Monetary Union, expressed in the form of an index and published by the relevant index sponsor. The first publication or announcement of the level of this index, or, if revised, all subsequent revisions of the index level for a reference month shall be final and irrevocable, provided that the relevant revisions are published or announced before the day (inclusive) falling two (2) Business Days prior to the relevant Determination Date.

"Fall-Back Bond" means a bond selected by the Calculation Agent from amongst the bonds issued on, or prior to, the Issue Date by the government of the State whose rate of inflation is used as the reference for the Index, and which pays a Coupon Amount and/or redemption amount calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date, if there is no such bond referred to in (a), or (c) the next shortest maturity before the Maturity Date, if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Economic and Monetary Union, the Calculation Agent shall select a 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 an interest or redemption amount which is calculated by reference to the level of inflation in the European Economic and Monetary Union. If the Fall-Back Bond is redeemed, the Calculation Agent shall select a new Fall-Back Bond on the same basis, but selected from all eligible bonds in issue (including any bond for which the redeemed bond is exchanged) at the time the original Fall-Back Bond is redeemed.

"Hedging Disruption" means that the Issuer and/or any of its subsidiaries is unable, despite its reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or forward contract(s) or options contract(s) that it deems necessary to hedge the risks assumed by the Issuer, including but without limitation, foreign exchange risk, in relation to issuing the Notes and performing its obligations under the Notes, or to (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or forward contract(s) or options contract(s) or any hedging position in respect of such Notes.

"Increased Cost of Hedging" means that the Issuer would incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense, cost 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 risk of issuing the Notes and performing its obligations with respect to the Notes or to (b) realise, recover, remit, receive, repatriate or transfer the proceeds of any such transactions or assets, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its subsidiaries shall not be deemed an Increased Cost of Hedging.

"Index" or "Indices" means, the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly, subject to adjustment in accordance with Condition 3 above.

"Index Cancellation" means that the Index level has not been calculated and/or published by the Index Sponsor for two consecutive months and/or (b) the Index Sponsor announces that it shall no longer continue to publish and/or announce the Index and/or (c) the Index Sponsor withdraws the Index and there is no Successor Index.

"Index Level Publication Delay Event" means that, on any Determination Date, the Index Sponsor fails to publish or announce the level of the Index for any Reference Month required for any calculation or determination to be made by the Calculation Agent on such Determination Date (the **"Relevant Level"**), at any time on, or before, the Cut-Off Date.

"Index Modification" means an announcement by the Index Sponsor that it shall make a material change to the formula or the method of calculating the Index or shall materially modify the Index in any manner whatsoever.

"Index Sponsor" means the entity that publishes or announces (directly or through an agent) the level of the relevant Index and which, on the Issue Date is the index sponsor specified in the relevant Final Terms.

"Rebased Index" has the meaning given thereto in Condition 3 above.

"Reference Month" means the calendar month in respect of which the Index level was calculated, whatever the time such information was published or announced. If the period in respect of which the Relevant Level was calculated is a period other than a calendar month, the Reference Month shall be the period in respect of which the Relevant Level was calculated.

"Related Bond" means the bond specified in the relevant Final Terms. If a bond is specified as the Related Bond in the relevant Final Terms and such bond has been redeemed or become due and payable prior to the relevant Maturity Date, unless "Fall-Back Bond: not applicable" is specified in the relevant Final Terms, the Calculation Agent shall use the Fall-Back Bond for any determination relating to the Related Bond.

"Related Bond Redemption Event" means an event where (if specified as applicable in the Final Terms), at any time before the Maturity Date, (a) the Related Bond is redeemed, purchased or cancelled, (b) the Related Bond becomes due and payable before its scheduled maturity date (for whatever reason), or (c) the issuer of the Related Bond announces that the Related Bond shall be redeemed, purchased or cancelled before its scheduled maturity date.

"Relevant Level" has the meaning given thereto in the definition: Index Level Publication Delay Event.

"Substitute Index Level" means, in respect of an Index Level Publication Delay Event, the index level determined by the Calculation Agent in accordance with Condition 1 above.

"Successor Index" has the meaning given thereto in Condition 2 above.

"Trade Date" means the date specified in the relevant Final Terms.

TECHNICAL ANNEX 2
SUPPLEMENTAL TERMS APPLICABLE TO INDEX LINKED NOTES

The terms applicable to Index Linked Notes include the terms and conditions of the Notes set forth on pages 89 to 121 (the "Terms and Conditions of the Notes") and the supplemental terms described below (the "Index Linked Note Terms"), in each case, subject as provided in the relevant Final Terms. In the event of conflict between the Terms and Conditions of the Notes and the Index Linked Note Terms, the Index Linked Note Terms shall prevail.

All expressions beginning with a capital letter and not defined in these Index Linked Note Terms shall have the meanings given thereto in the Terms and Conditions of the Notes or the relevant Final Terms.

References herein to "Conditions" are, unless the context requires otherwise, to the numbered paragraphs below.

1. **MARKET DISRUPTION**

"Market Disruption Event" means:

(a) in respect of a Composite Index, the occurrence or existence:

(i) (A) in respect of Composite Index Components the value of which represents less than 20% (individually or collectively) of the level of such Index, of any of the following events:

- a. a Trading Disruption that the Calculation Agent considers to be material, at any time in the hour preceding the relevant Valuation Time, on the Exchange on which such Composite Index Component is principally traded;
- b. an Exchange Disruption that the Calculation Agent considers to be material, at any time in the hour preceding the relevant Valuation Time, on the Exchange on which such Composite Index Component is principally traded; or
- c. an Early Closure; and

(B) in respect of Composite Index Components the value of which represents 20% or more (individually or collectively) of the level of such Index, a Trading Disruption, an Exchange Disruption or an Early Closure; or

(ii) in respect of futures or options contracts relating to the Composite Index, of any of the following events: (a) a Trading Disruption; (b) an Exchange Disruption, which, in either case, the Calculation Agent considers to be material, at any time in the hour preceding the relevant Valuation Time for the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

In order to determine whether a Market Disruption Event exists in respect of a Composite Index Component, if a Market Disruption Event occurs in respect of a Composite Index Component, then the percentage contribution of such Composite Index Component to the level of the relevant Index shall be calculated on the basis of a comparison between (x) the fraction of the Index level attributable to such Composite Index Component and (y) the overall level of such Index, in each case

using the official opening weightings, as published by the Index Sponsor ("*opening data*"); and

(b) in respect of Indices other than Composite Indices, the occurrence or existence of any of the following events:

(i) a Trading Disruption,

(ii) an Exchange Disruption,

which in each case, the Calculation Agent considers to be material, at any time during the period of one hour which (a) for the purposes of the occurrence of a Knock-In Event or a Knock-Out Event begins or ends at the time when the level of such Index reaches, respectively, the Knock-In Barrier or the Knock-Out Barrier or (b) in all other cases ends at the relevant Valuation Time, or

(iii) an Early Closure.

In order to determine whether a Market Disruption Event in respect of an Index exists, if a Market Disruption Event occurs in respect of a security included in such Index, then the percentage contribution of such security to the level of such Index shall be calculated on the basis of a comparison between (x) the fraction of the level of such Index attributable to such the security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall notify the Noteholders as soon as possible in accordance with Condition 15 of the Terms and Conditions of the Notes of the occurrence of a Disrupted Day on any day which, but for the occurrence of such Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Event Valuation Date or a Valuation Date, as the case may be.

2. **ADJUSTMENTS TO THE INDEX**

2.1 **A Successor Index Sponsor calculates and announces a Successor Index**

If an Index (i) is not calculated and announced by the Index Sponsor, but is calculated and published by a successor to the Index Sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (ii) is replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case such new index (the "**Successor Index**") shall be deemed to be the Index.

2.2 **Index Modification, Index Cancellation and Index Disruption**

If (i) at any time before the last Averaging Date, the last Observation Date, the last Valuation Date, the last Knock-In Barrier Effective Date or the last Knock-Out Barrier Effective Date (included), the Index Sponsor or (where applicable) the Successor Index Sponsor makes or announces that it will make a material change to the formula for or the method of calculating an Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or in contracts or commodities or other routine events) (an "**Index Modification**"), or permanently cancels an Index without providing a Successor Index (an "**Index Cancellation**"), or (ii) on any Averaging Date, Observation Date, Valuation Date, Knock-In Barrier Effective Date or Knock-Out

Barrier Effective Date, the Index Sponsor or (where applicable) the Successor Index Sponsor ceases to calculate and/or publish, an Index (an "**Index Disruption**" and, together with Index Modification and Index Cancellation, each an "**Index Adjustment Event**"), then,

(a) the Calculation Agent shall determine whether such Index Adjustment Event has a material effect on the Notes and, in such case, shall calculate the relevant Settlement Price using, instead of the published level of such Index, the level of such Index at the Valuation Time on such Valuation Date, Observation Date, Averaging Date, Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date, as the case may be, as determined by the Calculation Agent in accordance with the formula and calculation method for such Index last in effect prior to the Index Adjustment Event and using only those securities comprised in such Index immediately before such Index Adjustment Event; or

(b) unless "Deferred Redemption following an Index Adjustment Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent may request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value taking into account the Index Adjustment Event, less the cost of unwinding any underlying hedging arrangements (the "**Index Adjustment Amount**") as calculated by the Calculation Agent as soon as possible after the Index Adjustment Event has occurred (the "**Index Adjustment Amount Determination Date**"). Payment shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or

(c) if "Deferred Redemption following an Index Adjustment Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the Index Adjustment Amount on the Index Adjustment Amount Determination Date and notify the Issuer thereof. The Issuer shall, on the Maturity Date, redeem each Note in an amount equal to the Index Adjustment Amount calculated by the Calculation Agent, together with interest accrued as from the Index Adjustment Amount Determination Date (included) up to the Maturity Date (excluded) at a rate equal to the Issuer's cost of refinancing or, if Protected Capital Termination Amount is specified as applicable in the Final Terms and such amount is higher, at such amount.

2.3 **Notification**

The Calculation Agent shall notify the Issuer as soon as possible of any determination or calculation made by it in accordance with paragraph (b) above and any proposed action or adjustment, and the Calculation Agent and the Issuer shall make such determinations and calculations available to the Noteholders for consultation.

The Issuer shall immediately notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes of any decision to early redeem the Notes, with respect to paragraph (b) above, under this Condition and the corresponding early redemption date.

3. **CORRECTION OF THE INDEX**

Other than in the case of any corrections published after the Cut-Off Date, if the Index level published on any day and used or intended to be used by the Calculation Agent for the purpose of any determination or calculation under the Notes is subsequently corrected and if the correction is published by the relevant Index Sponsor or (as the case may be)

the relevant Successor Index Sponsor, during the Index Correction Period, the level to be used shall be the Index level as corrected. Corrections published after the Cut-Off Date shall be ignored by the Calculation Agent for the purposes of determining any relevant amount to be paid.

4. **ADDITIONAL DISRUPTION EVENTS**

4.1 **If an Additional Disruption Event occurs, the Calculation Agent may:**

(a) determine and make any appropriate adjustment to any amount payable under the Notes, and, to the extent possible, adjust the Terms and Conditions of the Notes and relevant Final Terms accordingly to take account of the Additional Disruption Event and determine the effective date of such adjustment; or

(b) unless "Deferred Redemption following an Additional Disruption Event" is specified as being applicable in the relevant Final Terms, request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value taking into account the Additional Disruption Event, less the cost of unwinding any underlying hedging arrangements (the "**Additional Disruption Amount**") as calculated by the Calculation Agent as soon as possible after the Additional Disruption Event has occurred (the "**Additional Disruption Amount Determination Date**"). Payment shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or

(c) if "Deferred Redemption following an Additional Disruption Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the Additional Disruption Amount on the Additional Disruption Amount Determination Date and notify the Issuer thereof. The Issuer shall, on the Maturity Date, redeem each Note in an amount equal to the Additional Disruption Amount, together with interest accrued as from the Additional Disruption Amount Determination Date (included) up to the Maturity Date (excluded) at a rate equal to the Issuer's cost of refinancing or, if Protected Capital Termination Amount is specified as applicable in the Final Terms and such amount is higher, at such amount.

- 4.2 If an Additional Disruption Event occurs and the Calculation Agent determines that an adjustment as provided above is necessary, it shall notify the Issuer thereof as soon as possible and the Issuer shall notify the Noteholders as soon as possible in accordance with Condition 15 of the Terms and Conditions of the Notes of the occurrence of the Additional Disruption Event, specifying any proposed adjustments or actions in connection with such event.

The Issuer shall immediately notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes of any decision to redeem the Notes early under this Condition and the corresponding early redemption date.

5. **KNOCK-IN AND KNOCK-OUT EVENTS**

- 5.1 If "**Knock-In Event**" is specified as being applicable in the relevant Final Terms any payment under the Notes stated in the relevant Final Terms as being subject to a Knock-In Event, shall be subject to the occurrence of such Knock-In Event.

- 5.2 If "**Knock-Out Event**" is specified as being applicable in the relevant Final Terms any payment under the Notes stated in the relevant Final Terms as being subject to a Knock-

Out Event, shall be subject to the occurrence of such Knock-Out Event.

- 5.3 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is the Valuation Time and if, on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date at any time in the hour preceding or following the Valuation Time, the Index level reaches the Knock-In Barrier or the Knock-Out Barrier, a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred; provided however that if, by the effect of this clause, no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the level of the Index at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time as provided in the definition of "Valuation Date".
- 5.4 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is any time or period of time during normal market opening hours on the relevant Exchange and if on any Knock-In Barrier Effective Date or any Knock-Out Barrier Effective Date and at any time in the hour preceding or following the time at which the Index level reaches the Knock-In Barrier or the Knock-Out Barrier, a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred, provided however that if, by the effect of this clause no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the level of the Index at the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time as provided in the definition of "Valuation Date".

5.5 **Definitions**

"Knock-In Barrier" means (i) in the case of a single Index, the level of the Index and (ii) in the case of an Index Basket, the level of the Index Basket, in each case (x) specified as such in the Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-In is specified as applicable in the Final Terms, in each case, subject to adjustment where applicable in accordance with Condition 1 and Condition 2 above.

"Knock-In Barrier Effective Date" means the date(s) specified as such in the relevant Final Terms, or each Trading Day during the Knock-In Barrier Effective Period.

"Knock-In Barrier Effective Period" means the period commencing on the Knock-In Barrier Effective Period Commencement Date (included) and ending on the Knock-In Barrier Effective Period End Date (included).

"Knock-In Barrier Effective Period Commencement Date" means the date specified in the relevant Final Terms or, if the Trading Day Convention for the Knock-In Barrier Effective Period Commencement Date is specified as being applicable in the Final Terms and such date is not a Trading Day, the following Trading Day.

"Knock-In Barrier Effective Period End Date" means the date specified in the relevant Final Terms or, if the Trading Day Convention for the Knock-In Barrier Effective Period End Date is specified as being applicable in the Final Terms and such date is not a Trading Day, the following Trading Day.

"Knock-In Barrier Valuation Time" means the time or period of time on any Knock-In Barrier Effective Date specified as such in the relevant Final Terms or if the relevant Final Terms do not specify a Knock-In Barrier Valuation Time, the Knock-In Barrier Valuation Time shall be the Valuation Time.

"Knock-In Barrier Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms.

"Knock-In Event" means:

- (a) if SPS Knock-In is specified as applicable in the relevant Final Terms, that the Knock-In Barrier Value is; or
- (b) if SPS Knock-In is specified as not-applicable in the relevant Final Terms,
 - (i) in respect of a single Index, that the level of the Index determined by the Calculation Agent at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date is;
 - (ii) in respect of an Index Basket, that the amount determined by the Calculation Agent as being equal to the sum of the values of each Index (the value of each Index being the product of (x) the level of such Index at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date and (y) the applicable Weighting) is

in each case is (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-In Barrier or (B) "within" the Knock-In Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-In Barrier Effective Date, or (y) in respect of any Knock-In Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-In Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Condition 1 (Market Disruption) and Condition 2 (Adjustments to the Index) of the Index Linked Note Terms.

"Knock-Out Barrier" means (i) in the case of a single Index, the level of the Index and (ii) in the case of an Index Basket, the level of the Index Basket, in each case (x) specified as such in the relevant Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-Out is specified as applicable in the relevant Final Terms, in each case, subject to adjustment where applicable in accordance with Condition 1 and Condition 2 above.

"Knock-Out Barrier Effective Date" means the date(s) specified as such in the relevant Final Terms, or each Trading Day during the Knock-Out Barrier Effective Period.

"Knock-Out Barrier Effective Period" means the period commencing on the Knock-Out Barrier Effective Period Commencement Date (included) and ending on the Knock-Out Barrier Effective Period End Date (included).

"Knock-Out Barrier Effective Period Commencement Date" means the date specified in the relevant Final Terms or, if the Trading Day Convention for the Knock-Out Barrier Effective Period Commencement Date is specified as being applicable in the Final Terms and such date is not a Trading Day, the following Trading Day.

"Knock-Out Barrier Effective Period End Date" means the date specified in the relevant Final Terms or, if the Trading Day Convention for the Knock-Out Barrier Effective Period End Date is specified as being applicable in the Final Terms and such date is not a Trading Day, the following Trading Day.

"Knock-Out Barrier Valuation Time" means the time or period of time on any Knock-Out Barrier Effective Date specified as such in the relevant Final Terms or if the relevant Final Terms do not specify a Knock-Out Barrier Valuation Time, the Knock-Out Barrier Valuation Time shall be the Valuation Time.

"Knock-Out Barrier Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms.

"Knock-Out Event" means:

- (a) if SPS Knock-Out is specified as applicable in the Final Terms, the Knock-Out Barrier Value is; or
- (b) if SPS Knock-Out is specified as not-applicable in the Final Terms,
 - (i) in respect of a single Index, that the level of the Index determined by the Calculation Agent at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date is; and
 - (ii) in respect of an Index Basket, that the amount determined by the Calculation Agent as being equal to the sum of the values of each Index (the value of each Index being the product of (x) the level of such Index at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date and (y) the applicable Weighting) is

in each case is (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-Out Barrier or (B) "within" the Knock-Out Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-Out Barrier Effective Date, or (y) in respect of any Knock-Out Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-Out Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Condition 1 (Market Disruption) and Condition 2 (Adjustments to the Index) of the Index Linked Note Terms.

"Weighting" means the weighting specified in the relevant Final Terms.

6. AUTOMATIC EARLY REDEMPTION EVENT

If "Automatic Early Redemption Event" is specified as being applicable in the Final Terms, then unless the Notes have previously been redeemed, purchased or cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) on each of the Automatic Early Redemption Valuation Dates in the Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms, an Automatic Early Redemption Event occurs, then the Notes shall automatically be redeemed in full, and not part only, on the Automatic Early Redemption Date immediately following the Automatic Early Redemption Valuation Date or the end of the relevant Automatic Early Redemption Valuation Period, and the Early Redemption Amount payable by the Issuer on such date for the redemption of each Note shall be an amount in the currency specified in the Final

Terms equal to the Automatic Early Redemption Amount.

Definitions

"Automatic Early Redemption Amount" means the amount determined by reference to the Automatic Early Redemption Payout if specified in the relevant Final Terms and, failing which, the product of (i) the Specified Denomination of each Note and (ii) the applicable Automatic Early Redemption Rate relating to such Automatic Early Redemption Date.

"Automatic Early Redemption Date(s)" means the date(s) specified in the relevant Final Terms, or, if any such date is not a Business Day, the immediately succeeding Business Day, provided that no Noteholder shall be entitled to any interest or additional payment by reason of such postponement.

"Automatic Early Redemption Event" means:

(A) if SPS AER is specified as being applicable in the Final Terms, the SPS AER Value is; or

(B) if SPS AER is specified as being not applicable in the Final Terms,

(a) in the case of a single Index, that the level of the Index determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date is, and
(b) in the case of an Index Basket, that the amount determined by the Calculation Agent being equal to the sum of the values of each Index (the value of an Index being the product of (x) the level of such Index as determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date, and (y) of the applicable Weighting) is, in each case,

(i) "greater than", (ii) "greater than or equal to", (iii) "lower than" or (iv) "lower than or equal to" the Automatic Early Redemption Level (specified in the Final Terms) as specified in the relevant Final Terms (x) on any Automatic Early Redemption Valuation Date, or (y) on each Automatic Early Redemption Valuation Date(s) falling in an Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms.

"Automatic Early Redemption Level" means (i) in the case of a single Index, the level of the Index, and (ii) in the case of an Index Basket, the level of the Index Basket, in each case (x) specified as such in the relevant Final Terms (y) or calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, if SPS AER is specified as being applicable in the Final Terms, all subject to the "Adjustments to the Index" specified in Condition 2 above.

"Automatic Early Redemption Rate" means, in respect of an Automatic Early Redemption Date, (x) the rate specified as such, (y) or calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS AER is specified as being applicable, in each case as specified in the relevant Final Terms.

"Automatic Early Redemption Valuation Date(s)" means the date(s) specified as such in the relevant Final Terms or, if any such date is not a Trading Day, the following Trading Day unless, in the opinion of the Calculation Agent, a Disruption Event occurs on such date, in which case, the corresponding provisions in the definition "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were instead to "Automatic Early Redemption Valuation Date".

"Automatic Early Redemption Valuation Period" means the period as specified in the relevant Final Terms.

"**SPS AER Value**" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms.

7. DEFINITIONS

"**Additional Disruption Event**" means any Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case if specified as being applicable in the relevant Final Terms.

"**Affiliate**" means in respect of a company (the "**First Company**"), any company controlled, directly or indirectly, by the First Company, any company which controls, directly or indirectly, the First Company or any company directly or indirectly controlled by the same company as the First Company. For the purposes of this definition, "control" means the holding of a majority of the voting rights and/or share capital in a company.

"**Averaging Date**" means each date specified as an Averaging date in the relevant Final Terms or, if any such date is not a Trading Day, the immediately succeeding Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day, in which case:

- (a) if "**Omission**" is specified as being applicable in the Final Terms, then such date shall be deemed not to be a relevant Averaging date for the purposes of determining the relevant Settlement Price. If through the operation of this provision, no Averaging date would occur, then the provisions in the definition of "Valuation Date" shall apply for the purpose of determining the relevant level, price or amount on the final Averaging date as if such final Averaging date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as being applicable in the Final Terms, then the provisions in the definition of "Valuation Date" shall apply for the purpose of determining the relevant level, price or amount on the relevant Averaging date as if such Averaging date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, such deferred Averaging date would fall on a day that already is or is deemed to be an Averaging date; or
- (c) if "**Modified Postponement**" is specified as being applicable in the relevant Final Terms then:
 - (i) in the case of Notes which are Index Linked Notes (Single Index), the Averaging date shall be the next following Valid Date (as defined below). If the next following Valid Date has not occurred for a number of consecutive Trading Days equal to the Maximum Number of Disrupted Days immediately following the original date which, but for the occurrence of another Averaging date or Disrupted Day, would have been the final Averaging date, then (A) such last consecutive Trading Day shall be deemed to be the Averaging date (irrespective of whether such Trading Day is already an Averaging date), and (B) the Calculation Agent shall determine the applicable level or price for the relevant Averaging date in accordance with paragraph (a)(b) of the definition "Valuation Date" below;
 - (ii) in the case of Notes which are Index Linked Notes (Index Basket), the Averaging date for each Index not affected by the occurrence of a Disrupted Day shall be the initially scheduled Averaging date (the "**Scheduled Averaging date**") and the Averaging date for an Index affected by the occurrence of a Disrupted Day shall be the next following Valid Date for the

relevant Index. If the next following Valid Date for such Index has not occurred for a number of consecutive Trading Days equal to the Maximum Number of Disrupted Days immediately following the original date which, but for the occurrence of another Averaging date or Disrupted Day, would have been the final Averaging date, then (A) such last Trading Day shall be deemed to be the Averaging date (irrespective of whether such Trading Day is already an Averaging date) for the relevant Index, and (B) the Calculation Agent shall determine the applicable level, price or amount for the relevant Averaging date in accordance with paragraph (b)(ii) of the definition "Valuation Date" below; and

- (iii) for the purposes of the Index Linked Note Terms, "**Valid Date**" means a Trading Day which is not a Disrupted Day and on which no other Averaging date occurs or is deemed to occur.

"**Change in Law**" means that, on or after the Trade Date (included) (as specified in the relevant Final Terms) due to (A) the adoption of, or any change in, any applicable law or regulation (including, without limitation, any law and/or regulation relating to tax or to solvency and/or capital adequacy requirements), (B) 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 supervisory authority), or (C) the combined effect of any of the events described in (A) and (B):

- (a) it has become illegal for the Issuer or any of its Affiliates, or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes, to hold, acquire or dispose of any hedging position in respect of such Notes; or

- (b) the Issuer would incur a materially increased cost (including, without limitation, due to any tax, solvency or capital adequacy requirement) in respect of maintaining the Notes or the holding, acquisition or disposal of any hedging position in respect of an Index.

"**Clearing System**" means the principal domestic clearing system normally used for settling transactions on the relevant securities.

"**Clearing System Day**" means, in respect of a Clearing System, a day on which such Clearing System is (or would, but for the occurrence of an event rendering it impossible for the Clearing System to settle transactions on a relevant security, have been) open for acceptance and execution of settlement instructions.

"**Composite Index**" means an index based on a universe of securities listed on different exchanges, specified as such in the relevant Final Terms, or if not specified, any index deemed as such by the Calculation Agent.

"**Composite Index Component**" means, in respect of a Composite Index, each security in such Index.

"**Cut-Off Date**" means, in respect of a Determination Date, three Business Days prior to such Determination Date, unless provided otherwise in the relevant Final Terms.

"**Determination Date(s)**" means the Coupon Determination Date and/or the Determination Date(s) specified in the relevant Final Terms.

"**Disrupted Day**" means:

- (a) in the case of a Composite Index, a Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred; and
- (b) in the case of an Index which is not a Composite Index, a Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its/their regular trading session or (ii) a Market Disruption Event has occurred.

"Early Closure" means:

- (a) in the case of a Composite Index, the closure, on any Exchange Business Day on the Exchange on which a Composite Index Component is traded or of the Related Exchange prior to its Scheduled Closing Time unless such early closure has been announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange for execution at the Valuation Time on such Exchange Business Day; and
- (b) in the case of an Index which is not a Composite Index, the closure, on any Exchange Business Day, of any Exchange on which securities whose value represents 20% or more (individually or collectively) of the level of such Index are traded or of any Related Exchange prior to its Scheduled Closing Time unless such early closure has been announced by such Exchange or Related Exchange, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange or the Related Exchange for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means:

- (a) in the case of a Composite Index, in respect of each Composite Index Component, the principal exchange on which such Composite Index Component is traded, as determined by the Calculation Agent; and
- (b) in the case of an Index which is not a Composite Index, each exchange or quotation system specified for such Index in the relevant Final Terms, any successor exchange or quotation system or any substitute exchange or quotation system to which trading in securities comprised in such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprised in such Index on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means (i) in the case of a single Index, an Exchange Business Day (Single Index Basis) or (ii) in the case of an Index Basket, (a) an Exchange Business Day (All Indices Basis), or (b) an Exchange Business Day (Per Index Basis), in each case as specified in the relevant Final Terms, provided however that if no such basis is specified in the relevant Final Terms, Exchange Business Day (All Indices Basis) shall apply.

"Exchange Business Day (All Indices Basis)" means a Trading Day on which (i) in respect of all Indices other than Composite Indices, each Exchange and each Related

Exchange are open for trading during their respective regular trading sessions for such Indices, notwithstanding that such Exchange or Related Exchange closes prior to its Scheduled Closing Time and (ii) in respect of Composite Indices, (a) the Index Sponsor publishes the level of such Composite Indices and (b) each Related Exchange (where applicable) is open for trading, during its regular trading session for such Composite Indices, notwithstanding that such Related Exchange closes prior to its Scheduled Closing Time.

"Exchange Business Day (Per Index Basis)" means:

- (a) in the case of a Composite Index, a Trading Day on which (i) the Index Sponsor publishes the level of such Composite Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding that such Related Exchange closes prior to its Scheduled Closing Time; and
- (b) in other cases, a Trading Day on which the relevant Exchange and the relevant Related Exchange for such Index are open for trading during their respective regular trading sessions, notwithstanding that such Exchange or Related Exchange closes prior to its Scheduled Closing Time.

"Exchange Business Day (Single Index Basis)" means a Trading Day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and Related Exchange (where applicable), are open for trading during their regular trading session, notwithstanding that such Exchange or Related Exchange closes prior to its Scheduled Closing Time and (ii) in respect of a Composite Index, (a) the Index Sponsor publishes the level of such Composite Index and (b) the relevant Related Exchange, if any, is open for trading during its regular trading session for such Composite Index, notwithstanding that such Related Exchange closes prior to its Scheduled Closing Time.

"Exchange Disruption" means:

- (a) in the case of a Composite Index, an event (other than an Early Closure) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (A) any Composite Index Component on the relevant Exchange for such Composite Index Component, or (B) futures contracts or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, an event (other than an Early Closure) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values, on the relevant Exchange(s), for securities whose value represents 20% or more (individually or collectively) of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures contracts or options contracts relating to such Index on any relevant Related Exchange.

"Hedging Disruption" means that the Issuer and/or any of its Affiliates or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes is unable, despite its reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or forward contract(s) or options contract(s) that it deems necessary to hedge the risks assumed by the Issuer (including but without limitation the equity price risk, foreign exchange risk or any other relevant price risk) in relation to issuing the Notes and performing its obligations under the Notes, or (B) to freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or forward contract(s) or options contract(s) or any hedging position in respect of an Index

or the Notes.

"Hedging Shares" means the number of securities comprised in an Index that the Calculation Agent deems necessary for the Issuer and/or any of its Affiliates to hedge the equity or other price risk of entering into and performing its obligations under the Notes.

"Increased Cost of Hedging" means that the Issuer would incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense, cost 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 risk (including, but without limitation, the equity price risk, foreign exchange risk and interest rate risk) of issuing the Notes and performing its obligations under the Notes or to (B) realise, recover, remit, receive, repatriate or transfer the proceeds of any such transactions or assets, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its subsidiaries shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Issuer and/or any of its Affiliates or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes would incur a rate to borrow any Stock comprised in an Index that is greater than Initial Stock Loan Rate.

"Index" and **"Indices"** mean, subject to adjustment in accordance with the Index Linked Note Terms, the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly.

"Index Basket" means (i) a basket comprising each Index specified in the relevant Final Terms assigned with the weightings specified in the Final Terms or (ii) a Relative Performance Basket.

"Index Correction Period" means (i) the period specified in the relevant Final Terms, or (ii) if no period is specified, (a) a Settlement Cycle, in respect of an Index which is not a Composite Index and (b) five Exchange Business Days in respect of a Composite Index, in each case following the initial date of publication of the Index.

"Index Sponsor" means, in respect of an Index, the company or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, relating to such Index and (b) publishes (directly or through an agent) the level of such Index regularly during each Trading Day, and which, on the Issue Date is the index sponsor specified for such Index in the relevant Final Terms.

"Initial Stock Loan Rate" means, in respect of a Composite Index Component, the initial stock loan rate specified for such security in the relevant Final Terms.

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes is unable, after using reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Number of Disrupted Days" means eight (8) Trading Days or any other number of Trading Days specified in the relevant Final Terms.

"Maximum Stock Loan Rate" means, in respect of a Composite Index Component, the maximum stock loan rate specified in the relevant Final Terms.

"Observation Date" means each date specified as such in the relevant Final Terms, or if any such date is not a Trading Day, the immediately succeeding Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition "Averaging date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging date" were instead to "Observation Date".

"Observation Period" means the period specified as such in the relevant Final Terms.

"Related Exchange" means, in respect of an Index, each exchange or quotation system on which futures contracts or options contracts relating to such Index are traded, or each exchange or quotation system specified for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however that if "All Exchanges" is specified as Related Exchange in the relevant Final Terms, **"Related Exchange"** shall mean each exchange or quotation system on which trading has a material effect (as determined by the Calculation Agent) on the market as a whole for futures and options contracts on such Index.

"Relative Performance Basket" means a basket comprising the Indices specified in the relevant Final Terms where no weighting shall be applicable and where the Final Redemption Amount shall be determined by reference to the Index which is either (i) the best performing, (ii) the worst performing, or (iii) by reference to any other measure of performance applied to the Indices, in each case as specified in the relevant Final Terms.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on the relevant Trading Day, without regard to after-hours or any other trading outside of the regular trading sessions, subject as provided in "Valuation Time" below.

"Scheduled Strike Date" means any initial date which, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date.

"Scheduled Valuation Date" means any initial date which, but for the occurrence of the event causing the Disrupted Day, would have been a Valuation Date.

"Screen Page" means the page specified in the relevant Final Terms, or any successor page or service.

"Settlement Cycle" means, in respect of an Index, the period equal to the number of Clearing System Days following a trade in the Composite Index Components on the Exchange (or in the case of an Index for which more than one Exchange is relevant, the longest of such periods) in which settlement will customarily occur according to the rules of such Exchange.

"Settlement Price" means subject as provided in the definition "Strike Date", "Averaging date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Index Linked Notes (Single Index), (1) an amount equal to the official closing level of the Index or Composite Index, as the case may be, as determined by the Calculation Agent or (2) if such option is selected in the relevant Final Terms, an amount equal to the level of the Index or Composite

Index as determined by the Calculation Agent at the Valuation Time on the Averaging Date or otherwise on the applicable Settlement Price Date; and

- (b) in the case of Index Linked Notes (Index Basket) and in respect of each Index comprised in the Index Basket, (1) an amount equal to the official closing level of the Index or Composite Index, as the case may be, as determined by the Calculation Agent or (2) if such option is selected in the relevant Final Terms, an amount equal to the level of the Index or Composite Index as determined by the Calculation Agent at the Valuation Time on the applicable Averaging date if the reference "Averaging" appears in the relevant Final Terms or otherwise at the Valuation Time on the applicable Settlement Price Date and, in each case, multiplied by the applicable Weighting.

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be.

"Strike Date" means the Strike Date specified in the relevant Final Terms or, if such day is not a Trading Day, the immediately succeeding Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Index Linked Notes (Single Index), the Strike Date shall be the immediately succeeding Trading Day which is not a Disrupted Day, unless each of the Trading Days during a period equal to the Maximum Number of Disrupted Days immediately following the Scheduled Strike Date is a Disrupted Day. In such case, (i) the last Trading Day in such period shall be deemed to be the Strike Date, irrespective of whether such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the applicable level or price by determining the level of the Index at the Valuation Time on the last Trading Day of such period in accordance with the latest formula and the latest method for calculating the Index in effect prior to the occurrence of the first Disrupted Day, using the price traded or quoted on the Exchange at the Valuation Time on such last Trading Day for each security comprised in the Index (or, if an event causing a Disrupted Day has occurred in respect of a security on such last Trading Day, its good faith estimate of the value of the relevant security at the Valuation Time on such last Trading Day); or
- (b) in the case of Index Linked Notes (Index Basket), the Strike Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and the Strike Date for each Index (each an **"Affected Index"**) affected by the occurrence of a Disrupted Day shall be the next following Trading Day which is not an Affected Index Disrupted Day, unless each of the Trading Days during a period equal to the Maximum Number of Disrupted Days immediately following the Scheduled Strike Date is a Disrupted Day for the Affected Index. In such case, (i) the last Trading Day in such period shall be deemed to be the Strike Date for the Affected Index, irrespective of whether such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the applicable level on price using for the Affected Index, the level or, as the case may be, the value of such Affected Index on the basis of the level of the relevant Index at the Valuation Time on the last Trading Day in the period in accordance with the latest formula and latest method for calculating such Index in effect prior to the occurrence of the first Disrupted Day using the price traded or quoted on the Exchange at the Valuation Time on the last Trading Day in the period for each security comprised in the Index (or, if an event causing a Disrupted Day has occurred in respect of a security on such last consecutive Trading Day, its good faith estimate of the value of the relevant security at the Valuation Time on such last Trading Day) and otherwise, in accordance with the provisions above.

"Strike Period" means the period specified as such in the relevant Final Terms.

"Trading Day" means either (i) in the case of a single Index, Trading Day (Single Index Basis) or (ii) in the case of an Index Basket, (a) Trading Day (All Indices Basis) or (b) Trading Day (Per Index Basis), in each case as specified in the relevant Final Terms, provided however that if no such basis is specified in the relevant Final Terms, Trading Day (All Indices Basis) shall apply.

"Trading Day (All Indices Basis)" means (i) in respect of an Index which is not a Composite Index, a day on which each Exchange and each Related Exchange relating to such Index must be open for trading during its/their respective regular trading session(s), and (ii) in respect of a Composite Index, a day on which (a) the Index Sponsor is due to publish the level of such Composite Index and (b) each Related Exchange is due to be open for trading during its regular trading session for such Composite Index.

"Trading Day (Per Index Basis)" means:

- (a) in respect of a Composite Index a day on which (i) the Index Sponsor is due to publish the level of such Index; and (ii) the Related Exchange is due to be open for trading during its regular trading session; and
- (b) in all other cases, a day on which the relevant Exchange and the relevant Related Exchange for such Index are due to be open for trading during its/their respective regular trading session(s).

"Trading Day (Single Index Basis)" means a day on which (i) in respect of an Index which is not a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, must be open for trading during its/their respective regular trading session(s), and (ii) in respect of a Composite Index, (a) the relevant Index Sponsor is due to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is due to be open for trading during its regular trading session for such Composite Index.

"Trading Disruption" means:

- (a) in the case of a Composite Index, any suspension or limitation on trading imposed by the Exchange or the relevant Related Exchange or any other person, whether by reason of price fluctuations exceeding limits permitted by the Exchange or the relevant Related Exchange or otherwise (i) relating to a Composite Index Component on the relevant Exchange or (ii) concerning futures contracts or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension or limitation on trading imposed by the Exchange or the relevant Related Exchange or any other person, whether by reason of price fluctuations exceeding limits permitted by the Exchange or the relevant Related Exchange or otherwise (a) relating to securities representing twenty per cent (20%) or more (individually or collectively) of the level of such Index on any relevant Exchange or (b) concerning futures contracts or options contracts relating to such Index on any relevant Related Exchange.

"Valuation Date" means the Interest Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the relevant Final Terms or, if such day is not a Trading Day, the immediately succeeding Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Index Linked Notes (Single Index), the Valuation Date shall be the

next following Trading Day which is not a Disrupted Day, unless each of the Trading Days during a period equal to the Maximum Number of Disrupted Days immediately following the Scheduled Valuation Date is a Disrupted Day. In such case, (i) such last Trading Day shall be deemed to be the Valuation Date, irrespective of whether such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price by determining the level of the Index at the Valuation Time on such last Trading Day in accordance with the latest formula and latest method for calculating the Index in effect prior to the occurrence of the first Disrupted Day, using the price traded or quoted on the Exchange at the Valuation Time on such last Trading Day for each security comprised in the Index (or, if an event causing a Disrupted Day has occurred in respect of a security on such last Trading Day, its good faith estimate of the value of the relevant security at the Valuation Time on such last Trading Day); or

- (b) in the case of Index Linked Notes (Index Basket), the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the next following Trading Day which is not an Affected Index Disrupted Day unless each of the Trading Days during a period equal to the Maximum Number of Disrupted Days immediately following the Scheduled Valuation Date is a Disrupted Day for the Affected Index. In such case, (i) such last Trading Day shall be deemed to be the Valuation Date for the Affected Index, irrespective of whether such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, for the Affected Index, the level or value as the case may be, determined by using the level of such Index at the Valuation Time on such last Trading Day in accordance with the latest formula and latest method for calculating such Index in effect prior to the occurrence of the first Disrupted Day using the price traded or quoted on the Exchange at the Valuation Time on such last Trading Day for each security comprised in the Index (or, if an event causing a Disrupted Day has occurred in respect of a security on such last Trading Day, its good faith estimate of the value of the relevant security at the Valuation Time on such last Trading Day) and otherwise as provided above.

"Valuation Time" means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the relevant Final Terms; or
- (b) if not specified in the relevant Final Terms:
- (i) in the case of a Composite Index, means for such Index: (i) for the purpose of determining the occurrence of a Market Disruption Event: (a) in respect of a Composite Index Component, the Scheduled Closing Time on the Exchange for such Composite Index Component, and (b) in respect of futures contracts or options contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other cases, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or
- (ii) in the case of an Index which is not a Composite Index, means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or the Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such

actual closing time.

8. STRATEGY INDEX

Conditions 9 to 14 shall apply if "Strategy Index" is specified as being applicable in the Final Terms. In the event of conflict between the provisions of Conditions 9 to 14 and the other Index Linked Note Terms, Conditions 9 to 14 shall prevail.

9. ADJUSTMENTS TO A STRATEGY INDEX AND STRATEGY INDEX DISRUPTION

9.1A Successor Index Sponsor calculates and announces a Successor Strategy Index

If a Strategy Index (i) is not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (ii) is replaced by a successor Strategy Index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Strategy Index, then in each case such Strategy Index (the "**Successor Strategy Index**") shall be deemed to be the Strategy Index.

9.2 Strategy Index Modification, Strategy Index Cancellation and Strategy Index Disruption

If (i) at any time before the last Valuation Date, last Observation Date or last Averaging date (included), the Index Sponsor or (where applicable) the Successor Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a Strategy Index or, in any other way materially modifies that Strategy Index (other than a modification prescribed in that formula or method to maintain that Strategy Index in the event of changes in constituent stock and capitalisation or in contracts or commodities or other routine events) (a "**Strategy Index Modification**"), or permanently cancels a Strategy Index without providing a Successor Strategy Index (a "**Strategy Index Cancellation**"), or (ii) on any Valuation Date, Observation Date, or Averaging date, the Index Sponsor or (if applicable) the Successor Index Sponsor ceases to calculate and/or publish a Strategy Index or such date is not a Strategy Index Business Day (a "**Strategy Index Disruption**" and, together with Strategy Index Modification and Strategy Index Cancellation, each a "**Strategy Index Adjustment Event**"), then:

(a) in the case of Strategy Index Linked Notes (Single Strategy Index) where Scheduled Strategy Index Business Day (Single Strategy Index Basis) is specified as being applicable in the relevant Final Terms, then:

(i) if the Strategy Index Adjustment Event is a Strategy Index Disruption which occurs or subsists on the last Valuation Date, last Averaging date or last Observation Date, then such Valuation Date, Averaging date or Observation Date, as the case may be, shall be the next Scheduled Strategy Index Business Day following that on which any Strategy Index Disruption has ceased to exist, unless there is a Strategy Index Disruption on each Scheduled Strategy Index Business Day during a period equal to the Maximum Number of Disrupted Days immediately following the scheduled Valuation Date, Averaging date or Observation Date, as the case may be, and in such case the last Scheduled Strategy Index Business Day shall be deemed to be the Valuation Date, Averaging date or Observation Date, as the case may be, irrespective of the Strategy Index Disruption. The Calculation Agent shall determine the Settlement Price using reasonable efforts to calculate the level of the Strategy Index at the Valuation Time on such last Scheduled Strategy Index Business Day in accordance with the latest formula and method for calculating the Strategy

Index in effect prior to the occurrence of the Strategy Index Disruption and using its good faith estimate of the value of the Strategy Index components;

(ii) following a Strategy Index Modification or Strategy Index Cancellation at any time or a Strategy Index Disruption (which in this case occurs or exists on the Strike Date, an Averaging date (other than the last Averaging date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine whether such Strategy Index Adjustment Event has a material effect on the Notes, and in such case:

- (A) if the Strategy Index Adjustment Event is a Strategy Index Disruption which occurs or exists on the Strike Date, an Averaging date or an Observation Date, the Calculation Agent may determine that the relevant Strike Date, Averaging date or Observation Date, as the case may be, shall be the next following Scheduled Strategy Index Business Day (in the case of a Strike Date) or Valid Date (in the case of an Averaging date or Observation Date, as the case may be), unless there is a Strategy Index Disruption on each Scheduled Strategy Index Business Day during a period equal to the Maximum Number of Disrupted Days immediately following the scheduled Strike Date, Averaging date or Observation Date, as the case may be. In such case, the Calculation Agent may decide that such last Scheduled Strategy Index Business Day shall be deemed to be the Strike Date, Averaging date or Observation Date, as the case may be (ignoring the fact that, in the case of an Averaging date or Observation Date, such last Scheduled Strategy Index Business Day is already an Averaging date or Observation Date, as the case may be) and may determine the Settlement Price using reasonable efforts to calculate a level for the Strategy Index at the Valuation Time on such last Scheduled Strategy Index Business Day in accordance with the latest formula and method for calculating the Strategy Index in effect prior to the occurrence of the Strategy Index Disruption and using its good faith estimate of the value of the Strategy Index components; or
- (B) the Calculation Agent may use reasonable efforts to select a successor index with a substantially similar strategy to that of the original Strategy Index and, once such Index has been selected, the Calculation Agent shall promptly notify the Noteholders; such index shall become the Successor Strategy Index and shall be deemed to be the "Strategy Index" for the purposes of the Notes and the Calculation Agent shall, to the extent possible and if necessary, make adjustments to the Terms and Conditions of the Notes and the relevant Final Terms to take account of the Strategy Index Adjustment Event; or
- (C) the Calculation Agent may determine any appropriate adjustment to any amount payable under the Notes and the effective date of such adjustment and, to the extent possible, adjust the Terms and Conditions of the Notes and the relevant Final Terms accordingly to take account of the Strategy Index Adjustment Event; or
- (D) unless "Deferred Redemption following a Strategy Index Adjustment Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent may request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market

value taking into account the Strategy Index Adjustment Event, less the cost of unwinding any underlying hedging arrangements (the "**Strategy Index Adjustment Amount**") as calculated by the Calculation Agent as soon as possible after the Strategy Index Adjustment Event has occurred (the "**Strategy Index Adjustment Amount Determination Date**"). Payment shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or

- (E) if "Deferred Redemption following a Strategy Index Adjustment Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the Strategy Index Adjustment Amount on the Strategy Index Adjustment Amount Determination Date and notify the Issuer thereof. The Issuer shall, on the Maturity Date, redeem each Note in an amount calculated by the Calculation Agent equal to the Strategy Index Adjustment Amount, together with interest accrued as from the Strategy Index Adjustment Amount Determination Date (included) up to the Maturity Date (excluded) at a rate specified in the relevant Final Terms or if no such rate is specified in the relevant Final Terms, no amount of additional interest shall be payable; or
 - (F) in the case of a Strategy Index Modification which occurs on the last Valuation Date, last Averaging date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Strategy Index using, instead of a published level for the Strategy Index on the Valuation Date, Averaging date or Observation Date as the case may be, the level of the Strategy Index on such date determined by the Calculation Agent in accordance with the latest formula and method for calculating the Strategy Index in effect prior to the Strategy Index Modification, but using only those components comprised in the Strategy Index before the Strategy Index Modification.
- (b) in the case of Strategy Index Linked Notes (Strategy Index Basket) where Scheduled Strategy Index Business Day (All Strategy Indices Basis) is specified as being applicable in the relevant Final Terms:
- (i) if the Strategy Index Adjustment Event is a Strategy Index Disruption which occurs or exists in respect of a Strategy Index (each an "**Affected Strategy Index**") on the last Valuation Date, last Averaging date or last Observation Date, then such Valuation Date, Averaging date or Observation Date, as the case may be, in respect of all Strategy Indices in the Basket shall be the next Scheduled Strategy Index Business Day following that on which any Strategy Index Disruption has ceased to exist in respect of a Strategy Index in the Basket, unless there is a Strategy Index Disruption in respect of any Strategy Indices in the Basket on each of the Scheduled Strategy Index Business Days during a period equal to the Maximum Number of Disrupted Days immediately following the scheduled Valuation Date, Averaging date or Observation Date, as the case may be, and in such case such last Scheduled Strategy Index Business Day shall be deemed to be the Valuation Date, Averaging date or Observation Date, as the case may be, for all of the Strategy Indices in the Basket, irrespective of the Strategy Index Disruption in respect of an Affected Strategy Index. The Calculation Agent shall determine the Settlement Price (x) using in respect of a Strategy Index which is not an Affected Strategy Index, the method described in part (a) of the definition "Settlement Price" in Condition 14 and

(y) in respect of a Strategy Index in the Basket which is an Affected Strategy Index, by making reasonable efforts to calculate the level of the relevant Strategy Index at the Valuation Time on such last consecutive Scheduled Strategy Index Business Day in accordance with the latest formula and method for calculating the relevant Strategy Index in effect prior to the occurrence of the Strategy Index Disruption and using its good faith estimate of the value of the Strategy Index components;

(ii) following any Strategy Index Modification or Strategy Index Cancellation at any time or a Strategy Index Disruption which in this case occurs or exists on the Strike Date, an Averaging date (other than the last Averaging date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine whether such Strategy Index Adjustment Event has a material effect on the Notes, and in such case:

- (A) if the Strategy Index Adjustment Event is a Strategy Index Disruption which occurs or exists on the Strike Date, an Averaging date or an Observation Date, the Calculation Agent may determine that the Strike Date, or relevant Averaging date or relevant Observation Date, as the case may be, in respect of all Strategy Indices in the Basket, shall be the next Scheduled Strategy Index Business Day (in the case of the Strike Date) or the Valid Date (in the case of an Averaging date or Observation Date, as the case may be) following that on which any Strategy Index Disruption has ceased to exist for any Strategy Index (each an "**Affected Strategy Index**") comprised in the Basket, unless there is a Strategy Index Disruption on each of the Scheduled Strategy Index Business Days during a period equal to the Maximum Number of Disrupted Days immediately following the scheduled Strike Date, Averaging date or Observation Date, as the case may be, in which case the Calculation Agent may determine that such last Scheduled Strategy Index Business Day shall be deemed to be the Strike Date, Averaging date or Observation Date, as the case may be (ignoring the fact that, in the case of an Averaging date or Observation Date, such last Scheduled Strategy Index Business Day is already an Averaging date or Observation Date, as the case may be) for all Strategy Indices in the basket. The Calculation Agent may determine the Settlement Price (x) using in respect of a Strategy Index in the Basket which is not an Affected Strategy Index, the method described in part (a) of the definition "Settlement Price" in Condition 14 (Definitions) below and (y) in respect of a Strategy Index in the Basket which is an Affected Strategy Index, by making reasonable efforts to calculate the level of the relevant Strategy Index at the Valuation Time on such last Scheduled Strategy Index Business Day in accordance with the latest formula and method for calculating the relevant Strategy Index in effect prior to the occurrence of the Strategy Index Disruption and using its good faith estimate of the value of the Strategy Index components; or
- (B) the Calculation Agent may use reasonable efforts to select a successor index with a strategy substantially similar to that of the initial Strategy Index and, once such Index has been selected, the Calculation Agent shall promptly give notice thereof to the Noteholders and such index shall become the Successor Strategy Index and shall be deemed to be a "Strategy Index" for the purposes of the Notes and the Calculation Agent shall, to the extent possible and if necessary, make adjustments

to the Terms and Conditions of the Notes and the relevant Final Terms to take account of the Strategy Index Adjustment Event; or

- (C) the Calculation Agent may determine any appropriate adjustment to any amount payable under the Notes and the effective date of such adjustment and, to the extent possible, adjust the Terms and Conditions of the Notes and the relevant Final Terms accordingly to take account of the Strategy Index Adjustment Event; or
 - (D) unless "Deferred Redemption following a Strategy Index Adjustment Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent may request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value taking into account the Strategy Index Adjustment Event, less the cost of unwinding any underlying hedging arrangements (the "**Strategy Index Adjustment Amount**") as calculated by the Calculation Agent as soon as possible after the Strategy Index Adjustment Event has occurred (the "**Strategy Index Adjustment Amount Determination Date**"). Payment shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or
 - (E) if "Deferred Redemption following a Strategy Index Adjustment Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the Strategy Index Adjustment Amount on the Strategy Index Adjustment Amount Determination Date and notify the Issuer thereof. The Issuer shall, on the Maturity Date, redeem each Note in an amount calculated by the Calculation Agent equal to the Strategy Index Adjustment Amount, together with interest accrued as from the Strategy Index Adjustment Amount Determination Date (included) up to the Maturity Date (excluded) at a rate specified in the relevant Final Terms, or if no such rate is specified in the relevant Final Terms, no amount of additional interest shall be payable; or
 - (F) in the case of a Strategy Index Modification which occurs in respect of a Strategy Index in the Basket on the last Valuation Date, last Averaging date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Strategy Index using, instead of a published level for the Strategy Index on the Valuation Date, Averaging date or Observation Date as the case may be, the level of the Strategy Index on such date determined by the Calculation Agent in accordance with the latest formula and method for calculating the Strategy Index in effect prior to the Strategy Index Modification, but using only those components comprised in the Strategy Index before the Strategy Index Modification.
- (c) in the case of Strategy Index Linked Notes (Strategy Index Basket) where Scheduled Strategy Index Business Day (Per Strategy Index Basis) is specified as being applicable in the relevant Final Terms, then:
- (i) if the Strategy Index Adjustment Event is a Strategy Index Disruption which occurs or exists on the last Valuation Date, last Averaging date or last Observation Date, then the Valuation Date, Averaging date or Observation Date, as the case may be, for each Strategy Index not affected

by the occurrence of the Strategy Index Disruption shall be the last scheduled Valuation Date, Averaging date or Observation Date as the case may be, and the Valuation Date, Averaging date or Observation Date, as the case may be, for each Strategy Index in the Basket affected by the Strategy Index Disruption (each an "**Affected Strategy Index**") shall be the next Scheduled Strategy Index Business Day following that on which any Strategy Index Disruption has ceased to exist for such Affected Strategy Index, unless there is a Strategy Index Disruption on each Scheduled Strategy Index Business Day during a period equal to the Maximum Number of Disrupted Days immediately following the scheduled Valuation Date, Averaging date or Observation Date, as the case may be, and in such case such last consecutive Scheduled Strategy Index Business Day shall be deemed to be the Valuation Date, Averaging date or Observation Date, as the case may be, for the relevant Affected Strategy Index. The Calculation Agent shall determine the Settlement Price by using reasonable efforts to determine the level of the relevant Affected Strategy Index at the Valuation Time on such last Scheduled Strategy Index Business Day in accordance with the latest formula and method for calculating the relevant Affected Strategy Index in effect prior to the occurrence of the Strategy Index Disruption and using its good faith estimate of the value of the Affected Strategy Index components;

(ii) following any Strategy Index Modification or Strategy Index Cancellation or a Strategy Index Disruption which in this case occurs or exists on the Strike Date, an Averaging date (other than the last Averaging date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine whether such Strategy Index Adjustment Event has a material effect on the Notes, and in such case:

(A) if the Strategy Index Adjustment Event is a Strategy Index Disruption which occurs or subsists on the Strike Date, an Averaging Date or an Observation Date, the Calculation Agent may determine that the Strike Date, or relevant Averaging Date or relevant Observation Date, as the case may be, in respect of each Strategy Index in the Basket not affected by the occurrence of the Strategy Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Strategy Index in the Basket affected by the Strategy Index Disruption (each an "**Affected Strategy Index**") shall be the next Scheduled Strategy Index Business Day (in the case of a Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) following that on which any Strategy Index Disruption has ceased to exist for such Affected Strategy Index, unless there is a Strategy Index Disruption on each Scheduled Strategy Index Business Day during a period equal to the Maximum Number of Disrupted Days immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be. In such case the Calculation Agent may determine that such last Scheduled Strategy Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (ignoring the fact that, in the case of an Averaging Date or Observation Date, such last Scheduled Strategy Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Strategy Index and may determine the Settlement Price using

- reasonable efforts to determine a level for the relevant Affected Strategy Index at the Valuation Time on such last consecutive Scheduled Strategy Index Business Day in accordance with the latest formula and method for calculating the relevant Affected Strategy Index in effect prior to the occurrence of the Strategy Index Disruption and using its good faith estimate of the value of the Strategy Index components; or
- (B) the Calculation Agent may use reasonable efforts to select a successor index with a strategy substantially similar to that of the initial Strategy Index and, once such Index has been selected, the Calculation Agent shall promptly give notice thereof to the Noteholders and such index shall become the Successor Strategy Index and shall be deemed to be a "Strategy Index" for the purposes of the Notes and the Calculation Agent shall, to the extent possible and if necessary, make adjustments to the Terms and Conditions of the Notes and the relevant Final Terms to take account of the Strategy Index Adjustment Event; or
 - (C) the Calculation Agent may determine any appropriate adjustment to any amount payable under the Notes and the effective date of such adjustment and, to the extent possible, adjust the Terms and Conditions of the Notes and the relevant Final Terms accordingly to take account of the Strategy Index Adjustment Event; or
 - (D) unless "Deferred Redemption following a Strategy Index Adjustment Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent may request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value taking into account the Strategy Index Adjustment Event, less the cost of unwinding any underlying hedging arrangements (the "**Strategy Index Adjustment Amount**") as calculated by the Calculation Agent as soon as possible after the Strategy Index Adjustment Event has occurred (the "**Strategy Index Adjustment Amount Determination Date**"). Payment shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or
 - (E) if "Deferred Redemption following a Strategy Index Adjustment Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the Strategy Index Adjustment Amount on the Strategy Index Adjustment Amount Determination Date and notify the Issuer thereof. The Issuer shall, on the Maturity Date, redeem each Note in an amount calculated by the Calculation Agent equal to the Strategy Index Adjustment Amount, together with interest accrued as from the Strategy Index Adjustment Amount Determination Date (included) up to the Maturity Date (excluded) at a rate specified in the relevant Final Terms, or if no such rate is specified in the relevant Final Terms, no amount of additional interest shall be payable; or
 - (F) in the case of a Strategy Index Modification which occurs in respect of a Strategy Index in a Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Strategy Index using, instead of a published level for the Strategy Index on the Valuation Date,

Averaging Date or Observation Date as the case may be, the level of the Strategy Index on such date determined by the Calculation Agent in accordance with the latest formula and method for calculating the Strategy Index in effect prior to the Strategy Index Modification, but using only those components comprised in the Strategy Index before the Strategy Index Modification.

9.3 Notification

The Calculation Agent shall notify the Issuer as soon as possible of any determination or calculation made by it in accordance with Condition 9 (b) and any action or proposed action, and the Calculation Agent and the Issuer shall make such determinations and calculations available to the Noteholders for consultation.

The Issuer shall immediately notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes of any decision to redeem the Notes early under paragraph (b) above and the corresponding early redemption date.

10. CORRECTION OF THE STRATEGY INDEX

Other than in the case of any corrections published after the Cut-Off Date, if the Strategy Index level published on any day and used or intended to be used by the Calculation Agent for the purpose of any determination or calculation under the Notes is subsequently corrected and if the correction is published by the relevant Index Sponsor or (as the case may be) the relevant Successor Index Sponsor, during the Strategy Index Correction Period following the initial publication date, the level to be used shall be the Strategy Index level as corrected. Corrections published after the Cut-Off Date shall be ignored by the Calculation Agent for the purposes of determining any relevant amount to be paid.

11. ADDITIONAL DISRUPTION EVENT

11.1 If an Additional Disruption Event occurs, the Calculation Agent may:

(a) determine and make any appropriate adjustment to any amount payable under the Notes, and, to the extent possible, adjust the Terms and Conditions of the Notes and the relevant Final Terms accordingly to take account of the Additional Disruption Event and determine the effective date of such adjustment; or

(b) use all reasonable efforts to select a successor index with a strategy substantially similar to that of the initial Strategy Index within twenty (20) Scheduled Strategy Index Business Days (or such other number of Scheduled Strategy Index Business Days as may be specified in the relevant Final Terms) following the Additional Disruption Event and, once such Index has been selected, the Calculation Agent shall promptly give notice thereof to the Issuer and the Issuer shall notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes, and such index shall become the Successor Strategy Index and shall be deemed to be a "Strategy Index" for the purposes of the Notes and the Calculation Agent shall make appropriate adjustments to any amount payable under the Notes and the effective date of any such adjustment and shall, to the extent possible, adjust the Terms and Conditions of the Notes and the relevant Final Terms accordingly to take account of the Additional Disruption Event. Such resulting substitution and adjustment to the Terms and Conditions of the Notes shall be deemed to take effect as from the date selected by the Calculation Agent (the "Replacement Date") and specified in the notice described below which may, but shall not necessarily, be the date on which the Additional Disruption Event has

occurred; or

(c) unless "Deferred Redemption following an Additional Disruption Event" is specified as applicable in the relevant Final Terms, request, by notice to the Issuer, that the Issuer redeem the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value taking into account the Additional Disruption Event less the cost of unwinding any underlying hedging arrangements (the "**Additional Disruption Amount**") as determined by the Calculation Agent as soon as possible after the Additional Disruption Event has occurred (the "**Additional Disruption Amount Determination Date**"). Payment shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or

(d) if "Deferred Redemption following an Additional Disruption Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the Additional Disruption Amount on the Additional Disruption Amount Determination Date and notify the Issuer thereof. The Issuer shall, on the Maturity Date, redeem each Note in an amount equal to the Additional Disruption Amount, together with interest accrued as from the Additional Disruption Amount Determination Date (included) up to the Maturity Date (excluded) at a rate equal to the Issuer's cost of refinancing or, if Protected Capital Termination Amount is specified as applicable in the Final Terms and such amount is higher, at such amount.

- 11.2 If an Additional Disruption Event occurs and the Calculation Agent decides to take any action in relation to such event, it shall notify the Issuer as soon as possible and the Issuer shall notify the Noteholders as soon as possible in accordance with Condition 15 of the Terms and Conditions of the Notes, declaring that an Additional Disruption Event has occurred and specifying the proposed action to be taken in relation thereto.

The Issuer shall immediately notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes of any decision to redeem the Notes early under this Condition and the corresponding early redemption date.

12. KNOCK-IN EVENT AND KNOCK-OUT EVENT

- 12.1 If "**Knock-In Event**" is specified as being applicable in the relevant Final Terms, any payment under the Notes that is subject to a Knock-In Event, shall be conditional on the occurrence of such Knock-In Event.
- 12.2 If "**Knock-Out Event**" is specified as being applicable in the Final Terms, any payment under the Notes that is subject to a Knock-Out Event, shall be conditional on the occurrence of such Knock-Out Event.
- 12.3 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is the Valuation Time and if, on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date, a Strategy Index Disruption Event occurs, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred; provided however that if, by the effect of this clause, no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the level of the Strategy Index at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time as provided in the definition "Valuation Date".

12.4 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is any time or period of time during the normal market opening hours on the relevant Exchange and if, on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date and at any time in the hour preceding or following the time at which the level of the Strategy Index reaches the Knock-In Barrier or the Knock-Out Barrier, a Strategy Index Disruption Event occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred, provided however that if, by the effect of this clause no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the level of the Strategy Index at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time as provided in the definition "Valuation Date".

12.5 **Definitions relating to Knock-In Events / Knock-Out Events:**

"Knock-In Barrier" means (i) in the case of a single Strategy Index, the level of the Strategy Index and (ii) in the case of a Strategy Index Basket, the level of the Strategy Index Basket, in each case (x) specified as such in the Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-In is specified as applicable in the Final Terms, in each case, subject to adjustment where applicable in accordance with the terms of Condition 9 above (Adjustments to a Strategy Index and Strategy Index Disruption);

"Knock-In Barrier Effective Date" means the date(s) specified as such in the relevant Final Terms, or if not specified, each Scheduled Strategy Index Business Day during the Knock-In Barrier Effective Period;

"Knock-In Barrier Effective Period" means the period commencing on the Knock-In Barrier Effective Period Commencement Date included and ending on the Knock-In Barrier Effective Period End Date included;

"Knock-In Barrier Effective Period Commencement Date" means the date specified in the relevant Final Terms or, if the Scheduled Strategy Index Business Day Convention for the Knock-In Barrier Effective Period Commencement Date is specified as being applicable in the Final Terms and such date is not a Scheduled Strategy Index Business Day, the next following Scheduled Strategy Index Business Day.

"Knock-In Barrier Effective Period End Date" means the date specified in the relevant Final Terms or, if the Scheduled Strategy Index Business Day Convention for the Knock-In Barrier Effective Period End Date is specified as being applicable in the Final Terms and such date is not a Scheduled Strategy Index Business Day, the next following Scheduled Strategy Index Business Day;

"Knock-In Barrier Valuation Time" means the time or period of time on any Knock-In Barrier Effective Date specified as such in the relevant Final Terms or if the relevant Final Terms do not specify a Knock-In Barrier Valuation Time, the Knock-In Barrier Valuation Time shall be the Valuation Time;

"Knock-In Barrier Value " means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, as specified in the relevant Final Terms;

"Knock-In Event" means:

- (a) If SPS Knock-In is specified as being applicable in the relevant Final Terms, the Knock-In Barrier Value is; or
- (b) If SPS Knock-In is specified as being not-applicable in the relevant Final Terms,
 - (i) in respect of a single Strategy Index, that the level of the Strategy Index determined by the Calculation Agent at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date is,
 - (ii) in respect of a Strategy Index Basket, that the amount determined by the Calculation Agent as being equal to the sum of the values of each Strategy Index (the value of each Strategy Index being the product of (x) the level of such Strategy Index at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date and (y) the applicable Weighting) is

in each case (A)(a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-In Barrier or (B) "within" the Knock-In Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-In Barrier Effective Date, or (y) in respect of any Knock-In Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-In Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Condition 9;

"Knock-Out Barrier" means (i) in the case of a single Strategy Index, the level of the Strategy Index or (ii) in the case of a Strategy Index Basket, the level of the Strategy Index Basket, in each case (x) specified as such in the relevant Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-Out is specified as applicable in the relevant Final Terms, in each case, subject to adjustment where applicable in accordance with the terms of Condition 9 above (Adjustments to a Strategy Index and Strategy Index Disruption);

"Knock-Out Barrier Effective Date" means the date(s) specified as such in the relevant Final Terms, or if not specified, each Scheduled Strategy Index Business Day during the Knock-Out Barrier Effective Period;

"Knock-Out Barrier Effective Period" means the period commencing on the Knock-Out Barrier Effective Period Commencement Date included and ending on the Knock-Out Barrier Effective Period End Date included;

"Knock-Out Barrier Effective Period Commencement Date" means the date specified in the relevant Final Terms or, if the Scheduled Strategy Index Business Day Convention for the Knock-Out Barrier Effective Period Commencement Date is specified as being applicable in the Final Terms and such date is not a Scheduled Strategy Index Business Day, the next following Scheduled Strategy Index Business Day;

"Knock-Out Barrier Effective Period End Date" means the date specified in the relevant Final Terms or, if the Scheduled Strategy Index Business Day Convention for the Knock-Out Barrier Effective Period End Date is specified as being applicable in the Final Terms and such date is not a Scheduled Strategy Index Business Day, the next following Scheduled Strategy Index Business Day;

"Knock-Out Barrier Valuation Time" means the time or period of time on any Knock-Out Barrier Effective Date specified as such in the relevant Final Terms or if the relevant Final Terms do not specify a Knock-Out Barrier Valuation Time, the Knock-Out Barrier

Valuation Time shall be the Valuation Time;

"Knock-Out Barrier Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, as specified in the relevant Final Terms;

"Knock-Out Event" means:

- (a) If SPS Knock-Out is specified as being applicable in the Final Terms, the Knock-Out Barrier Value is; or
- (b) If SPS Knock-Out is specified as being not-applicable in the Final Terms,
 - (i) in respect of a single Strategy Index, that the level of the Strategy Index determined by the Calculation Agent at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date is; and
 - (ii) in respect of a Strategy Index Basket, that the amount determined by the Calculation Agent being equal to the sum of the values of each Strategy Index (the value of each Strategy Index being the product of (x) the level of such Strategy Index at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date and (y) the applicable Weighting) is

in each case (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-Out Barrier or (B) "within" the Knock-Out Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-Out Barrier Effective Date, or (y) in respect of any Knock-Out Barrier Effective Period, as specified in the relevant Final Terms;

"Knock-Out Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Condition 9; and

"Weighting" means the weighting specified in the relevant Final Terms.

13. AUTOMATIC EARLY REDEMPTION

- 13.1 If **"Automatic Early Redemption Event"** is specified as being applicable in the Final Terms, then unless the Notes have previously been redeemed, purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) on each of the Automatic Early Redemption Valuation Dates in the Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms, an Automatic Early Redemption Event occurs, then the Notes shall automatically be redeemed in full, and not part only, on the Automatic Early Redemption Date immediately following the Automatic Early Redemption Valuation Date or the end of the relevant Automatic Early Redemption Valuation Period, and the Early Redemption Amount payable by the Issuer on such date for the redemption of each Note shall be an amount in the currency specified in the relevant Final Terms equal to the Automatic Early Redemption Amount.

13.2 **Definitions relating to Automatic Early Redemption:**

"Automatic Early Redemption Amount" means the amount determined by reference to the Automatic Early Redemption Payout if specified in the relevant Final Terms and, failing which, the product of (i) the Specified Denomination of each Note and (ii) the applicable Automatic Early Redemption Rate relating to such Automatic Early Redemption Date.

"Automatic Early Redemption Date(s)" means the date(s) specified in the relevant Final Terms, or, if any such date is not a Business Day, the immediately succeeding Business Day, provided that no Noteholder shall be entitled to any interest or additional payment by reason of such postponement.

"Automatic Early Redemption Event" means

(A) If SPS AER is specified as being applicable in the Final Terms, the SPS AER Value is; or

(B) If SPS AER is specified as being not applicable in the Final Terms,

(a) in the case of a single Strategy Index, that the level of the Strategy Index determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date is, and (b) in the case of a Strategy Index Basket, that the amount determined by the Calculation Agent being equal to the sum of the values of each Strategy Index (the value of a Strategy Index being the product (x) of the level of such Strategy Index as determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date and (y) of the applicable Weighting) is, in each case,

(i) "greater than", (ii) "greater than or equal to", (iii) "lower than" or (iv) "lower than or equal to" the Automatic Early Redemption Level (specified in the Final Terms), as specified in the relevant Final Terms (x) on any Automatic Early Redemption Valuation Date, or (y) on any Automatic Early Redemption Valuation Date(s) falling in an Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms;

"Automatic Early Redemption Level" means (i) in the case of a single Strategy Index, the level of the Strategy Index, and (ii) in the case of a Strategy Index Basket, the level of the Strategy Index Basket, in each case (x) specified as such in the relevant Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, if SPS AER is specified as being applicable in the Final Terms, in each case subject to the "Adjustments to the Strategy Index" specified in Condition 9 above.

"Automatic Early Redemption Rate" means, in respect of an Automatic Early Redemption Date, (x) the rate specified as such, or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS AER is specified as being applicable, in each case as specified in the relevant Final Terms.

"Automatic Early Redemption Valuation Date(s)" means the date(s) specified as such in the relevant Final Terms or, if any such date is not a Scheduled Strategy Index Business Day, the following Scheduled Strategy Index Business Day unless, in the opinion of the Calculation Agent, a Strategy Index Disruption Event occurs on such date, and, in such case, the corresponding provisions in the definition "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were instead to "Automatic Early Redemption Valuation Date";

"Automatic Early Redemption Valuation Period" means the period as specified in the relevant Final Terms.

"SPS AER Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, as specified in the relevant Final Terms.

14. DEFINITIONS RELATING TO STRATEGY INDICES

"Additional Disruption Event" means any Change in Law, Force Majeure Event,

Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case if specified as being applicable in the relevant Final Terms;

"Affiliate" means in respect of a company (the **"First Company"**), any company controlled, directly or indirectly, by the First Company, any company which controls, directly or indirectly, the First Company or any company directly or indirectly controlled by the same company as the First Company. For the purposes of this definition, "control" means the holding of a majority of the voting rights and/or share capital in a company.

"Averaging Date" means the dates specified in the relevant Final Terms or, if any such date is not a Scheduled Strategy Index Business Day, the immediately succeeding Scheduled Strategy Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, and, in such case the provisions of Condition 9.2 (Strategy Index Modification and Strategy Index Cancellation and Strategy Index Disruption) shall apply;

"Banking Day" means any weekday other than 25 December and 1 January in each year;

"Basket" and **"Strategy Index Basket"** means a basket comprising two or more Strategy Indices;

"Change in Law" means that, on or after the Trade Date (included) (as specified in the relevant Final Terms) due to (A) the adoption of, or any change in, any applicable law or regulation (including, without limitation, any law and/or regulation relating to tax or to solvency and/or capital adequacy requirements), (B) 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 supervisory authority), or (C) the combined effect of any of the events described in (A) and (B):

- (a) it has become illegal for the Issuer or any of its Affiliates or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes to hold, acquire or dispose of any hedging position in respect of such Notes; or
- (b) the Issuer would incur a materially increased cost (including, without limitation, due to any tax, solvency or capital adequacy requirement) in respect of the Notes or the holding, acquisition or disposal of any hedging position in respect of a Strategy Index;

"Disrupted Day" means a Scheduled Strategy Index Business Day on which a Strategy Index Disruption occurs or subsists in the opinion of the Calculation Agent;

"Force Majeure Event" means that, on or after the Trade Date, the Issuer is prevented from, or hindered or materially delayed in, performing its obligations under the Notes due to (a) any act, law, rule, regulation, judgment, order, directive, interpretation, decree or any material legislative, regulatory or administrative measure by any Governmental Authority or other authority or (b) the occurrence of any civil war, disruption, military action, disturbance, political insurrection, terrorist activity in whatever form, riot, demonstration and/or public protest, or the occurrence of financial or economic difficulties or any other cause or hindrance outside the control of the Issuer, or (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Governmental Authority having the effect of depriving the Issuer or the Issuer and/or any of its Affiliates of all, or substantially all, of their assets in the relevant jurisdiction;

"Governmental Authority" means a nation, state or government, province or other political subdivision thereof, body, agency, ministry or tax authority, monetary authority or currency or other authority, court, tribunal or other department, and any other entity exercising executive, legislative, judicial, regulatory or administrative powers in, or belonging to, a state;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes is unable, despite its reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or forward contract(s) or options contract(s) that it deems necessary to hedge the market risk of the Issuer, the share price risk or any other relevant price risk, including but without limitation, foreign exchange risk in relation to issuing the Notes and performing its obligations under the Notes, or (B) to freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or forward contract(s) or options contract(s) or any relevant hedging position in respect of a Strategy Index or the Notes;

"Hedging Shares" means the number of securities/commodities/components comprised in a Strategy Index that the Calculation Agent deems necessary for the Issuer and/or any of its Affiliates to hedge the equity or other price risk relating to the entry into and performance of its obligations under the Notes;

"Increased Cost of Hedging" means that the Issuer would, under any hedging transaction relating to the Notes, incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense, cost 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 risk (including, but without limitation, the equity price risk, foreign exchange risk and interest rate risk) of issuing the Notes and performing its obligations with respect to the Notes or to (B) realise, recover, remit, receive, repatriate or transfer the proceeds of any such transactions or assets, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its subsidiaries shall not be deemed an Increased Cost of Hedging;

"Increased Cost of Stock Borrow" means that the Issuer and/or any of its Affiliates or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes would incur a rate to borrow any security/commodity/component comprised in a Strategy Index that is, in the determination of the Calculation Agent, greater than Initial Stock Loan Rate;

"Index Sponsor" means, in respect of a Strategy Index, the company or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, relating to such Strategy Index and (b) regularly calculates and publishes the level of such Strategy Index (directly or through an agent) pursuant to the rules of the Strategy Index, and which, on the Issue Date of the Notes, is the index sponsor specified for such Strategy Index in the relevant Final Terms;

"Initial Stock Loan Rate" means, in respect of a security/commodity comprised in a Strategy Index, the initial stock loan rate specified for such security/commodity in the relevant Final Terms;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes is unable, having made reasonable efforts, to borrow (or maintain a borrowing of) any securities/commodities/components comprised in a Strategy Index in an amount equal to

the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate as determined by the Calculation Agent;

"Maximum Number of Disrupted Days" means the number of days specified in the relevant Final Terms, or if not specified, twenty (20) Scheduled Strategy Index Business Days;

"Maximum Stock Loan Rate" means, in respect of a security/commodity comprised in a Strategy Index, the maximum stock loan rate specified in the relevant Final Terms;

"Observation Date" means each date specified as such in the relevant Final Terms, or if any such day is not a Scheduled Strategy Index Business Day, the immediately succeeding Scheduled Strategy Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, and, in such case, the provisions of Condition 9.2 (Strategy Index Modification, Strategy Index Cancellation and Strategy Index Disruption) shall apply;

"Observation Period" means the period specified as such in the relevant Final Terms;

"Scheduled Strategy Index Business Day" means either (i) in the case of a single Strategy Index, Scheduled Strategy Index Business Day (Single Strategy Index Basis) or (ii) in the case of a Strategy Index Basket, Scheduled Strategy Index Business Day (All Strategy Indices Basis) or Scheduled Strategy Index Business Day (Per Strategy Index Basis), in each case as specified in the relevant Final Terms, provided however that if no such basis is specified in the relevant Final Terms, Scheduled Strategy Index Business Day (All Strategy Indices Basis) shall apply;

"Scheduled Strategy Index Business Day (All Strategy Indices Basis)" means a Banking Day on which (i) the level of the Strategy Index is expected to be calculated and is available and (ii) the Calculation Agent determines that such day is scheduled to be a Strategy Index Trading Day in respect of all Strategy Indices in the Basket;

"Scheduled Strategy Index Business Day (Per Strategy Index Basis)" means in respect of a Strategy Index, a Banking Day on which (i) the level of the Strategy Index is expected to be calculated and is available and (ii) the Calculation Agent determines that such day is scheduled to be a Strategy Index Trading Day;

"Scheduled Strategy Index Business Day (Single Strategy Index Basis)" means a Banking Day on which (i) the level of the Strategy Index is expected to be calculated and (ii) the Calculation Agent determines that such day is scheduled to be a Strategy Index Trading Day;

"Settlement Price" means, subject to the provisions of this Annex and to the references to the definitions "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Strategy Index Linked Notes (Strategy Index Basket) and for each Strategy Index comprised in the Strategy Index Basket, an amount (which shall be deemed to be a monetary value in the Currency of the Index) equal to the level of each of such Strategy Indices determined by the Calculation Agent or, if specified as such in the relevant Final Terms, the level of each of such Strategy Indices as determined by the Calculation Agent as specified in the relevant Final Terms, at the Valuation Time on (a) if Averaging is not specified in the relevant Final Terms, either the "Strike Date", the "Knock-In Barrier Effective Date", the "Knock-Out Barrier Effective Date", the "Observation Date" or the Valuation Date or (b) if Averaging is specified in the relevant Final Terms, an Averaging Date and, in each

case, multiplied by the applicable Weighting; and

- (b) in the case of Strategy Index Linked Notes (Single Strategy Index), an amount equal to the level of the Strategy Index as published by the Index Sponsor, as determined by the Calculation Agent or, if specified as such in the relevant Final Terms, the level of the Strategy Index as determined by the Calculation Agent in accordance with the relevant Final Terms, at the Valuation Time on (a) if Averaging is not specified in the relevant Final Terms, either the "Strike Date", the "Knock-In Barrier Effective Date", the "Knock-Out Barrier Effective Date", the "Observation Date" or the Valuation Date, or (b) if Averaging is specified in the relevant Final Terms, an Averaging Date;

"Strategy Index" and "Strategy Indices" mean, subject to adjustment in accordance with Condition 9 (Adjustments to a Strategy Index and Strategy Index Disruption), the index/indices sponsored and calculated by entities other than the Issuer or a member of the Group, specified in the relevant Final Terms and related expressions shall be construed accordingly, provided that:

- (a) the complete set of rules of the Strategy Index and information on the performance of the Strategy Index are freely accessible on the Issuer's or on the index provider's website; and
- (b) the governing rules (including methodology of the index for the selection and the re-balancing of the components of the index, description of market disruption events and adjustment rules) are based on predetermined and objective criteria;

"Strategy Index Business Day" means either (i) in the case of a single Strategy Index, Strategy Index Business Day (Single Strategy Index Basis) or (ii) in the case of a Strategy Index Basket, (a) Strategy Index Business Day (All Strategy Indices Basis) or (b) Strategy Index Business Day (Per Strategy Index Basis), in each case as specified in the relevant Final Terms, provided however that if no such basis is specified in the relevant Final Terms, Strategy Index Business Day (All Strategy Indices Basis) shall apply;

"Strategy Index Business Day (All Strategy Indices Basis)" means a Scheduled Strategy Index Business Day on which (i) the level of the Strategy Index is calculated and available and (ii) where such day is a Strategy Index Trading Day in respect of all Strategy Indices in the Basket;

"Strategy Index Business Day (Per Strategy Index Basis)" means in respect of a Strategy Index, a Scheduled Strategy Index Business Day on which (i) the level of the Strategy Index is calculated and available and (ii) where such day is a Strategy Index Trading Day;

"Strategy Index Business Day (Single Strategy Index Basis)" means a Scheduled Strategy Index Business Day on which (i) the level of the Strategy Index is calculated and available and (ii) where such day is a Strategy Index Trading Day;

"Strategy Index Correction Period" means the period specified in the relevant Final Terms or if none is specified, ten (10) Scheduled Strategy Index Business Days following the date on which the initial level was calculated and published by the Index Sponsor, and being the date after which all corrections to the level of the Strategy Index shall be disregarded for the purpose of any calculation to be made using the level of the Strategy Index;

"Strategy Index Trading Day" means, in respect of a Strategy Index, a Strategy Index

Business Day on which the Calculation Agent determines that the Issuer and/or any of its Affiliates is capable of performing its obligations in respect of such Strategy Index under the Notes.

"Strike Date" means the date(s) specified in the relevant Final Terms or, if any such day is not a Scheduled Strategy Index Business Day, the immediately succeeding Scheduled Strategy Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, and, in such case, the provisions of Condition 9.2 (Strategy Index Modification, Strategy Index Cancellation and Strategy Index Disruption) shall apply;

"Strike Price" means, subject as provided in "Strike Date" above:

- (a) in the case of Strategy Index Linked Notes (Single Strategy Index), an amount equal to the level of the Strategy Index published by the Index Sponsor determined by the Calculation Agent or, if specified as such in the relevant Final Terms, the level of the Strategy Index determined by the Calculation Agent in accordance with the relevant Final Terms, at the Valuation Time on the Strike Date; and
- (b) in the case of Strategy Index Linked Notes (Strategy Index Basket) and for each Strategy Index comprised in the Basket, an amount equal to the level of each of such Strategy Indices published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if specified in the relevant Final Terms, the level of such Strategy Index determined by the Calculation Agent in accordance with the relevant Final Terms, at the Valuation Time on the Strike Date multiplied by the applicable Weighting;

Valid Date means a Scheduled Strategy Index Business Day which is not a Disrupted Day and on which no other Averaging Date or Observation Date occurs;

"Valuation Date" means each Interest Valuation Date and/or each Automatic Early Redemption Valuation Date and/or each Redemption Valuation Date, as the case may be, specified in the relevant Final Terms or, if such day is not a Scheduled Strategy Index Business Day, the immediately succeeding Scheduled Strategy Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day and, in such case, the provisions of Condition 9.2 (Strategy Index Modification, Strategy Index Cancellation and Strategy Index Disruption) shall apply; and

"Valuation Time" means the time by reference to which the Index Sponsor determines the level of the Strategy Index.

TECHNICAL ANNEX 3
SUPPLEMENTAL TERMS APPLICABLE TO EQUITY LINKED NOTES

*The terms applicable to Equity Linked Notes include the terms and conditions of the Notes set forth on pages 89 to 121 (the "**Terms and Conditions of the Notes**") and the supplemental terms described below (the "**Equity Linked Note Terms**"), in each case, subject as provided in the relevant Final Terms. In the event of conflict between the Terms and Conditions of the Notes and the Equity Linked Note Terms, the Equity Linked Note Terms shall prevail.*

All expressions beginning with a capital letter and not defined in these Equity Linked Note Terms shall have the meanings given thereto in the Terms and Conditions of the Notes or the relevant Final Terms.

*References herein to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.*

1. MARKET DISRUPTION

"Market Disruption Event" means, in respect of Equity Linked Notes (Single Share or Basket of Shares), in respect of a Share, the occurrence or existence (i) of a Trading Disruption or (ii) an Exchange Disruption, which, in either case, the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) of an Early Closure.

The Calculation Agent shall notify the Noteholders as soon as possible in accordance with Condition 15 of the Terms and Conditions of the Notes of the occurrence of a Disrupted Day on any day which, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Event Valuation Date or a Valuation Date, as the case may be.

2. POTENTIAL ADJUSTMENT EVENTS AND EXTRAORDINARY EVENTS

2.1 Potential Adjustment Events

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of a Share (unless resulting in a Merger Event), or a free distribution of Shares or the payment of a dividend in the form of Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares, in the form of (a) such Shares, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or the Issuer of the Share, as the case may be, equally or proportionately with such payments to holders of such Shares, or (c) share capital or other securities of another issuer acquired or held (directly or indirectly) by the Basket Company or the Issuer of the Share, as the case may be, as a result of a spin-off or other similar transaction, or (d) any other type of securities, interests or bonus shares or other assets, allotted in each case in consideration for payment (cash or other consideration) at less than the prevailing market price at the relevant time, as determined by the Calculation Agent;
- (c) an extraordinary dividend, as determined by the Calculation Agent;

- (d) a call for funds by a Basket Company or the Issuer of the Share, as the case may be, in respect of Shares that are not fully paid;
- (e) a repurchase by the Basket Company or by the Issuer of the Share and/or any of their respective subsidiaries, as the case may be, of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or the Issuer of the Share, as the case may be, an event that results in any shareholder rights being distributed (including any financial transaction with preferential subscription rights) or becoming separated from shares of common stock or other shares of the capital stock of the Basket Company or the Issuer of the Share, as the case may be pursuant to a shareholder rights scheme or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other similar event that may, in the opinion of the Calculation Agent, have a dilutive or concentrative effect on theoretical value of the relevant Shares.

"Potential Adjustment Event Effective Date" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or by the Issuer of the relevant Share, as the case may be, as determined by the Calculation Agent.

Following the announcement by a Basket Company (in the case of Equity Linked Notes (Basket of Shares)) or the Issuer of the Share (in the case of Equity Linked Notes (Single Share)), as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent shall determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share, and if so, (i) shall make the corresponding adjustments, if any, to any amount payable under the Notes and/or any Relevant Asset and/or Deliverable Number of Shares (as defined in the relevant Final Terms) (if the Notes are Physical Delivery Notes (as defined in the relevant Final Terms) and/or to the Weighting (as defined in the relevant Final Terms) and/or any other terms of the Terms and Conditions of the Notes, or the applicable Equity Linked Note Terms, as the Calculation Agent deems appropriate to take account of such diluting or concentrative effect (provided that no adjustment shall be made to take account solely of changes in the volatility, anticipated dividends, stock loan rate or liquidity in respect of the relevant Share) and (ii) shall determine the Potential Adjustment Event Effective Date and the date on which such adjustment shall take effect. The Calculation Agent may, but shall not be obliged to, determine the appropriate adjustment by reference to the adjustment made in relation to such Potential Adjustment Event by an options market on which options relating to the relevant Shares are traded.

Upon the occurrence of a Potential Adjustment Event, the Calculation Agent shall notify the Issuer thereof as soon as possible. The Issuer shall notify the Noteholders as soon as possible in accordance with Condition 15 of the Terms and Conditions of the Notes, indicating the adjustment to be made to any Relevant Asset and/or Deliverable Number of Shares (as defined in the relevant Final Terms) (if the Notes are Physical Delivery Notes (as defined in the relevant Final Terms) and/or to the Weighting (as defined in the relevant Final Terms) and/or to any other term of the Terms and Conditions of the Notes, or the applicable Equity Linked Note Terms and it shall provide relevant details on the Potential Adjustment Event and the Effective Date of the Potential Adjustment Event.

2.2 Extraordinary Events

(a) The occurrence of any of the following events:

De-Listing, Insolvency, Merger, Nationalisation, Tender Offer, or, if specified as being applicable in the Final Terms, Liquidity Shortfall, Change in Listing or Listing Suspension, as the case may be, are deemed to be Extraordinary Events, whose consequences are described in Condition 2.2(b) below:

"Change in Listing" means in respect of all relevant Shares, that such Share(s) cease(s) (or shall cease) to be listed or traded on the relevant compartment or market of the Exchange on which such Share(s) is/are listed or traded on the Issue Date, for whatever reason (other than a Merger Event or Tender Offer).

"Liquidity Shortfall" means, in respect of Equity Linked Notes (Basket of Shares), that, in the opinion of the Calculation Agent, during a period of five (5) consecutive Trading Days after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid and ask prices in respect of a Share during the Relevant Period is greater than 1% (on average), and/or (b) the average purchase price or the average sale price, as determined by the Calculation Agent based on the order book for the relevant Share on the relevant Exchange during the Relevant Period, based on the purchase or sale of Shares with a value equal to or greater than €10,000, is greater than MID plus 1% (in respect of a purchase of Shares) or less than MID minus 1% (in respect of a sale of Shares). For the purposes of this clause, **"MID"** means an amount equal to (a) the sum of the bid price and ask price, in each case for the relevant Share at the applicable time (b) divided by 2.

"Merger" means in respect of all relevant Shares, (i) any reclassification or change of the Share that results in a transfer of, or an irrevocable commitment to transfer, all of such Shares in issue to another entity or person, (ii) any consolidation, amalgamation, merger or binding share exchange of a Basket Company or the Issuer of the Share, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or the Issuer of the Share, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares in issue), (iii) a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain one hundred per cent (100%) of the Shares in issue of the Basket Company or the Issuer of the Share, that results in a transfer of, or an irrevocable commitment to transfer, all of such Shares in issue (other than such Shares owned or controlled by such other entity or person), or (iv) a consolidation, amalgamation, merger or binding share exchange of any Basket Company, the Issuer of the Share and/or any of their respective Affiliates with or into another entity in which the Basket Company or the Issuer of the Share is the continuing entity and which does not result in a reclassification or change of all such Shares in issue, but results in the Shares in issue (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than fifty per cent (50%) of the Shares outstanding immediately following such event (a **"Reverse Merger"**), provided that, in each case, the Effective Date of the Extraordinary Event is concomitant with or prior to (a) in the case of other than Physical Delivery, the last Valuation Date or, if Averaging is specified as being applicable in the relevant Final Terms, the last Averaging Date or (b) in the case of Physical Delivery Notes, the relevant Maturity Date.

"Insolvency" means the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up or any other analogous proceeding affecting

the Basket Company or the Issuer of the Share.

"**Nationalisation**" means that all of the Shares or all, or substantially all, of the assets of a Basket Company or the Issuer of the Share, as the case may be, are nationalised, expropriated or are otherwise required to be transferred, in whatever manner, to any governmental agency, authority, public entity or instrumentality thereof.

"**Tender Offer**" means a take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, more than fifty per cent (50%) and less than 100 per cent (100%) (the "**Threshold**") of the outstanding voting shares of the Basket Company or the Issuer of the Share, as the case may be, as determined by the Calculation Agent based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**De-Listing**" means that, in respect of the relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed or traded or publicly quoted on the Exchange for any reason (other than a Merger or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (i) if the Exchange is situated in the United States, the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a Member State of the European Union).

"**Listing Suspension**" means that in respect of any relevant Share, the listing of such Share on the Exchange has been suspended.

(b) Consequences of the occurrence of Extraordinary Events:

If an Extraordinary Event occurs in respect of a Share, the Calculation Agent may take any of the actions described in (i), (iii), (iv) (if applicable), (v) or, in the case of Equity Linked Notes (Basket of Shares) only, (ii) and (vi) below:

(i) determine the appropriate adjustment to be made to any amount payable under the Notes and/or to any Relevant Asset and/or Deliverable Number of Shares and/or Weighting and/or any other term of the Terms and Conditions of the Notes, or the applicable Equity Linked Note Terms, to take account of the Extraordinary Event, and determine the effective date of such adjustment. The relevant adjustments may include, without limitation, adjustments to take account of changes in the volatility, anticipated dividends, stock loan rate or liquidity applicable to the Shares or the Notes. The Calculation Agent may (but shall not be obliged to) determine the appropriate adjustment by reference to the adjustment made in respect of such Extraordinary Event by an options market on which options relating to the relevant Shares are traded. Similarly, in respect of a Basket of Shares, the Calculation Agent may adjust the Basket of Shares pursuant to subparagraph (vi) below;

(ii) in the case of Equity Linked Notes (Basket of Shares), demand, by notice sent to the Issuer, that the Issuer partially redeem the Notes. The fraction (the "**Redeemed Amount**") of each Note representing the affected Share(s) shall be partially redeemed and the Issuer:

- (A) shall pay to each Noteholder in respect of each Note that it holds, an amount equal to the market value of the Redeemed Amount, taking into account the Extraordinary Event, less the cost of unwinding any underlying hedging arrangements, plus all interest accrued, if any, up to the effective date of redemption, as determined by the Calculation Agent as soon as possible after the occurrence of the Extraordinary Event; and
- (B) shall request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any amount payable under the Notes and/or to any Relevant Asset and/or to the Deliverable Number of Shares (as defined in the relevant Final Terms) (if the Notes are Physical Delivery Notes (as defined in the relevant Final Terms) and/or to the Weighting (as defined in the relevant Final Terms) and/or to any other term of the Terms and Conditions of the Notes, or the applicable Equity Linked Note Terms, to take account of such partial redemption. For the avoidance of doubt, the terms of each Note shall, except for such adjustment and redemption, remain unchanged. Payments shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes;

(iii) unless "Deferred Redemption following an Extraordinary Event" is specified as being applicable in the relevant Final Terms, request, by notice to the Issuer, that the Issuer redeem all of the Notes. The Issuer shall redeem the Notes in full, on the early redemption date notified to the Noteholders, at their market value taking into account the Extraordinary Event, less the cost of unwinding any underlying hedging arrangements (the "**Extraordinary Event Amount**") as calculated by the Calculation Agent as soon as possible after the Extraordinary Event has occurred (the "**Extraordinary Event Amount Determination Date**"). Payment shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or

(iv) if "Deferred Redemption following an Extraordinary Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the Extraordinary Event Amount on the Extraordinary Event Amount Determination Date and give notice thereof to the Issuer. The Issuer shall redeem each Note on the Maturity Date in an amount equal to the Extraordinary Event Amount calculated by the Calculation Agent, together with interest accrued as from the Extraordinary Event Amount Determination Date (included) up to the Maturity Date (excluded) at a rate equal to the Issuer's cost of refinancing at such time or, if Protected Capital Termination Amount is specified as applicable in the Final Terms and such amount is higher, at such amount;

(v) following any adjustment to the arrangements for unwinding options on any relevant Shares traded on the exchange(s) or quotation system(s) determined by the Calculation Agent (the "**Options Market**"), make any corresponding adjustment to any amount payable under the Notes and/or any Relevant Asset and/or the Deliverable Number of Shares (as defined in the relevant Final Terms) (if the Notes are Physical Delivery Notes (as defined in the relevant Final Terms) and/or to the Weighting (as defined in the relevant Final Terms) and/or to any other term of the Terms and Conditions of the Notes, or the applicable Equity Linked Note Terms; the effective date of such adjustment shall be the effective date of the

corresponding adjustment made by the Options Market as determined by the Calculation Agent. If options on the Shares are not traded on the Options Market, the Calculation Agent shall make such adjustments, if any, to any amount payable under the Notes and/or any Relevant Asset and/or the Deliverable Number of Shares (as defined in the relevant Final Terms) (if the Notes are Physical Delivery Notes (as defined in the relevant Final Terms) and/or to the Weighting (as defined in the relevant Final Terms) and/or any other term of the Terms and Conditions of the Notes, or the applicable Equity Linked Note Terms, as the Calculation Agent deems appropriate, by reference to the rules and market practices (if any) established by the Options Market to take account of the relevant Extraordinary Event, which, in the opinion of the Calculation Agent, would have given rise to an adjustment by the Options Market if such options were traded thereon; or

(vi) as from the Effective Date of the relevant Extraordinary Event (included), adjust the Basket of Shares by including a Share selected by it in accordance with the Share eligibility criteria described below (a "**Substitute Share**") for each Share (an "**Affected Share**") for each Basket Company (an "**Affected Basket Company**") affected by such Extraordinary Event and the Substitute Share shall be deemed to be a "Share" and the relevant issuer of such shares, a "Share Issuer" or a "Basket Company" for the purposes of the Notes, and the Calculation Agent shall make such adjustments, if any, to any amount payable under the Notes and/or any Relevant Asset and/or the Deliverable Number of Shares (as defined in the relevant Final Terms) (if the Notes are Physical Delivery Notes (as defined in the relevant Final Terms) and/or to the Weighting (as defined in the relevant Final Terms) and/or to any other term of the Terms and Conditions of the Notes, or the applicable Equity Linked Note Terms, as the Calculation Agent deems appropriate, provided however that in the event that an amount payable under the Notes should be determined by reference to the Initial Value of the Affected Share, the Initial Value of each Substitute Share shall be determined by the Calculation Agent in accordance with the following formula:

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

Where:

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

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

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

Such substitution and corresponding adjustment to the Basket of Shares shall be deemed to take effect as from the date selected by the Calculation Agent (the "**Substitution Date**") specified in the notice referred to below, which may, but need not necessarily, be the applicable Extraordinary Event Effective Date.

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

To be selected as a Substitute Share, the relevant share must satisfy the following criteria,

in the determination of the Calculation Agent:

- (a) if the relevant Extraordinary Event is a Merger or Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share in the company or person (other than the Affected Basket Company) party to the Merger or Tender Offer, (i) which is, or which, as from the applicable Extraordinary Event Effective Date, is planned very shortly to be, traded or quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, if the relevant Exchange is situated in the European Union, in any Member State of the European Union) and (ii) which is not subject to exchange controls, trading restrictions or other trading constraints; or
- (b) if the relevant Extraordinary Event is a Merger or Tender Offer and a share satisfies the criteria described in paragraph (a) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger or Tender Offer:
 - (i) the issuer of the relevant share belongs to the same economic sector as the Affected Basket Company; and
 - (ii) the issuer of the relevant share has a market capitalisation, an international standing and reputation comparable to those of the Affected Basket Company as regards the Affected Share.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary, it shall give notice thereof to the Issuer as soon as possible, and the Issuer shall notify the Noteholders as soon as possible in accordance with Condition 15 of the Terms and Conditions of the Notes of the occurrence of the Extraordinary Event, indicating the proposed adjustment or action to be taken in respect of such event, including, in the case of a Share Substitution, the name of the Substitute Share and the Substitution Date.

The Issuer shall immediately notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes of any decision to early redeem the Notes under paragraph (ii) above and the corresponding early redemption date.

3. CORRECTION OF THE SHARE PRICE

Other than in the case of any corrections published after the Cut-Off Date, if the Share price published on any day and used or intended to be used by the Calculation Agent for the purpose of any determination or calculation under the Notes is subsequently corrected and if the correction is published by the relevant Exchange during the Share Correction Period following the initial publication date, the price to be used shall be the Share price as corrected. Corrections published after the Cut-Off Date shall be ignored by the Calculation Agent for the purposes of determining any relevant amount to be paid.

4. ADDITIONAL DISRUPTION EVENTS

4.1 If an Additional Disruption Event occurs, the Calculation Agent may take the action described in (a), (b) or if applicable (c) or, in the case of Equity Linked Notes (Basket of Shares) only, (d) below:

- (a) determine the appropriate adjustment to be made to any amount payable under the Notes and/or any Relevant Asset and/or to the Deliverable Number of Shares (as defined in the relevant Final Terms) (if the Notes are Physical Delivery Notes (as defined in the relevant Final Terms) and/or to the Weighting (as defined in the relevant Final Terms) and/or to any other term of the Terms and Conditions

of the Notes, or the applicable Equity Linked Note Terms, to take account of the Additional Disruption Event, and determine the effective date of such adjustment; or

(b) unless "Deferred Redemption following an Additional Disruption Event" is specified as being applicable in the relevant Final Terms, request, by notice to the Issuer, that the Issuer redeem all of the Notes. The Issuer shall redeem the Notes, on the early redemption date notified to the Noteholders, at their market value taking into account the Additional Disruption Event, less the cost of unwinding any underlying hedging arrangements (the "**Additional Disruption Amount**") as calculated by the Calculation Agent as soon as possible after the Additional Disruption Event has occurred (the "**Additional Disruption Amount Determination Date**"). Payment shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or

(c) if "Deferred Redemption following an Additional Disruption Event" is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the Additional Disruption Amount on the Additional Disruption Amount Determination Date and notify the Issuer thereof. The Issuer shall, on the Maturity Date, redeem each Note in an amount equal to the Additional Disruption Amount calculated by the Calculation Agent, together with interest accrued as from the Additional Disruption Amount Determination Date (included) up to the Maturity Date (excluded) at a rate equal to the Issuer's cost of refinancing at such time or, if Protected Capital Termination Amount is specified as applicable in the Final Terms and such amount is higher, at such amount;

(d) in the case of Equity Linked Notes (Basket of Shares), adjust the Basket of Shares by including a Share selected by it in accordance with the Share eligibility criteria described below (a "**Substitute Share**") for each Share (an "**Affected Share**") affected by the Additional Disruption Event and the Substitute Share shall be deemed to be a "Share", and the relevant issuer of such shares a "**Basket Company**", for the purposes of the Notes, and make such adjustments, if any, to any amount payable under the Notes and/or any Relevant Asset and/or the Deliverable Number of Shares (as defined in the relevant Final Terms) (if the Notes are Physical Delivery Notes (as defined in the relevant Final Terms) and/or to the Weighting (as defined in the relevant Final Terms) and/or to any other term of the Terms and Conditions of the Notes, or the applicable Equity Linked Note Terms, as the Calculation Agent deems appropriate, provided however that in the event that an amount payable under the Notes should be determined by reference to the Initial Value of the Affected Share, the Initial Value of each Substitute Share shall be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

"**B**" is the Initial Value of the relevant Affected Share; and

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

Such substitution and corresponding adjustment to the Basket of Shares shall be deemed to take effect as from the date selected by the Calculation Agent (the "**Substitution Date**") specified in the notice referred to below, which may, but need not necessarily, be the applicable Additional Disruption Event Date.

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

To be selected as a Substitute Share, the relevant share must be a share which, in the determination of the Calculation Agent:

- (i) is not already included in the Basket of Shares;
- (ii) the issuer of such share belongs to the same economic sector as the Basket Company issuer of the Affected Share; and
- (iii) the issuer of such share has a market capitalisation, an international standing and reputation comparable to those of the Basket Company issuer of the Affected Share.

Upon the occurrence of an Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary, it shall give notice thereof to the Issuer as soon as possible, and the Issuer shall notify the Noteholders as soon as possible in accordance with Condition 15 of the Terms and Conditions of the Notes of the adjustment or the occurrence of the Additional Disruption Event, indicating the proposed action to be taken in respect of such event.

The Issuer shall immediately notify the Noteholders in accordance with this Condition 15 of the Terms and Conditions of the Notes of any decision to early redeem the Notes under this Condition 4 and the corresponding early redemption date.

5. KNOCK-IN EVENT AND KNOCK-OUT EVENT

If "**Knock-In Event**" is specified as being applicable in the relevant Final Terms any payment and/or delivery, as the case may be, under the Notes that is conditional upon a Knock-In Event, shall be subject to the occurrence of such Knock-In Event.

If "**Knock-Out Event**" is specified as being applicable in the relevant Final Terms any payment and/or delivery, as the case may be, under the Notes that is conditional upon a Knock-Out Event, shall be subject to the occurrence of such Knock-Out Event.

5.1 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date at any time in the hour preceding or following the Valuation Time the Share price reaches the Knock-In Barrier or the Knock-Out Barrier, and a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred; provided however that if, by the effect of this clause, no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the Share price at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time, as provided in the definition of "Valuation Date".

5.2 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is any time or period of time during normal market opening

hours on the relevant Exchange and if on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date at any time in the hour preceding or following the time at which the Share price reaches the Knock-In Barrier or the Knock-Out Barrier, a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred, provided however that if, by the effect of this clause no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the Share price at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time as provided in the definition of "Valuation Date".

Definitions

"Knock-In Barrier" means (i) in the case of a single Share, the price of the Share and (ii) in the case of a Basket of Shares, the price of the Basket of Shares, in each case (x) specified as such in the Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-In is specified as applicable in the Final Terms, in each case, subject to adjustment where applicable in accordance with the terms of Condition 1 and Condition 2 above.

"Knock-In Barrier Effective Date" means the date(s) specified as such in the relevant Final Terms, or each Trading Day during the Knock-In Barrier Effective Period.

"Knock-In Barrier Effective Period" means the period commencing on the Knock-In Barrier Effective Period Commencement Date included and ending on the Knock-In Barrier Effective Period End Date included.

"Knock-In Barrier Effective Period Commencement Date" means the date specified in the relevant Final Terms or, if the Trading Day Convention for the Knock-In Barrier Effective Period Commencement Date is specified as being applicable in the Final Terms and such date is not a Trading Day, the following Trading Day.

"Knock-In Barrier Effective Period End Date" means the date specified in the relevant Final Terms or, if the Trading Day Convention for the Knock-In Barrier Effective Period End Date is specified as being applicable in the Final Terms and such date is not a Trading Day, the following Trading Day.

"Knock-In Barrier Valuation Time" means the time or period of time on any Knock-In Barrier Effective Date specified as such in the relevant Final Terms or if the relevant Final Terms do not specify any Knock-In Barrier Valuation Time, the Knock-In Barrier Valuation Time shall be the Valuation Time.

"Knock-In Barrier Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, as specified in the relevant Final Terms.

"Knock-In Event" means:

- (a) if SPS Knock-In is specified as being applicable in the relevant Final Terms, the Knock-In Barrier Value is;
- (b) if SPS Knock-In is specified as being not-applicable in the relevant Final Terms,
 - (i) in respect of a single Share, that the price of the Share determined by the Calculation Agent at the Knock-In Barrier Valuation Time on any Knock-In

Barrier Effective Date is;

- (ii) in respect of a Basket of Shares, that the amount determined by the Calculation Agent being equal to the sum of the values of each Share of each Basket Company (the value of each Share being the product of (x) the price of such Share determined by the Calculation Agent at the Knock-In Barrier Valuation Time on the relevant Exchange on any Knock-In Barrier Effective Date and (y) the applicable Weighting) is

in each case (A)(a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-In Barrier or (B) "within" the Knock-In Tunnel,

in each case as specified in the relevant Final Terms (x) on any Knock-In Barrier Effective Date, or (y) in respect of any Knock-In Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-In Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Condition 1 and Condition 2.

"Knock-Out Barrier" means (i) in the case of a single Share, the price of the Share or (ii) in the case of a Basket of Shares, the price of the Basket of Shares, in each case (x) specified as such in the relevant Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-Out is specified as applicable in the relevant Final Terms, in each case, subject to adjustment where applicable in accordance with the terms of Condition 1 and Condition 2 above and this Condition 5.

"Knock-Out Barrier Effective Date" means the date(s) specified as such in the relevant Final Terms, or each Trading Day during the Knock-Out Barrier Effective Period.

"Knock-Out Barrier Effective Period" means the period commencing on the Knock-Out Barrier Effective Period Commencement Date included and ending on the Knock-Out Barrier Effective Period End Date included.

"Knock-Out Barrier Effective Period Commencement Date" means the date specified in the relevant Final Terms or, if the Trading Day Convention for the Knock-Out Barrier Effective Period Commencement Date is specified as being applicable in the Final Terms and such date is not a Trading Day, the following Trading Day.

"Knock-Out Barrier Effective Period End Date" means the date specified in the relevant Final Terms or, if the Trading Day Convention for the Knock-Out Barrier Effective Period End Date is specified as being applicable in the Final Terms and such date is not a Trading Day, the following Trading Day.

"Knock-Out Barrier Valuation Time" means the time or period of time on any Knock-Out Barrier Effective Date specified as such in the relevant Final Terms or if the relevant Final Terms do not specify any Knock-Out Barrier Valuation Time, the Knock-Out Barrier Valuation Time shall be the Valuation Time.

"Knock-Out Barrier Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, as specified in the relevant Final Terms.

"Knock-Out Event" means:

- (a) if SPS Knock-Out is specified as being applicable in the Final Terms, the Knock-

Out Barrier Value is; and

- (b) if SPS Knock-Out is specified as being not-applicable in the Final Terms,
- (i) in respect of a single Share, that the price of the Share determined by the Calculation Agent at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date is;
 - (ii) in respect of a Basket of Shares, that the amount determined by the Calculation Agent being equal to the sum of the values of each Share (the value of each Share being the product of (x) the price of such Share determined by the Calculation Agent at the Knock-Out Barrier Valuation Time on the relevant Exchange on any Knock-Out Barrier Effective Date and (y) the applicable Weighting) is

in each case (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-Out Barrier or (B) "within" the Knock-Out Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-Out Barrier Effective Date, or (y) in respect of any Knock-Out Barrier Effective Period, as specified in the relevant Final Terms.

"**Knock-Out Tunnel**" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Condition 1 and Condition 2.

"**Weighting**" means the weighting specified in the relevant Final Terms.

6. AUTOMATIC EARLY REDEMPTION EVENT

If "**Automatic Early Redemption Event**" is specified as being applicable in the Final Terms, then unless the Notes have previously been redeemed, purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) on each of the Automatic Early Redemption Valuation Dates in the Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms, an Automatic Early Redemption Event occurs, then the Notes shall automatically be redeemed in full, and not part only, on the Automatic Early Redemption Date immediately following the Automatic Early Redemption Valuation Date or the end of the relevant Automatic Early Redemption Valuation Period, and the Early Redemption Amount payable by the Issuer on such date for the redemption of each Notes shall be an amount in the currency specified in the Final Terms equal to the Automatic Early Redemption Amount.

Definitions

"**Automatic Early Redemption Amount**" means the amount determined by reference to the Automatic Early Redemption Payout if specified in the relevant Final Terms and, failing which, the product of (i) the Denomination of each Note and (ii) the applicable Automatic Early Redemption Rate relating to such Automatic Early Redemption Date.

"**Automatic Early Redemption Date(s)**" means the date(s) specified in the relevant Final Terms, or, if any such date is not a Business Day, the immediately succeeding Business Day, provided that no Noteholder shall be entitled to any interest or additional payment by reason of such postponement.

"**Automatic Early Redemption Event**" means

- (A) If SPS AER is specified as being applicable in the Final Terms, the SPS AER

Value is; or

(B) If SPS AER is specified as being not applicable in the Final Terms,

(a) in the case of a single Share, that the price of the Share determined by the Calculation Agent at the Valuation Time on the relevant Exchange on the Automatic Early Redemption Valuation Date is, and (b) in the case of a Basket of Shares, that the amount determined by the Calculation Agent as being equal to the sum of the values of each Share (the value of a Share being equal to the product of (x) the price of such Share as determined by the Calculation Agent at the Valuation Time on the relevant Exchange on the Automatic Early Redemption Valuation Date and (y) the applicable Weighting) is, in each case,

(i) "greater than", (ii) "greater than or equal to", (iii) "lower than" or (iv) "lower than or equal to" the Automatic Early Redemption Level (specified in the Final Terms) as specified in the relevant Final Terms (x) on any Automatic Early Redemption Valuation Date, or (y) on any Automatic Early Redemption Valuation Date(s) falling in an Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms.

"Automatic Early Redemption Level" means (i) in the case of a single Share, the price of the Share, and (ii) in the case of a Basket of Shares, the price of the Basket of Shares, in each case (x) specified as such in the relevant Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, if SPS AER is specified as being applicable in the Final Terms, all subject to the Potential Adjustment Events specified in Condition 2 above.

"Automatic Early Redemption Rate" means, in respect of an Automatic Early Redemption Date, (x) the rate specified as such, or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS AER is specified as being applicable, in each case as specified in the relevant Final Terms.

"Automatic Early Redemption Valuation Date(s)" means the date(s) specified as such in the relevant Final Terms or, if any such date is not a Trading Day, the following Trading Day unless, in the opinion of the Calculation Agent, a Disruption Event has occurred on such date, in which case, the corresponding provisions in the definition "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were instead to "Automatic Early Redemption Valuation Date".

"Automatic Early Redemption Valuation Period" means the period as specified in the relevant Final Terms.

"SPS AER Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, as specified in the relevant Final Terms.

7. DEFINITIONS

"Additional Disruption Event" means any Change in Law, Failure to Deliver, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Stop-Loss Event and/or Loss of Stock Borrow, in each case if specified in the relevant Final Terms.

"Affiliate" means in respect of a company (the "**First Company**"), any company controlled, directly or indirectly, by the First Company, any company which controls, directly or indirectly, the First Company or any company directly or indirectly controlled by the same company as the First Company. For the purposes of this definition, "control" means the holding of a majority of the voting rights and/or share capital in a company.

"**Averaging Date**" means each date specified as an Averaging Date in the relevant Final Terms or, if any such date is not a Trading Day, the immediately succeeding Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day, in which case:

- (a) if "**Omission**" is specified as being applicable in the Final Terms, then such date shall be deemed not to be a relevant Averaging Date for the purposes of determining the relevant Settlement Price. If through the operation of this provision, no Averaging Date would occur, then the provisions in the definition of "Valuation Date" shall apply for the purpose of determining the relevant level, price or amount on the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as being applicable in the Final Terms, then the provisions in the definition of "Valuation Date" shall apply for the purpose of determining the relevant level, price or amount on the relevant Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "**Modified Postponement**" is specified as being applicable in the relevant Final Terms then:
 - (i) in the case of Notes which are Equity Linked Notes (Single Share), the Averaging Date shall be the next following Valid Date (as defined below). If the next following Valid Date has not occurred for a number of consecutive Trading Days equal to the Maximum Number of Disrupted Days immediately following the original date which, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) such last consecutive Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the applicable level or price for the relevant Averaging Date in accordance with paragraph (a)(ii) of the definition "Valuation Date" below;
 - (ii) in the case of Notes which are Equity Linked Notes (Basket of Shares), the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the initially scheduled Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for a Share affected by the occurrence of a Disrupted Day shall be the next following Valid Date for the relevant Share. If the next following Valid Date for such Share has not occurred for a number of consecutive Trading Days equal to the Maximum Number of Disrupted Days immediately following the original date which, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) such last Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Trading Day is already an Averaging Date) for the relevant Share, and (B) the Calculation Agent shall determine the applicable level, price or amount for the relevant Averaging Date in accordance with paragraph (b)(ii) of the definition "Valuation Date" below; and
 - (iii) for the purposes of the Equity Linked Note Terms, "**Valid Date**" means a Trading Day which is not a Disrupted Day and on which no other Averaging Date occurs or is deemed to occur.

"**Basket Company**" means each company whose share is included in the composition of

the Basket of Shares, as specified in the relevant Final Terms and "**Basket Companies**" means any of such companies.

"**Basket of Shares**" means (i) a basket comprising the Shares of each Basket Company specified in the relevant Final Terms assigned with the weightings or such number of Shares of each Basket Company as specified in the relevant Final Terms or (ii) a Relative Performance Basket.

"**Change in Law**" means that, on or after the Trade Date (included) (as specified in the relevant Final Terms), due to (A) the adoption of, or any change in, any applicable law or regulation (including, without limitation, any law and/or regulation relating to tax or to solvency and/or capital adequacy requirements), (B) 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 supervisory authority), or (C) the combined effect of any of the events described in (A) and (B):

- (a) it has become illegal to hold, acquire or dispose of any hedging position in respect of the Notes; or
- (b) the Issuer would incur a materially increased cost (including, without limitation, due to any tax, solvency or capital adequacy requirement) in respect of the Notes or the holding, acquisition or disposal of any hedging position in respect of a Share.

"**Clearing System**" means the principal domestic clearing system normally used for settling transactions on the relevant Share.

"**Clearing System Day**" means, in respect of a Clearing System, a day on which such Clearing System is (or would, but for the occurrence of an event rendering it impossible for the Clearing System to clear transfer of the relevant security, have been) open to accept and execute settlement instructions.

"**Cut-Off Date**" means, in respect of a Determination Date, three Business Days prior to such Determination Date, unless provided otherwise in the relevant Final Terms.

"**Determination Date(s)**" means the Coupon Determination Date and/or the Determination Date, as specified in the relevant Final Terms.

"**Disrupted Day**" means a Trading Day on which an applicable Exchange or a relevant Related Exchange is not open for trading during its regular trading session or on which a Market Disruption has occurred.

"**Early Closure**" means the closure, on any Exchange Business Day, of the applicable Exchange(s) or relevant Related Exchange(s) prior to its/their Scheduled Closing Time unless such early closure has been announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or Related Exchange(s) for execution at the Valuation Time on such Exchange Business Day.

"**Exchange**" means, in respect of a Share, each exchange or quotation system specified for such Share in the relevant Final Terms, any successor exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or

quotation system as on the original Exchange).

"Exchange Business Day" means either (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a Basket of Shares, (a) Exchange Business Day (All Shares Basis), or (b) Exchange Business Day (Per Share Basis), in each case as specified in the relevant Final Terms, provided however that if no such basis is specified in the relevant Final Terms, Exchange Business Day (All Shares Basis) shall apply.

"Exchange Business Day (All Shares Basis)" means, in respect of a Basket of Shares, a Trading Day on which each Exchange and each Related Exchange are open for trading for all Shares comprised in the Basket of Shares during their respective regular trading sessions, notwithstanding that any of such Exchanges or any of such Related Exchanges closes prior to its Scheduled Closing Time.

"Exchange Business Day (Per Share Basis)" means, in respect of a Share, a Trading Day on which the relevant Exchange and the Related Exchange for such Share are open for trading during their respective regular trading sessions, notwithstanding that such Exchange or Related Exchange closes prior to its Scheduled Closing Time.

"Exchange Business Day (Single Share Basis)" means a Trading Day on which the applicable Exchange and the relevant Related Exchange, if any, are open for trading during its/their respective regular trading session(s), notwithstanding that such Exchange or Related Exchange closes prior to its Scheduled Closing Time.

"Exchange Disruption" means an event (other than an Early Closure) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the relevant Exchange(s), or (ii) to effect transactions in, or obtain market values for, futures contracts or options contracts relating to such Share on any relevant Related Exchange.

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, in the determination of the Calculation Agent.

"Failure to Deliver" means a failure by the Issuer and/or any of its Affiliates to deliver, on the due date, the Relevant Assets comprising the Deliverable Number of Shares, where such Failure to Deliver is due to a shortfall of liquidity in the market for such Shares.

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, despite its reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or forward contract(s) or options contract(s) that it deems necessary to hedge the risks assumed by the Issuer (including but without limitation, the equity price risk or any other relevant price risk, foreign exchange risk) in relation to issuing the Notes and performing its obligations under the Notes, or (ii) to freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or forward contract(s) or options contract(s) or any hedging position in respect of a Share or the Notes.

"Hedging Shares" means the number of Shares that the Calculation Agent deems necessary for the Issuer and/or any of its Affiliates to hedge the equity price risk or other price risk relating to the entry into and performance of its obligations under the Notes.

"Increased Cost of Hedging" means the existence, under any hedging transaction relating to the Notes of a materially increased (as compared with the circumstances

existing on the Trade Date) amount of tax, duty, expense, cost 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 risk (including, but without limitation, the equity price risk, foreign exchange risk and interest rate risk) for the Issuer of issuing the Notes and performing its obligations under the Notes or (B) to realise, recover, remit, receive, repatriate or transfer the proceeds of any such transactions or assets, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its subsidiaries shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Issuer and/or any of its Affiliates or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the relevant Notes would incur a rate to borrow any Share in respect of the Notes that is greater than Initial Stock Loan Rate.

"Initial Stock Loan Rate" means, in respect of a Share, the initial stock loan rate specified for such Share in the relevant Final Terms.

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

"Issuer of the Share" means in respect of a/the Share(s), the issuer of such Share(s).

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate or any counterparty of the Issuer or any of its Affiliates under any hedging transaction relating to the Notes is unable, having made reasonable efforts, to borrow (or maintain a borrowing of) a number of Shares equal to the number of Hedging Shares at a rate equal to or lower than the Maximum Stock Loan Rate.

"Maximum Number of Disrupted Days" means eight (8) Trading Days or such other number of Trading Days as is specified in the relevant Final Terms.

"Maximum Stock Loan Rate" means, in respect of a Share, the maximum stock loan rate specified in the relevant Final Terms.

"Observation Date" means each date specified as being an Observation Date in the relevant Final Terms, or if any such day is not a Trading Day, the immediately succeeding Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, in the definition "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were instead to "Observation Date".

"Observation Period" means the period specified as the Observation Period in the relevant Final Terms.

"Related Exchange" means, in respect of a Share, each exchange or quotation system on which futures contracts or options contracts relating to such Share are traded, or each exchange or quotation system specified for such Share in the relevant Final Terms, any

successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however that if "All Exchanges" is specified as Related Exchange in the relevant Final Terms, "**Related Exchange**" shall mean each exchange or quotation system on which trading has a material effect (as determined by the Calculation Agent) on the market as a whole for futures and options contracts on such Share.

"**Relative Performance Basket**" means a basket comprising the Shares of each Company in the Basket specified in the relevant Final Terms where no weighting shall be applicable and where the Final Redemption Amount shall be determined by reference to the Share which is either (i) the best performing, (ii) the worst performing, or (iii) by reference to any other measure of performance applied to the Shares, in each case as specified in the relevant Final Terms.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on the relevant Trading Day, without regard to after-hours or any other trading outside of the regular trading sessions subject as provided in "Valuation Time" below.

"**Scheduled Strike Date**" means any initial date which, but for the occurrence of the event causing the Disrupted Day, would have been the Strike Date.

"**Scheduled Valuation Date**" means, in respect of a Share, any initial date which, but for the occurrence of the event causing the Disrupted Day, would have been a Valuation Date.

"**Screen Page**" means the page specified in the relevant Final Terms, or any successor page or service.

"**Share Correction Period**" means (i) the period specified in the relevant Final Terms, or (ii) if no period is specified, a Settlement Cycle.

"**Shares**" and "**Share**" means in the case of an issue of Equity Linked Notes (Basket of Shares) or an issue of Equity Linked Notes (Single Share), the share(s) specified in the relevant Final Terms and related expressions shall be construed accordingly.

"**Settlement Cycle**" means, in respect of a Share, the period equal to the number of Clearing System Days following a trade in the Share on the Exchange (or in the case of an Index for which more than one Exchange is relevant, the longest of such periods) in which settlement will customarily occur according to the rules of such Exchange.

"**Settlement Price**" means, subject as provided in the definitions: "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Equity Linked Notes (Single Share), an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or on an Averaging Date, as the case may be, if so specified in the relevant Final Terms) on the relevant Exchange for such Share on (A) if "Averaging" is not specified in the relevant Final Terms, the applicable Settlement Price Date or (B) if "Averaging" is specified in the relevant Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, such official closing price (or the price at the Valuation Time on the applicable Settlement Price Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) cannot be

determined and the applicable Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent equal to the arithmetic average purchase price on the market at closing (or the purchase price on the market at the Valuation Time on the applicable Settlement Price Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) and the sale price on the market at closing (or the fair sale price on the market at the Valuation Time on the applicable Settlement Price Date, or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) for the Share, based, in the determination of the Calculation Agent, either on the arithmetic average of previous prices or mid-market quotations provided to it by two or more financial institutions (selected by the Calculation Agent) active in trading in the Share or based on such other factors as the Calculation Agent may select, and such amount shall be converted, if specified in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Settlement Price, all as determined by, or on behalf of, the Calculation Agent; and

- (b) in the case of Equity Linked Notes (Basket of Shares) and for each Share comprised in the Basket, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or on an Averaging Date, as the case may be, if specified in the relevant Final Terms) on the Exchange for such Share on (A) if "Averaging" is not specified in the relevant Final Terms, the applicable Settlement Price Date, or (B) if "Averaging" is specified in the relevant Final Terms, an Averaging Date, or if, in the opinion of the Calculation Agent, such official closing price (or the price at the Valuation Time on the applicable Settlement Price Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) cannot be determined and the applicable Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent equal to the arithmetic average of the purchase price on the market at closing (or the purchase price on the market at the Valuation Time on the applicable Settlement Price Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) and of the sale price on the market at closing (or the sale price on the market at the Valuation Time on the applicable Settlement Price Date, or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) for such Share whose official closing price (or whose price at the Valuation Time on the applicable Settlement Price Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) cannot be determined, based, in the determination of the Calculation Agent, either on the arithmetic average of the previous prices or mid-market quotations provided to it by two or more financial institutions (selected by the Calculation Agent) active in trading in the relevant Share or based on such other factors as the Calculation Agent may select, multiplied by the applicable Weighting, and such amount shall be converted, if specified in the relevant Final Terms, into the Settlement Currency at the Exchange Rate, and such converted amount shall be the Settlement Price, all as determined by, or on behalf of, the Calculation Agent.

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be.

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at any time or at the Scheduled Closing Time, as may be specified in the relevant Final Terms, on any Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is lower than five per cent (5%), or such percentage specified in the relevant Final Terms, of its Strike Price or, if no Strike Price is specified in the Final Terms, the price given as the

benchmark price for such Share in the relevant Final Terms, all as determined by the Calculation Agent.

"Strike Date" means the Strike Date specified in the relevant Final Terms or, if such day is not a Trading Day, the immediately succeeding Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Equity Linked Notes (Single Share), the Strike Date shall be the immediately succeeding Trading Day which is not a Disrupted Day, unless each of the consecutive Trading Days during a period equal to the Maximum Number of Disrupted Days immediately following the Scheduled Strike Date is a Disrupted Day. In such case, (i) such last consecutive Trading Day shall be deemed to be the Strike Date, irrespective of whether such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the applicable price in accordance with its good faith estimate of the relevant price at the Valuation Time on such last Trading Day; or
- (b) in the case of Equity Linked Notes (Basket of Shares), the Strike Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and the Strike Date for each Share (each an **"Affected Underlying"**) affected by the occurrence of a Disrupted Day shall be the next following Trading Day which is not a Disrupted Day in respect of the Affected Underlying, unless each of the consecutive Trading Days during a period equal to the Maximum Number of Disrupted Days immediately following the Scheduled Strike Date is a Disrupted Day for the Affected Underlying. In such case, (i) such last consecutive Trading Day shall be deemed to be the Strike Date for the Affected Underlying, irrespective of whether such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the applicable price by reference, for the Affected Underlying, to the level or, as the case may be, value of such Affected Underlying, using its good faith estimate of such value of the Affected Underlying at the Valuation Time on such last Trading Day and otherwise as provided above.

"Trading Day" means either (i) in the case of a single Share, Trading Day (Single Share Basis) or (ii) in the case of a Basket of Shares, (a) Trading Day (All Shares Basis) or (b) Trading Day (Per Share Basis), in each case as specified in the relevant Final Terms, provided however that if no such basis is specified in the relevant Final Terms, Trading Day (All Shares Basis) shall apply.

"Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, a day on which each Exchange and each Related Exchange are scheduled to open for trading in all Shares comprised in the Basket of Shares during their respective regular trading sessions.

"Trading Day (Per Share Basis)" means, in respect of a Basket of Shares, a day on which the Exchange and the Related Exchange for a Share are scheduled to open for trading during their respective regular trading sessions.

"Trading Day (Single Share Basis)" means a day on which the relevant Exchange and the relevant Related Exchange are scheduled to open for trading during its/their respective regular trading session(s).

"Trading Disruption" any suspension or limitation on trading imposed by the Exchange or the relevant Related Exchange or any other person, whether by reason of price fluctuations exceeding limits permitted by the Exchange or the relevant Related Exchange or otherwise, (i) in respect of the Share or (ii) in respect of futures contracts or options contracts relating to such Share on any relevant Related Exchange.

"Valuation Date" means the Interest Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the relevant Final Terms or, if such day is not a Trading Day, the immediately succeeding Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Equity Linked Notes (Single Share), the Valuation Date shall be the next following Trading Day which is not a Disrupted Day, unless each of the consecutive Trading Days during a period equal to the Maximum Number of Disrupted Days immediately following the Scheduled Valuation Date is a Disrupted Day. In such case, (i) such last consecutive Trading Day shall be deemed to be the Valuation Date, irrespective of whether such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in accordance with its good faith estimate of the Settlement Price at the Valuation Time on such last consecutive Trading Day; or
- (b) in the case of Equity Linked Notes (Basket of Shares), the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share affected (each an "**Affected Underlying**") by the occurrence of a Disrupted Day shall be the next following Trading Day which is not a Disrupted Day in respect of the Affected Underlying, unless each of the consecutive Trading Days during a period equal to the Maximum Number of Disrupted Days immediately following the Scheduled Valuation Date is a Disrupted Day for the Affected Underlying. In such case, (i) such last consecutive Trading Day shall be deemed to be the Valuation Date for the Affected Underlying, irrespective of whether such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, for the Affected Underlying, a price determined using its good faith estimate of the value of the Affected Underlying at the Valuation Time on such last consecutive Trading Day and otherwise as provided above.

"Valuation Time" means the Interest Valuation Time or the Valuation Time, as the case may be, specified in the relevant Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the applicable Exchange on the Valuation Date or on the relevant Averaging Date, as the case may be, for each Share to be valued, provided however that if the applicable Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

8. PAYMENT OF DIVIDENDS

If "Dividend Payment" is specified as being applicable in the relevant Final Terms, the following provisions shall apply to the Notes:

- (a) If on or after the Issue Date a Cash Dividend is paid by the Issuer of the Share or, where applicable, the Basket Company, notwithstanding any provision to the contrary in the Terms and Conditions of the Notes, the Calculation Agent shall determine (i) the Distributed Amount and (ii) the Dividend Date.
- (b) As soon as possible after the Dividend Date, the Issuer shall notify the Noteholders (the "**Cash Dividend Notice**") in accordance with Condition 15 of the Terms and Conditions of the Notes, of the payment of the Cash Dividend as well as the Payment Date of the Cash Dividend and the Issuer shall on the Cash Dividend Payment Date pay to each Noteholder an amount equal to the Cash Dividend Amount, in respect of each Note held by it on the Cash Dividend Payment Date, provided that, if the applicable Dividend Date does not fall before the Redemption

Date, the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer shall not be under any other obligation with respect thereto.

- (c) The Cash Dividend Notice shall give details of the arrangements for payment of the Cash Dividend Amount to each Noteholder.

For the purposes of this Condition, the terms below shall have the following meanings:

"Cash Dividend" means any cash dividend paid by the Issuer of the Share or the Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Share, an amount calculated by the Calculation Agent as equal to the Distributed Amount, less the pro rata amount of any Dividend Related Expenses, such amount being converted into the relevant Currency by applying an exchange rate determined by the Calculation Agent on the Dividend Date or as soon as possible after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of the dividend paid by the Issuer of the Share in respect of a Share, as determined by the Calculation Agent;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such dividend would be received by a holder of the Share as determined by the Calculation Agent;

"Dividend Related Expenses" means any withholding, capital gain, profit, levy, tax or duty (including stamp duty) and/or expense (such as depositary fees or transaction, issue, registration, transfer and/or other expenses) whether present, future or potential that the Calculation Agent has determined will or may be deducted and/or has been or will be incurred in respect of the Cash Dividend and/or payment of the Cash Dividend Amount under the Notes.

9. GDR/ADR

Conditions 9 to 13 (inclusive) shall apply if "GDR/ADR" is specified in the relevant Final Terms.

10. DEFINITIONS RELATING TO GDR/ADR

"ADR" means an *American Depositary Receipt*;

"Conversion Event" means any event which, in the determination of the Calculation Agent, results (or will result) in a conversion of GDRs and/or ADRs into Underlying Shares or into any other listed securities of the issuer of the Underlying Shares; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

"GDR" means a *Global Depositary Receipt*.

11. GENERAL

All references in the Terms and Conditions of the Notes and in the Equity Linked Note Terms to "Shares" shall be deemed to be references to GDRs or ADRs, as the case may be, and/or to the Underlying Shares, references to the "Issuer of the Share" or a "Basket Company", as the case may be, shall be deemed to be references to the issuer of the

GDRs or ADRs, as the case may be, and to the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be references to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and subject to such additional or alternative modifications as the Calculation Agent may deem necessary or appropriate provided that any such modifications are not prejudicial to the Noteholders.

12. EVENTS AFFECTING THE SHARE

If an Event Affecting the Share occurs, the Calculation Agent may apply the provisions set forth in paragraphs (i), (ii), (iii), (iv), (v) or (vi) of Condition 2.2(b) and give notice thereof to the Issuer as soon as possible. The Issuer shall notify the Noteholders as soon as possible in accordance with Condition 15 of the Terms and Conditions of the Notes, of the occurrence of any Event Affecting the Share, describing any proposed action to be taken or adjustment to be made in connection with such event.

"Event Affecting the Share" means each of the following events:

- (a) written instructions have been given by the issuer to the depository of the Underlying Shares to withdraw or return the Underlying Shares; or
- (b) expiry/termination of the depository agreement relating to the Underlying Shares.

If an event constitutes both an Event Affecting the Share and an Additional Disruption Event, the Calculation Agent may determine which of such events shall apply.

13. POTENTIAL ADJUSTMENT EVENT

The following additional event shall be deemed to be added to paragraph (a) of the definition of Potential Adjustment Event in Condition 2.1:

and/or a distribution in respect of the Underlying Shares, of an asset other than cash, shares or rights relating to the Underlying Shares to the bearer of the Underlying Shares.

TECHNICAL ANNEX 4
SUPPLEMENTAL TERMS APPLICABLE TO FUND LINKED NOTES

*The terms applicable to Fund Linked Notes include the terms and conditions of the Notes set forth on pages 89 to 121 (the "**Terms and Conditions of the Notes**") and the supplemental terms described below (the "**Fund Linked Note Terms**"), in each case, subject as provided in the relevant Final Terms. In the event of conflict between the Terms and Conditions of the Notes and the Fund Linked Note Terms, the Fund Linked Note Terms shall prevail.*

All expressions beginning with a capital letter and not defined in these Fund Linked Note Terms shall have the meanings given thereto in the Terms and Conditions of the Notes or the relevant Final Terms.

*References herein to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.*

1. DEFINITIONS

"Basket of Funds" means, (i) a basket comprising the Fund Units of several Funds as specified in the relevant Final Terms, assigned with the weightings specified in the relevant Final Terms or (ii) a Relative Performance Basket.

"Basket Trigger Event" means in respect of a Basket of Funds, the occurrence of a Fund Disruption Event affecting one or more Funds whose weighting (or whose combined weightings if the Fund Disruption Event affects more than one Fund) is equal to or greater than the Basket Trigger Threshold.

"Basket Trigger Threshold" means the threshold specified as such in the Final Terms, or, if not so specified, 50 per cent (50%).

"Calculation Date" means the date(s) specified in the Final Terms, or if not so specified, any date which is a Fund Business Day.

"Commission" has the meaning given thereto in the Final Terms.

"Embedded Option Value" means an amount which may never be lower than zero, equal to the present value as at the Embedded Option Value Determination Date of any future payments (excluding, where applicable, payment of the Protected Amount) under the Notes, as determined by the Calculation Agent taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any Fund Units by the Hedge Provider, the volatility of the Fund Units and transaction costs.

"Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Embedded Option Value following the occurrence of a Fund Disruption Event resulting in Termination.

"Final Calculation Date" means the date specified in the Final Terms.

"Fund" means any Mutual Fund, Hedge Fund or Private Equity Fund, as specified in the Final Terms.

"Fund Business Day" means the days specified as such in the Final Terms or, if not so specified, any such days referred to in the Fund Documents of each of the relevant Funds.

"Fund Determination Date" means, subject to the occurrence of a Fund Disruption Event, the date on which, pursuant to the Fund Documents, the relevant Fund NAV is calculated or published for the relevant Fund Valuation Date.

"Fund Disruption Event" has the meaning given thereto in Condition 2.

"Fund Disruption Event Effective Date" means the date on which the Fund Disruption Event occurred, as determined by the Calculation Agent.

"Fund Documents" means, with respect to any Fund, the constitutive and governing documents, subscription agreements and other agreements of a Fund, specifying the terms and conditions relating to such Fund, as well as any prospectus, memorandum or similar document relating to the Fund and/or the Fund Units (including any document supplementing or modifying the same) in force on the Hedging Date.

"Fund NAV" means in respect of any Fund Determination Date (i) the value of the Fund Unit on the relevant Fund Valuation Date, as published on the Fund Determination Date by the Fund Service Provider, or (ii) if the Fund Service Provider publishes or reports only the aggregate net asset value of the Units of the Fund, the net asset value per Fund Unit calculated by the Calculation Agent on the basis of such aggregate net asset value divided by the number of Fund Units issued and outstanding as of the Fund Valuation Date.

"Fund Service Provider" means, in respect of any Fund, any person appointed to provide services, directly or indirectly, in respect of such Fund, whether or not specified in the Fund Documents, including, without limitation, any advisor, manager, administrator, "gérant" (*general manager*), operator, management company, depository, sub-depository, asset allocation adviser, prime broker, index sponsor, trustee, account holder and transfer agent, domiciliary agent, sponsor or general partner or any other person specified as such in the Final Terms.

"Fund Valuation Date" means the date on which, pursuant to the Fund Documents, the Fund (or the Fund Service Provider) determines (or, but for the occurrence of a Fund Disruption Event, would have determined) the Fund NAV.

"Fund Units" means a unit or share of, or any notional unit of account representing interests in, any Fund issued for the benefit of, or held by, an investor in the Fund, or any interest or security specified as such in the Final Terms.

"Hedge Fund" means any alternative investment fund, as specified in the Final Terms.

"Hedge Provider" means the party (including, inter alia, the Issuer, the Calculation Agent, any of their Affiliates or a third party) from time to time which hedges the Issuer's obligations under the Notes or where no such party actually hedges such obligations, a Hypothetical Investor, which shall be deemed to enter into transactions as if hedging such obligations.

"Hedging Date" means the date specified in the Final Terms.

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in a Fund Unit which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding a Fund Unit. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or have its registered office in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"Initial Calculation Date" means the date specified in the Final Terms, or if not so specified, the Hedging Date.

"Merger Event" means in respect of any Unit or Entity (as defined below) any (i) reclassification or change of such Units that results in a transfer of, or an irrevocable commitment to transfer, all of such outstanding Units to another entity or person, (ii) consolidation, merger or amalgamation of Units of the Fund or of the Fund Service Provider with or into another entity, (iii) takeover offer, tender offer, exchange offer, acquisition of control, proposal by any entity to acquire or obtain in any manner whatsoever, 100% of the outstanding Units of the Fund or of the Fund Service Provider that results in a transfer of, or an irrevocable commitment to transfer, such Units, (iv) consolidation, merger or amalgamation of the Units of the Fund or of the Fund Service Provider, or its subsidiary(ies) with or into another entity in which the Fund or Hedge Provider of the Fund is the continuing entity. For the purposes of this definition **"Merger Event"** only, **"Units"** shall mean the applicable Units of the Fund or the units or shares of any applicable Fund Service Provider, as the context may require, and **"Entity"** shall mean the applicable Fund or any applicable Fund Service Provider, as the context may require.

"Mutual Fund" means any mutual fund, as specified in the Final Terms.

"NAV Trigger Event" means that (i) the Fund NAV has decreased by an amount equal to or greater than the NAV Trigger Percentage, at any time during the NAV Trigger Period, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund (or its assets by operation of any law, order, injunction or judgment of any court or other applicable government agency), the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.

"NAV Trigger Percentage" means the percentage specified in the Final Terms or, if not so specified, 50 per cent (50%).

"NAV Trigger Period" means the period specified in the Final Terms, or if not so specified, the period commencing on the Initial Calculation Date (included) and ending on the Final Calculation Date (included).

"Net Asset Threshold" means the threshold specified as such in the Final Terms, or, if not so specified, EUR 50,000,000 or the equivalent thereof in another currency.

"Number of NAV Publication Days" means the number of calendar days specified in the Final Terms for any Mutual Fund, Hedge Fund or Private Equity Fund, or if not so specified, (i) five (5) calendar days for a Mutual Fund, or (ii) ten (10) calendar days for a Hedge Fund.

"Private Equity Fund" means any private equity fund, as specified in the Final Terms.

"Protected Amount" means the amount specified as such in the Final Terms.

"Protected Capital Termination Amount" means an amount per Note equal to the sum of:

- (a) the Protected Amount;
- (b) the Embedded Option Value;
- (c) the Simple Interest, if Deferred Redemption following the occurrence of a Fund Disruption Event is specified as being applicable in the Final Terms.

"Relative Performance Basket" means a basket comprising the Fund Units of several Funds specified in the relevant Final Terms where no weighting shall be applicable and where the Final Redemption Amount shall be determined by reference to the Units of the Fund which are either (i) the best performing, (ii) the worst performing, or (iii) by reference to any other measure of performance applied to the Fund Units, in each case as specified in the relevant Final Terms.

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Embedded Option Value during the period from the Embedded Option Value Determination Date (included) to the Final Calculation Date (included). The amount shall be calculated on the basis of the interest that would be payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- (a) the "Effective Date" is the Embedded Option Value Determination Date;
- (b) the "Termination Date" is the Termination Date;
- (c) the "Floating Rate Payer Payment Date" is the Termination Date;
- (d) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD- LIBOR-BBA (if the Settlement Currency is USD);
- (e) the "Designated Maturity" is 3 months;
- (f) the "Simple Interest Spread" is as specified in the relevant Final Terms, or if not so specified minus 0.125 per cent.;
- (g) the "Floating Rate Day Count Fraction" is Actual/360;
- (h) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date;
- (i) "Compounding" is "Not applicable";

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event or action by any entity or person that results in, or whose purpose involves, such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and lower than 100 per cent. of the outstanding voting shares, units or interests in a Fund or Fund Service Provider, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Termination Amount" means the amount specified in the Final Terms or, if not so specified, (i) the Protected Capital Termination Amount or (ii) the Unprotected Capital Termination Amount, as specified in the Final Terms.

"Termination Date" means (i) the date specified in the Final Terms, or (ii) if Deferred Redemption following the occurrence of a Fund Disruption Event is specified as being applicable in the Final Terms, the Maturity Date of the Notes.

"Trade Date" means the date specified in the Final Terms.

"Unprotected Capital Termination Amount" means an amount per Note being equal to the sum of:

- (a) the Embedded Option Value; and
- (b) the Simple Interest, if Deferred Redemption following the occurrence of a Fund Disruption Event is specified as being applicable in the Final Terms.

"Units of the Fund" means the Fund Units and the units of any fund in which the Fund invests.

2. FUND DISRUPTION EVENTS

Subject as provided in Condition 3 (Determination of Fund Disruption Events), a Fund Disruption Event means the occurrence or continuance at any time on or after the Trade Date (as defined in the relevant Final Terms), of any of the following events as determined by the Calculation Agent:

General Events

- (a) The Fund or any Fund Service Provider (i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, prime brokerage or any necessary service (as the case may be); (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar entity, in its jurisdiction or that of its principal establishment, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights or a petition is presented for the winding-up or liquidation of the Fund or any Fund Service Provider by it or such regulator, supervisor or similar entity (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above which would result in a declaration of bankruptcy or its liquidation and (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or, (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or part of its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or
- (b) the occurrence of a Merger Event or Tender Offer.

Litigation/Fraudulent Activity Events

- (a) there exists any litigation against the Fund or a Fund Service Provider which in the determination of the Calculation Agent could materially affect the value of the Units of the Fund or the rights or remedies of any investor in such Units of the Fund; or

- (b) (i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the determination of the Calculation Agent, materially affect the value of the Units of the Fund or the rights or remedies of any investor in such Units of the Fund.

Fund Service Provider/Key Person Events

- (a) (i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by an entity/ successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Units of the Fund or on the rights or remedies of any investor in such Units of the Fund; or
- (b) one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act.

Modification Events

- (a) A material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests), from those set out in the Fund Documents, or any announcement regarding a potential modification, modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- (b) A material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance, of the type of assets (i) in which the Fund invests, or (ii) the Fund purports to track;
- (c) A material modification, or any announcement regarding a future material modification, of the Fund (including but not limited to a modification of the Fund Documents or to the Fund's liquidity terms);
- (d) the currency denomination of the Units of the Fund is amended from that set out in the Fund Documents so that the Net Asset Value of the Units of the Fund is no longer calculated in the same currency as it was as at the Trade Date;
- (e) The Fund ceases, if applicable, to be registered or approved as an undertaking for collective investments or other equivalent investment vehicle under the legislation of its relevant jurisdiction; or
- (f) Following the issue or creation of a new class or category (howsoever described in the Fund Documents) of shares or units, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units that such new class or category has or may have an adverse effect on the hedging

activities in relation to the Notes.

Net Asset Value/Assets under management level Events

- (a) A material modification of the method of calculating the Fund NAV;
- (b) Any change in the periodicity of (i) the calculation or the publication of the Fund NAV and/or (ii) Fund subscriptions/ redemptions;
- (c) Any suspension of the calculation or publication of the Fund NAV;
- (d) The occurrence of any event affecting a Fund Unit that, in the sole and absolute discretion of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the Fund NAV;
- (e) any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the Fund NAV within the consecutive Number of NAV Publication Days following any date scheduled for the publication of the NAV, unless the cause of such failure to publish is of a technical nature and outside the control of the entity responsible for such publication;
- (f) The asset prices provided by the investment manager (howsoever described in the Fund Documents) to the Fund Service Provider to calculate the Net Asset Value materially diverge from the asset prices obtained from other independent sources;
- (g) The assets under management of the Fund fall below the Net Asset Threshold;
- (h) The Calculation Agent determines, at any time, that (i) the Net Asset Value is inaccurate, or (ii) the reported Net Asset Value misrepresents the net asset value of the Units of the Fund;
- (i) a NAV Trigger Event occurs;
- (j) In the case of a Hedge Fund only, (i) the audited net asset value of the Fund and/or the Net Asset Value is different from the audited net asset value of the Fund and/or the Net Asset Value communicated by the Fund Service Provider in respect of the same date, (ii) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (iii) the Calculation Agent, in its sole and absolute discretion, does not deem the audited net asset value of the Fund and/or the Net Asset Value to be representative of the actual net asset value of the Fund and/or the Net Asset Value.

Reporting Events

- (a) any failure of the Fund, or its authorised representatives, to deliver or publish (i) information that the Fund has agreed to deliver to the Calculation Agent or Hedge Provider or to publish, or (ii) information that has been previously delivered by the Fund, or its authorised representatives, to the Hedge Provider or the Calculation Agent and that the Hedge Provider or the Calculation Agent, as applicable, deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Units;
- (b) any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund.

Tax/Law/Accounting/Regulatory Events

- (a) There is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by the Hedge Provider (a "**Tax Event**"), provided that the Hedge Provider has, for a period of one calendar month (following the day the relevant Tax Event became known to it), used reasonable efforts to mitigate the adverse effect of the Tax Event by seeking to transfer such hedging arrangements to a subsidiary or Affiliate; provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent to the Hedge Provider at any time that there is no practicable means of mitigating the impact of the relevant Tax Event; or
- (b) The activities of or in relation to the Fund or any Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of non-compliance with any law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (including, but not limited to, any cancellation, suspension, revocation, withdrawal of the registration, approval or authorisation of the Fund by any governmental, legal or regulatory entity with authority over the Fund), (ii) a relevant approval, authorisation or licence is revoked or is under review by a competent authority with direct or indirect authority over the Fund (iii) the Fund is requested or required by a competent authority to redeem any Units of the Fund, (iv) the Hedge Provider is required by a competent authority to dispose of or compulsorily redeem any Units of the Fund held in connection with any hedging arrangements relating to the Notes and/or (v) any change in the legal, regulatory, accounting or tax treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Units of the Fund or undertakings of the Fund or on the rights or remedies of any investor in such Units of the Fund, including any Hedge Provider.

Hedging/ Increased Costs Events

- (a) In connection with any hedging activities in relation to the Notes, as a result of the adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or the adoption or promulgation of any directive, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**"), it would (i) become unlawful or impossible for the Hedge Provider to hold, purchase or sell any Fund Unit or to maintain such hedging arrangements, or the Hedge Provider would incur significantly increased costs, or losses, in maintaining any hedging arrangements (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of any holding of Units of the Fund or that would subject a holder of the Units of the Fund or the Hedge Provider to any loss), and subject to the Hedge Provider having, for a period of one calendar week (following the day the Relevant Event became known to it), used reasonable efforts to mitigate the adverse effect of the Relevant Event by seeking to transfer such hedging arrangements to a subsidiary or Affiliate, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set

out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the material adverse effect of the Relevant Event.

- (b) In connection with the hedging activities in relation to the Notes, if (i) the cost to the Hedge Provider in relation to the Notes (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or (ii) the Hedge Provider would be subject to a material loss in relation to hedging activities in respect of the Notes.
- (c) In connection with the hedging activities in relation to the Notes, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, substitute, maintain, unwind or terminate any transaction or dispose of any asset it deems necessary to hedge the Issuer's obligations under the Notes or (ii) to realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem a Fund Unit, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Units of the Fund, or (B) any mandatory redemption, in whole or in part, of such Units of the Fund; or
- (d) At any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Notes.

Dealing Events

- (a) (i) The non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Units of the Fund (including, for the avoidance of any doubt, any non-execution by the Fund of its obligations pending completion of its fiscal audit) (ii) the Fund suspends or refuses transfers of any of its Units of the Fund (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Units of the Fund), (iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Units of the Fund by the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Units of the Fund, if in any case it could in the sole and absolute determination of the Calculation Agent have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, or (iv) a mandatory redemption, in whole or in part, of the Units of the Fund is imposed by the Fund on any one or more holders of Units of the Fund at any time for any reason.

Miscellaneous Events

- (a) The occurrence of any Additional Disruption Event in respect of the Fund.
- (b) In the case of Notes linked to a Basket of Funds, the occurrence of a Basket Trigger Event.
- (c) The Fund or any Fund Service Provider defaults under, materially modifies, or terminates any rebate agreements in place with the Issuer, the Hedge Provider or any of its Affiliates.

- (d) If the Fund is part of an umbrella structure with more than one sub-fund, a cross-contamination or other failure to segregate the portfolio of assets held by the Fund occurs between different series, classes and/or sub-funds of the Fund;
- (e) Any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets is terminated or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes capable of early termination by reason of any disruption event or default relating to the Fund or the Fund Service Provider; or
- (f) the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider or any affiliate of the Fund, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded to below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider by Moody's or S&P is downgraded to below A-1 (S&P) or P-1 (Moody's).

3. DETERMINATION OF A FUND DISRUPTION EVENT

The Calculation Agent, acting in good faith and in a commercially reasonable manner, shall determine if a Fund Disruption Event has occurred. Where the occurrence of an event or set of circumstances is capable of triggering more than one Fund Disruption Event, the Calculation Agent may determine which Fund Disruption Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers a Fund Disruption Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

4. CONSEQUENCES OF A FUND DISRUPTION EVENT

- 4.1 If the Calculation Agent determines that a Fund Disruption Event has occurred, it may, at any time up to the date on which such Fund Disruption Event has ceased to exist, request the Issuer to notify the Noteholders (the "**Fund Disruption Event Notice**") in accordance with Condition 15 of the Terms and Conditions of the Notes (such notice being irrevocable), of the occurrence of the relevant Fund Disruption Event (the date on which such Fund Disruption Event Notice is sent, a "**Fund Disruption Event Notification Date**") and set out, if determined at that time, the action that it has been determined will be taken in respect of the Fund Disruption Event in accordance with Condition 4.2 below. Where the action that the Calculation Agent has determined to take is not, for whatever reason, set out in the Fund Disruption Event Notice, the action that the Calculation Agent has determined to take shall be set out in a subsequent notice given to Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes, as soon as reasonably practicable after the Fund Disruption Event Notification Date.

The Calculation Agent shall provide Noteholders with a Fund Disruption Event Notice as soon as reasonably practicable following the determination of a Fund Disruption Event. However, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Noteholder or any other person in connection with the Notes as a result of any delay concerning the Fund Disruption Event Notice. If the Calculation Agent gives a Fund Disruption Event Notice,

the Issuer shall have no obligation to make any payment or delivery in respect of the Notes, until the action to be taken in accordance with Condition 4.2 below has been determined.

4.2 Following the occurrence of a Fund Disruption Event, the Calculation Agent may decide which of the following actions to take as described in (a), (b), (c) or (d) below.

(a) **No action**

If the Calculation Agent decides that the action to be taken shall be "**No Action**", then no modification shall be made to the Terms and Conditions of the Notes and/or to the Final Terms.

(b) **Adjustment**

If the Calculation Agent decides that the action to be taken shall be "**Adjustment**", then the Calculation Agent may determine the appropriate adjustment(s), if any, to be made to all or any Funds, Units of the Fund and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms (including adjusting any Commission) to take account of the Fund Disruption Event and determine the effective date of such adjustment.

(c) **Substitution**

If the Calculation Agent decides that following a Fund Disruption Event, the action to be taken shall be "**Substitution**", the Calculation Agent shall:

(i) determine the weighted average price at which a Hypothetical Investor could redeem the number of Units of the Fund it holds in the relevant Fund in such number as determined by the Calculation Agent as soon as it is reasonably practicable following the Fund Disruption Event;

(ii) for a period of no longer than 14 calendar days following the date on which a Hypothetical Investor would have received proceeds from a redemption order in full submitted by the Hedge Provider as soon as practicable following the occurrence of an Fund Disruption Event, use its best efforts to replace the affected Fund with an alternative fund which, in the reasonable opinion of the Calculation Agent, has similar characteristics to the affected Fund, including but not limited to, comparable investment objectives, investment restrictions, investment processes and service providers;

(iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, the Calculation Agent shall use its best efforts to substitute the affected Fund with an index selected by the Calculation Agent;

(iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above, the Calculation Agent shall make the necessary adjustments as soon as possible to take account of such substitution.

(d) **Termination**

If the Calculation Agent determines that following the occurrence of the Fund Disruption Event, the action to be taken is "**Termination**", the Calculation Agent may request the Issuer to redeem the Notes. The Issuer, having notified the Noteholders in accordance with Condition 15 of the Terms and Conditions of the

Notes (such notice may be included in the Fund Disruption Event Notice following the Fund Disruption Event), shall redeem the Notes in full (and not in part only) at their Termination Amount.

(e) **General**

In determining to take a particular action as result of a Fund Disruption Event, the Calculation Agent shall not be under any duty to consider the interests of the Noteholders or any other person. In making any determination as to which action to take following the occurrence of a Fund Disruption Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity costs suffered or incurred by Noteholders or any other person in relation to or resulting from the Notes, or arising as a result of any delay in making any payment or delivery in respect of the Notes.

5. **SETTLEMENT DATE / REDEMPTION DATE / POSTPONED SETTLEMENT DATE**

In the case of Notes other than Physical Delivery Notes, if on the date falling two Business Days prior to the originally specified Settlement Date, Redemption Date or Termination Date, as the case may be, the Issuer has not received the full amount of the redemption proceeds in respect of its Fund Units from the Hedge Provider (the "**Redemption Proceeds**"), the Calculation Agent may postpone the Settlement Date, Redemption Date or Termination Date, as the case may be, and give notice thereof to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes.

As soon as possible after receipt of the Redemption Proceeds, the Issuer shall notify the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes (a "**Delayed Payment Notice**") and shall redeem the Notes no later than the date falling five (5) Business Days after receipt of the Delayed Payment Notice (a "**Postponed Settlement Date**") by payment to each Noteholder of the Redemption Amount or Termination Amount, as the case may be, provided that, if the Hedge Provider the Redemption Proceeds within the period ending on the date (the "**Delayed Payment Cut-Off Date**") specified in the Final Terms or, if not so specified, the date falling two years after the originally designated Settlement Date, Redemption Date or Termination Date, as the case may be, the Postponed Settlement Date shall be the Delayed Payment Cut-Off Date.

TECHNICAL ANNEX 5
SUPPLEMENTAL TERMS APPLICABLE TO COMMODITY LINKED NOTES

*The terms applicable to Commodity Linked Notes include the terms and conditions of the Notes set forth on pages 89 to 121 (the "**Terms and Conditions of the Notes**") and the supplemental terms described below (the "**Commodity Linked Note Terms and Conditions**" or abbreviated to "**Commodity Linked Note Terms**"), in each case, subject as provided in the relevant Final Terms. In the event of conflict between the Terms and Conditions of the Notes and the Commodity Linked Note Terms, the Commodity Linked Note Terms shall prevail.*

All expressions beginning with a capital letter and not defined in these Commodity Linked Notes Terms shall have the meanings given thereto in the Terms and Conditions of the Notes or the relevant Final Terms.

*References herein to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.*

1. MARKET DISRUPTION

"Market Disruption Event" means, in respect of any Commodity or Commodity Index, the occurrence or existence, as determined by the Calculation Agent, of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, a Trading Disruption, a Disappearance of Commodity Reference Price or a Limit Price Event; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, a Material Change in Formula, a Material Change in Content and/or a Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall, as soon as reasonably practicable, notify the Issuer and the relevant Agent of its determination that a Market Disruption Event has occurred, and the measures it proposes to take in relation thereto, and such Agent shall hold copies of such determinations available for consultation by holders.

2. CONSEQUENCES OF MARKET DISRUPTION EVENTS AND FALLBACKS IN THE EVENT OF DISRUPTION

If a Market Disruption Event occurs or subsists on any Pricing Date (or, if different, the day on which prices for such Pricing Date would normally be published by the Price Source), the Calculation Agent may take such measures as described in paragraphs (a), (b) or (c) below as it deems appropriate:

- (a) the Calculation Agent shall determine whether such event has a material impact on the Notes and, if so, shall calculate the relevant Coupon Amount and/or the Redemption Amount, and/or make any other calculation using, instead of a published price or level for such Commodity or Commodity Index, as the case may be, the price or level for such Commodity or Commodity Index determined by the Calculation Agent having regard to the Commodity Fallback Value; or
- (b) the Calculation Agent may substitute the relevant Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out below (each, a "**Substitute Commodity**" or a "**Substitute**

Index Component"), as the case may be, for each Commodity or Index Component (each, an "**Affected Commodity**" or an "**Affected Index Component**") that is affected by the Market Disruption Event; in such case, the Substitute Commodity or the Substitute Index Component shall be deemed to be a "Commodity" or "Index Component" for the purposes of the Notes, and the Calculation Agent shall make such adjustment(s), if any, as it considers appropriate to one or more Weightings and/or any other terms of these Terms and Conditions of the Notes and/or the relevant Final Terms, provided however that if any amount payable under the Notes has to be determined by reference to the original price of the Commodity or Index Component, the original price of each Substitute Commodity or Substitute Index Component shall be determined by the Calculation Agent. To be selected as a Substitute Commodity, the Substitute Commodity must be a futures contract on similar terms to, the same delivery date as, and relating to the same Commodity as, the Affected Commodity.

To be selected as a Substitute Index Component, the Substitute Index Component must be a substitute futures contract or commodities index relating to a futures contract, having similar terms to those of the Affected Index Component.

Such substitution and relevant adjustment(s) shall be deemed to take effect on the date selected by the Calculation Agent (the "**Substitution Date**"), and such date may, but need not necessarily, be the date of the relevant Market Disruption Event. Such substitution shall be notified to the Noteholders as soon as possible after the Substitution Date, in accordance with Condition 15 of the Terms and Conditions of the Notes; or

(c) the Issuer shall redeem all and 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. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes.

3. ADJUSTMENT TO A COMMODITY INDEX

3.1A Successor Index Sponsor calculates and announces a Commodity Index

If a Commodity Index (a) is not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**"), acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") shall be deemed to be the Commodity Index.

"**Index Sponsor**" means the entity which publishes or announces (directly or through an agent) the level of the relevant Index and which on the Issue Date is the index sponsor specified in the relevant Final Terms.

3.2 Commodity Index Modification and Commodity Index Cancellation and Commodity Index Disruption

If (a) at any time before the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a Commodity Index or in any other way materially modifies that Commodity Index (other

than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in contracts or commodities comprised in it or other routine events) (a "**Commodity Index Modification**"), or permanently cancels a Commodity Index without providing a Successor Commodity Index (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Final Interest Pricing Date or Final Pricing Date, the Commodity Index Sponsor or (where applicable) the Successor Index Sponsor ceases to calculate and/or publish, a Commodity Index (a "**Commodity Index Disruption**" and, together with Commodity Index Modification and Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then:

- (a) the Calculation Agent shall determine whether such Commodity Index Adjustment Event has a material effect on the Notes, and in such case, shall calculate the relevant price, level or value using, in lieu of the published level for such Commodity Index, the Commodity Fallback Value; or
- (b) the Issuer may redeem the Notes upon sending a notice to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes, as the case may be. If the Notes are to be redeemed, the Issuer shall pay to each Noteholder an amount equal to the fair market value of such Note, taking account of the Commodity Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes.

4. CORRECTION OF A COMMODITY REFERENCE PRICE

Other than in the case of any corrections published after the Cut-Off Date, if the Commodity price published on any day and used or intended to be used by the Calculation Agent for the purpose of any determination or calculation under the Notes is subsequently corrected and if the correction is published by the relevant Index Sponsor or (as the case may be) the relevant Successor Index Sponsor, during the Commodity Correction Period, the price to be used shall be the Commodity price as corrected. Corrections published after the Cut-Off Date shall be ignored by the Calculation Agent for the purposes of determining any relevant amount to be paid.

5. KNOCK-IN EVENT AND KNOCK-OUT EVENT:

- 5.1 If the Final Terms specify that "**Knock-In Event**" is applicable, any payment under the relevant Notes which the Final Terms specify is subject to a Knock-In Event shall be subject to the occurrence of such Knock-In Event.
- 5.2 If the Final Terms specify that "**Knock-Out Event**" is applicable, any payment under the relevant Notes which the Final Terms specify is subject to a Knock-Out Event shall be subject to the occurrence of such Knock-Out Event.
- 5.3 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date at any time in the hour preceding or following the Valuation Time the price of the Commodity reaches the Knock-In Barrier or the Knock-Out Barrier, a Price Source Disruption, a Trading Disruption, a Disappearance of Commodity Reference Price, a Limit Price Event, a Material Change in Formula, a Material Change in Content, a Tax Disruption or an Index Component Disruption Event occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred; provided however that if, by the effect of this clause, no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the

Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the price of the Commodity at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time as provided in the definition of "Valuation Date".

5.4 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is any time or period of time during the normal market opening hours on the relevant Exchange and if on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date at any time in the hour preceding or following the time at which the price of the Commodity reaches the Knock-In Barrier or the Knock-Out Barrier, a Price Source Disruption, a Trading Disruption, a Disappearance of Commodity Reference Price, a Limit Price Event, a Material Change in Formula, a Material Change in Content, a Tax Disruption or an Index Component Disruption Event occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred, provided however that if, by the effect of this clause no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the price of the Commodity at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time as provided in the definition of "Valuation Date".

5.5 Definitions relating to Knock-In Events/Knock-Out Events

"Knock-In Barrier" means (i) in the case of a single Commodity, the price of the Commodity and (ii) in the case of one or more Commodities, the price of the Commodities, in each case (x) specified as such in the Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-In is specified as applicable in the Final Terms, in each case, subject to adjustment where applicable in accordance with the terms of Condition 1 and Condition 3 above;

"Knock-In Barrier Effective Date" means the dates specified in the relevant Final Terms, or each Trading Day during the Knock-In Barrier Effective Period;

"Knock-In Barrier Effective Period" means the period commencing on the Knock-In Barrier Effective Period Commencement Date included and ending on the Knock-In Barrier Effective Period End Date included;

"Knock-In Barrier Effective Period Commencement Date" means the date as specified in the relevant Final Terms or, if "Commodity Trading Day Convention – Knock-In Barrier Effective Period Commencement Date" is specified as applicable in the relevant Final Terms, and if such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day;

"Knock-In Barrier Effective Period End Date" means the date as specified in the relevant Final Terms or, if "Commodity Trading Day Convention – Knock-In Barrier Effective Period End Date" is specified as applicable in the relevant Final Terms, and if such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day;

"Knock-In Barrier Valuation Time" means the time or period of time on any Knock-In Barrier Effective Date as specified in the relevant Final Terms or, if no such Knock-In Barrier Valuation Time is specified, the Knock-In Barrier Valuation Time shall be the Valuation Time;

"Knock-In Barrier Value" means the value calculated in accordance with the Supplemental Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10 as specified in the relevant Final Terms;

"Knock-In Event" means:

- (a) if SPS Knock-In is specified as being applicable in the relevant Final Terms, the Knock-In Barrier Value is; or
- (b) if SPS Knock-In is specified as being not-applicable in the relevant Final Terms,
 - (i) in respect of a single Commodity, that the price of the Commodity determined by the Calculation Agent at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date is;
 - (ii) in respect of one or more Commodities, that the amount determined by the Calculation Agent being equal to the sum of the values of each Commodity (the value of each Commodity being the product of (x) the price of such Commodity at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date and (y) the applicable Weighting) is;

in each case (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-In Barrier or (B) "within" the Knock-In Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-In Barrier Effective Date, or (y) in respect of any Knock-In Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-In Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Condition 1 and Condition 3 of the Commodity Linked Note Terms;

"Knock-Out Barrier" means (i) in the case of a single Commodity, the price of the Commodity and (ii) in the case of one or more Commodities, the price of the Commodities, in each case (x) specified as such in the relevant Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-Out is specified as applicable in the relevant Final Terms, in each case, subject to adjustment where applicable in accordance with the terms of Condition 1 and Condition 3 above;

"Knock-Out Barrier Effective Date" means the dates specified in the relevant Final Terms, or each Trading Day during the Knock-Out Barrier Effective Period;

"Knock-Out Barrier Effective Period" means the period commencing on the Knock-Out Barrier Effective Period Commencement Date included and ending on the Knock-Out Barrier Effective Period End Date included;

"Knock-Out Barrier Effective Period Commencement Date" means the date as specified in the relevant Final Terms or, if "Commodity Trading Day Convention – Knock-Out Barrier Effective Period Commencement Date" is specified as applicable in the relevant Final Terms, and if such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day;

"Knock-Out Barrier Effective Period End Date" means the date as specified in the relevant Final Terms or, if "Commodity Trading Day Convention – Knock-Out Barrier Effective Period End Date" is specified as applicable in the relevant Final Terms, and if

such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day;

"Knock-Out Barrier Valuation Time" means the time or period of time on any Knock-Out Barrier Effective Date as specified in the relevant Final Terms or, if no such Knock-Out Barrier Valuation Time is specified, the Knock-Out Barrier Valuation Time shall be the Valuation Time;

"Knock-Out Barrier Value" means the value calculated in accordance with the Supplemental Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10 as specified in the relevant Final Terms;

"Knock-Out Event" means:

- (a) if SPS Knock-Out is specified as being applicable in the Final Terms, the Knock-Out Barrier Value is; or
- (b) if SPS Knock-Out is specified as being not-applicable in the Final Terms:
 - (i) in respect of a single Commodity, that the price of the Commodity determined by the Calculation Agent at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date is; and
 - (ii) in respect of one or more Commodities, that the amount determined by the Calculation Agent being equal to the sum of the values of each Commodity (the value of each Commodity being the product of (x) the price of such Commodity at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date and (y) the applicable Weighting) is:

in each case (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "less than or equal to" the Knock-Out Barrier or (B) "within" the Knock-Out Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-Out Barrier Effective Date, or (y) in respect of any Knock-Out Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-Out Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Condition 1 and Condition 3 of the Commodity Linked Note Terms;

"Weighting" means the weighting specified in the relevant Final Terms.

6. AUTOMATIC EARLY REDEMPTION

If the Final Terms specify that "Automatic Early Redemption Event" is applicable, and unless the Notes have previously been redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) on each of the Automatic Early Redemption Valuation Dates in the Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms, an Automatic Early Redemption Event occurs, then the Notes shall automatically be redeemed in full, and not part only, on the Automatic Early Redemption Date immediately following the Automatic Early Redemption Valuation Date or the end of the relevant Automatic Early Redemption Valuation Period, and the Early Redemption Amount payable by the Issuer on such date for the redemption of each Note shall be an amount in the currency specified in the Final Terms equal to the Automatic Early Redemption Amount.

"Automatic Early Redemption Amount" means, the amount determined by reference to the Automatic Early Redemption Payout if specified in the relevant Final Terms and, failing which, the product of (i) the Specified Denomination of each Note and (ii) the applicable Automatic Early Redemption Rate relating to such Automatic Early Redemption Date;

"Automatic Early Redemption Date(s)" means the date(s) specified in the relevant Final Terms, or, if any such date is not a Business Day, the immediately succeeding Business Day, provided that no Noteholder shall be entitled to any interest or additional payment by reason of such postponement;

"Automatic Early Redemption Event" means:

- (a) If SPS AER is specified as being applicable in the Final Terms, the SPS AER Value is; or
- (b) If SPS AER is specified as being not applicable in the Final Terms;

(a) in the case of a single Commodity, that the price of the Commodity determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date is, and (b) in the case of multiple Commodities, that the amount determined by the Calculation Agent being equal to the sum of the values of each Commodity (the value of a Commodity being the product (x) of the price of such Commodity as determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date, and (y) of the applicable Weighting) is, in each case;

(i) "greater than", (ii) "greater than or equal to", (iii) "lower than" or (iv) "lower than or equal to" the Automatic Early Redemption Level (specified in the Final Terms) as specified in the relevant Final Terms (x) on any Automatic Early Redemption Valuation Date, or (y) on any Automatic Early Redemption Valuation Date(s) falling in any Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms;

"Automatic Early Redemption Level" means (i) in the case of a single Commodity, the level of such Commodity, and (ii) in the case of one or more Commodities, the level of such Commodities, in each case (x) specified in the relevant Final Terms (y) or calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, if SPS AER is specified as being applicable in the Final Terms, all subject to the "Adjustments to a Commodity Index" specified in Condition 3 above;

"Automatic Early Redemption Rate" means, in respect of an Automatic Early Redemption Date, (x) the rate specified as such, (y) or calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS AER is specified as being applicable, in each case as specified in the relevant Final Terms;

"Automatic Early Redemption Valuation Date(s)" means the date(s) specified in the relevant Final Terms or, if any such date is not a Trading Day, the following Trading Day unless, in the opinion of the Calculation Agent, a Disruption Event occurs on such date, in which case, the corresponding provisions in the definition "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were instead to "Automatic Early Redemption Valuation Date";

"Automatic Early Redemption Valuation Period" means the period as specified in the relevant Final Terms;

"SPS AER Value" means the value calculated in accordance with the Supplemental

Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10 as specified in the relevant Final Term.

7. CONSEQUENCES OF AN ADDITIONAL DISRUPTION EVENT OR OPTIONAL ADDITIONAL DISRUPTION EVENT

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event have/has occurred, the Issuer may redeem the Notes by sending the Noteholders a notice in accordance with Condition 15 of the Terms and Conditions of the Notes. If the Notes are so redeemed, the Issuer shall pay to each Noteholder, in respect of each Note, an amount equal to the fair market value of such Note, taking into account such Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying hedging arrangements, and plus all interest accrued, if any, up to the effective date of redemption, all as determined by the Calculation Agent. Payments shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes.

8. DEFINITIONS

"Additional Disruption Event" means: a Change in Law or a Hedging Disruption;

"Basket Component" means any Commodity or Commodity Index comprised in a Basket of Commodities;

"Basket of Commodities" means (i) a basket comprising at least two Commodities and/or Commodity Indices specified in the relevant Final Terms assigned with the weightings specified in the relevant Final Terms or (ii) a Relative Performance Basket;

"Change in Law" means that, on or after the Trade Date (as specified in the relevant Final Terms), (A) due to the adoption of, or any change in, any applicable law or regulation (including, without limitation, any law and/or regulation relating to tax or to solvency and/or capital adequacy 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 supervisory authority), or the combined effect of any of such events if they occur more than once, the Issuer determines: that:

- (a) it has become illegal to hold, acquire or dispose of any hedging position in respect of the Notes; or
- (b) the Issuer or any of its Affiliates would incur a materially increased cost (including, without limitation, due to any tax, solvency or capital adequacy requirement) in respect of the Notes or the holding, acquisition or disposal of any hedging position in respect of the Notes.

"Commodity" means, subject to adjustment in accordance with these Commodity Linked Note Terms, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the relevant Final Terms, and related expressions shall be construed accordingly; for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of these Commodity Linked Note Terms and the relevant Final Terms;

"Commodity Business Day" means:

- (a) in respect of a Commodity or Commodity Index:
 - (i) where the Commodity Reference Price for the relevant Commodity or

Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or

- (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"Commodity Correction Period" means the period specified in the relevant Final Terms;

"Commodity Disrupted Day" means a day on which a Market Disruption Event has occurred;

"Commodity Fallback Value" means:

- (a) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Price having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or
- (b) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, using the price for each Index Component or Basket Component, as the case may be, determined as follows:
 - (i) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
 - (ii) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an **"Affected Item"**), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the consecutive Pricing Dates immediately following the Scheduled Pricing Date is a Commodity Disrupted Day during a period equal to the Maximum Number of Disrupted Days. In such case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item based upon the price at which the

Issuer is able to sell or otherwise realise any hedge positions in respect of the Notes during the period of five (5) Commodity Business Days following the last such consecutive Pricing Dates;

"Commodity Index" means each index specified as such in the relevant Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity (each an **"Index Component"**);

"Commodity Reference Price" means (i) in respect of any Commodity or Commodity Index, the Commodity Reference Price specified in the relevant Final Terms;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month published or capable of being determined from information published by the relevant Price Source) determined as follows:

- (a) if a date is, or a month and year are, specified in the relevant Final Terms, that date or that month and year;
- (b) if a Nearby Month is specified in the relevant Final Terms, the month of expiration of the relevant Futures Contract; and
- (c) if a method is specified in the relevant Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

"Disappearance of Commodity Reference Price" means (A) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (B) the disappearance of, or of trading in, the relevant Commodity or Index Component or (C) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the relevant Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Linked Note Term 2 (Consequences of a Market Disruption Event and Disruption Fallbacks);

"Exchange" means, in respect of a Commodity, the exchange or principal trading market for such Commodity, specified in the relevant Final Terms or in the Commodity Reference Price and, in the case of a Commodity Index, the exchange or principal trading market for each Index Component comprised in such Commodity Index;

"Final Pricing Date" or **"Final Interest Pricing Date"** means the date as specified in the relevant Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Final Interest Pricing Date";

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery, on the relevant Delivery Date, of the Commodity or Commodity Index referred to in that Commodity Reference Price;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, despite

reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or forward contract(s) or options contract(s) that it deems necessary to hedge the commodity price risk or any other price risk assumed by the Issuer in issuing the Notes and performing its obligations under the Notes, or to (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or forward contract(s) or options contract(s) or any hedging position in respect of the Notes;

"Index Component Disruption Event" means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Pricing Date" or **"Initial Interest Pricing Date"** means the date as specified in the relevant Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Initial Interest Pricing Date";

"Intraday Price" means, in respect of a Commodity, Commodity Index or Index Component and any time on a Pricing Date, the Relevant Price of such Commodity, Commodity Index or Index Component at such time on such day, as determined by the Calculation Agent, subject as provided in Commodity Linked Note Term 2 (Consequences of a Market Disruption Event and Disruption Fallbacks) and, if applicable, Commodity Linked Note Term 3 (Adjustments to a Commodity Index);

"Limit Price Event" means that the settlement price of any Commodity or Index Component has increased or decreased from the previous day's published settlement price by an amount equal to the maximum amount permitted under the applicable exchange rules for such Commodity or Index Component;

"Material Change in Content" means the occurrence since the Issue Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, any Index Component.

"Material Change in Formula" means the occurrence since the Issue Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

"Maximum Number of Disrupted Days" means five (5) Commodity Business Days or such other Maximum Number of Disrupted Days as is specified in the relevant Final Terms;

"Nearby Month", when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (A) **"First Nearby Month"**

means the month of expiration of the first Futures Contract to expire following that Pricing Date; (B) "**Second Nearby Month**" means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (C) "**Sixth Nearby Month**" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

"**Optional Additional Disruption Event**" means any event specified as such in the relevant Final Terms;

"**Price Source**" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"**Price Source Disruption**" means (A) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (B) the temporary or permanent discontinuance or unavailability of the Price Source;

"**Pricing Date**" or "**Interest Pricing Date**" means each date specified in the Final Terms as being the Initial Pricing Date, an Ascertainment Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a Commodity Disrupted Day, in which case:

- (a) the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the consecutive Pricing Dates immediately following the Scheduled Pricing Date or the Scheduled Interest Pricing Date is a Commodity Disrupted Day during a period equal to the Maximum Number of Disrupted Days. In such case, (A) such last consecutive Commodity Business Day shall be deemed to be the Pricing Date or the Interest Pricing Date, as the case may be, irrespective of whether such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall take action in accordance with the provisions of Commodity Linked Note Term 2 (Consequences of Market Disruption Events and Disruption Fallbacks);
- (b) References in these Conditions to the "Pricing Date" shall be deemed to apply *mutatis mutandis* to any "Interest Pricing Date";

"**Reference Dealers**" means four prime market participants active in the relevant Commodities market, selected by the Calculation Agent;

"**Relative Performance Basket**" means a basket comprising at least two Commodities and/or Commodity Indices specified in the relevant Final Terms where no weighting shall be applicable and where the Final Redemption Amount shall be determined by reference to the Commodity or the Commodity Index which is either (i) the best performing, (ii) the worst performing, or (iii) by reference to any other measure of performance applied to the Commodities and/or Commodity Indices, in each case as specified in the relevant Final Terms.

"**Relevant Price**" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Commodity Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Linked Note Terms and the relevant Final Terms;

"Scheduled Pricing Date" or **"Scheduled Interest Pricing Date"** means any original date that, but for the occurrence of an event causing a Commodity Disrupted Day, would have been a Pricing Date. References in these Conditions to "Scheduled Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Scheduled Interest Pricing Date";

"Specified Price" means, in respect of a Commodity Reference Price, any of the following prices (which must be a price published by, or capable of being determined from information published by, the relevant Price Source), as specified in the relevant Final Terms (and, where applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the relevant Final Terms on the Pricing Date;

"Tax Disruption" means the imposition of, change in or removal of any indirect tax, sales or consumption tax, value added tax, transfer tax, stamp duty, documentary tax, registration duty or other similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index on any Index Component (other than a tax on, or measured by reference to overall gross or net income), by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

"Trading Disruption" means the material suspension of, or a material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange specified in the relevant Final Terms or in any additional futures contract, options contract, commodity index or commodity on such Exchange. For these purposes:

- (a) a suspension of trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date and trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation on trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

TECHNICAL ANNEX 6
SUPPLEMENTAL TERMS APPLICABLE TO EXCHANGE RATE (FX) LINKED NOTES

The terms applicable to Exchange Rate (FX) Linked Notes include the terms and conditions of the Notes set forth on pages 89 to 121 (the "Terms and Conditions of the Notes") and the supplemental terms described below (the "FX Linked Note Terms and Conditions" or abbreviated to "FX Linked Note Terms"), in each case, subject as provided in the relevant Final Terms. In the event of conflict between the Terms and Conditions of the Notes and the FX Linked Note Terms, the FX Linked Note Terms shall prevail.

All expressions beginning with a capital letter and not defined in these Exchange Rate Linked Notes shall have the meanings given thereto in the Terms and Conditions of the Notes or the relevant Final Terms.

References herein to "Conditions" are, unless the context requires otherwise, to the numbered paragraphs below.

1. **DISRUPTION EVENT**

The occurrence of any of the following events, in respect of a Base Currency, a Subject Currency and/or Subject Currencies, shall constitute a Disruption Event:

- (a) Price Source Disruption;
- (b) Illiquidity Disruption;
- (c) Dual Exchange Rate; or
- (d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) or (c).

The Calculation Agent shall, as soon as practicable, notify the Noteholders, in accordance with Condition 15 of the Terms and Conditions of the Notes, that a Disruption Event has occurred on a day which, but for the occurrence of such Disruption Event, would have been an Averaging Date, a Settlement Price Date, an Knock-In Barrier Effective Date or a Knock-Out Barrier Effective Date, as the case may be.

2. **CONSEQUENCES OF A DISRUPTION EVENT**

If the Calculation Agent determines that a Disruption Event has occurred or subsists on any Averaging Date or Settlement Price Date (or, if different, the day on which prices for such date are usually published by the Price Source), the Calculation Agent shall:

- (a) apply the Disruption Fallbacks to determine the consequences of the Disruption Event.

"Disruption Fallbacks" means a source or method that may give rise to an alternative basis for determining the Settlement Price in respect of a Base Currency, a 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 action specified in paragraphs (i), (ii) or (iii) below.

- (i) if an Averaging Date or Settlement Price Date is a Disrupted Day, the Calculation Agent shall 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 a Valid Date (in the case of an Averaging Date or Settlement Price Date which is not the Strike Date), unless each of the following consecutive Scheduled Trading Days is a Disrupted Day during a period equal to the Maximum Number of Disrupted Days immediately following the originally scheduled Averaging Date or Settlement Price Date, as the case may be, in which case the Calculation Agent may determine that the last of such consecutive Scheduled Trading Days shall be deemed to be the Averaging Date or Settlement Price Date, as the case may be (irrespective of whether, in the case of an Averaging Date or Settlement Price Date, such last 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 reasonable efforts to determine a level for the Base Currency, the Subject Currency and/or Subject Currencies, at the Valuation Time on the last of such consecutive Scheduled Trading Days, taking into consideration all available information that it deems in good faith to be relevant; or

(ii) if an Averaging Date or Settlement Price Date is a Disrupted Day, but is not a Redemption Valuation Date, and if "Deferred Redemption following a Disruption Event" is specified as not applicable in the relevant Final Terms, on giving notice to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes, 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. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes; or

(iii) if an Averaging Date or Settlement Price Date is a Disrupted Day, but is not a Redemption Valuation Date, and if "Deferred Redemption following a Disruption Event" is specified as applicable in the relevant 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 "**(FX) Exchange Rate Disruption Calculated Amount**"), as soon as practicable after the occurrence of the Disruption Event (the "**(FX) Exchange Rate Disruption Calculated Amount Determination Date**"), and shall, on the Maturity Date, redeem each Note in an amount calculated by the Calculation Agent, equal to (x) the (FX) Exchange Rate Disruption Calculated Amount plus interest accrued up to the (FX) Exchange Rate Disruption Calculated Amount Determination Date included, up to the Maturity Date not included, at a rate equal to the Issuer's cost of refinancing on such date, or (y) if Protected Capital Termination Amount is specified as being applicable in the relevant Final Terms, and such amount is higher, at its nominal amount; and/or

(b) 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, where 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 as provided in FX Linked Note Term 2, an amount equal to the spot rate of exchange appearing on the relevant Screen Page at the Valuation Time on such Settlement Price Date as determined by the Calculation Agent, or at the rate for 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 being applicable in the relevant Final Terms any payment under the Notes specified in the relevant Final Terms as being subject to a Knock-In Event, shall be subject to the occurrence of such Knock-In Event.

4.2 If **"Knock-Out Event"** is specified as being applicable in the relevant Final Terms any payment under the Notes specified in the relevant Final Terms as being subject to a Knock-Out Event, shall be subject to the occurrence of such Knock-Out Event.

4.3 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date at any time in the hour preceding or following the Valuation Time the Exchange Rate level reaches the Knock-In Barrier or the Knock-Out Barrier, a (a) Price Source Disruption, (b) an Illiquidity Disruption, (c) a Dual Exchange Rate or (d) any other event that, in the opinion of the Calculation Agent is analogous to any referred to in (a), (b) or (c), occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred; provided however that if, by the effect of this clause, no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the Exchange Rate level at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time as provided in the definition of "Valuation Date".

4.4 If the Knock-In Barrier Valuation Time or the Knock-Out Barrier Valuation Time specified in the relevant Final Terms is any time or period of time during the normal market opening hours on the relevant Exchange and if on any Knock-In Barrier Effective Date or on any Knock-Out Barrier Effective Date at any time in the hour preceding or following the time at which the Exchange Rate level reaches the Knock-In Barrier or the Knock-Out Barrier, (a) a Price Source Disruption, (b) an Illiquidity Disruption, (c) a Dual Exchange Rate or (d) any other event that, in the opinion of the Calculation Agent is analogous to any referred to in (a), (b) or (c), occurs or exists, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred, provided however that if, by the effect of this clause no Knock-In Barrier Effective Date or Knock-Out Barrier Effective Date occurs during the Knock-In Barrier Effective Period or the Knock-Out Barrier Effective Period, the Knock-In Barrier Effective Period End Date or the Knock-Out Barrier

Effective Period End Date shall be deemed to be a Valuation Date and the Calculation Agent shall determine the Exchange Rate level at the Knock-In Barrier Valuation Time or at the Knock-Out Barrier Valuation Time as provided in the definition of "Valuation Date".

4.5 Definitions relating to Knock-In Event/Knock-Out Event

"Knock-In Barrier" means (i) in the case of a single Exchange Rate, the level of the Exchange Rate and (ii) in the case of one or more Exchange Rates, the level of the Exchange Rates, in each case (x) specified as such in the Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-In is specified as applicable in the Final Terms, in each case, subject to adjustment where applicable in accordance with Conditions 1 and 2 of the FX Linked Note Terms.

"Knock-In Barrier Effective Date" means the dates specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-In Barrier Effective Period.

"Knock-In Barrier Effective Period" means the period commencing on the Knock-In Barrier Effective Period Commencement Date included and ending on the Knock-In Barrier Effective Period End Date included.

"Knock-In Barrier Effective Period Commencement Date" means the date as specified in the relevant Final Terms or, if "Exchange Rate Trading Day Convention – Knock-In Barrier Effective Period Commencement Date" is specified as applicable in the relevant Final Terms, and if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day.

"Knock-In Barrier Effective Period End Date" means the date as specified in the relevant Final Terms or, if "Exchange Rate Trading Day Convention – Knock-In Barrier Effective Period End Date" is specified as applicable in the relevant Final Terms, and if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day.

"Knock-In Barrier Valuation Time" means the time or period of time on any Knock-In Barrier Effective Date as specified in the relevant Final Terms or, if the relevant Final Terms do not specify a Knock-In Barrier Valuation Time, the Knock-In Barrier Valuation Time shall be the Valuation Time.

"Knock-In Barrier Value" means the value calculated in accordance with the Supplemental Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10, as specified in the relevant Final Terms.

"Knock-In Event" means:

- (a) if SPS Knock-In is specified as being applicable in the relevant Final Terms, the Knock-In Barrier Value is; or
- (b) if SPS Knock-In is specified as being not-applicable in the relevant Final Terms,
 - (i) in respect of a single Exchange Rate, that the level of the Exchange Rate determined by the Calculation Agent at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date is;
 - (ii) in respect of one or more Exchange Rates, that the amount determined by the Calculation Agent being equal to the sum of the values of each Exchange

Rate (the value of each Exchange Rate being the product of (x) the level of such Exchange Rate at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date and (y) the applicable Weighting) is

in each case (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-In Barrier or (B) "within" the Knock-In Tunnel, in each case, as specified in the relevant Final Terms (x) on any Knock-In Barrier Effective Date, or (y) in respect of any Knock-In Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-In Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Conditions 1 and 2 of the FX Linked Note Terms.

"Knock-Out Barrier" means (i) in the case of a single Exchange Rate, the level of the Exchange Rate and (ii) in the case of one or more Exchange Rates, the level of the Exchange Rates, in each case (x) specified as such in the relevant Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-Out is specified as applicable in the relevant Final Terms, in each case, subject to adjustment where applicable in accordance with Conditions 1 and 2 of the FX Linked Note Terms above.

"Knock-Out Barrier Effective Date" means the dates specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-Out Barrier Effective Period.

"Knock-Out Barrier Effective Period" means the period commencing on the Knock-Out Barrier Effective Period Commencement Date included and ending on the Knock-Out Barrier Effective Period End Date included.

"Knock-Out Barrier Effective Period Commencement Date" means the date as specified in the relevant Final Terms or, if "Exchange Rate Trading Day Convention – Knock-Out Barrier Effective Period Commencement Date" is specified as applicable in the relevant Final Terms, and if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day.

"Knock-Out Barrier Effective Period End Date" means the date as specified in the relevant Final Terms or, if "Exchange Rate Trading Day Convention – Knock-Out Barrier Effective Period End Date" is specified as applicable in the relevant Final Terms, and if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day.

"Knock-Out Barrier Valuation Time" means the time or period of time on any Knock-Out Barrier Effective Date as specified in the relevant Final Terms or, if the relevant Final Terms do not specify a Knock-Out Barrier Valuation Time, the Knock-Out Barrier Valuation Time shall be the Valuation Time.

"Knock-Out Barrier Value" means the value calculated in accordance with the Supplemental Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10, as specified in the relevant Final Terms.

"Knock-Out Event" means:

- (a) if SPS Knock-Out is specified as being applicable in the Final Terms, the Knock-Out Barrier Value is; or
- (b) if SPS Knock-Out is specified as being not-applicable in the Final Terms,

- (i) in respect of a single Exchange Rate, that the level of the Exchange Rate determined by the Calculation Agent at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date is; and
- (ii) in respect of one or more Exchange Rates, that the amount determined by the Calculation Agent being equal to the sum of the values of each Exchange Rate (the value of each Exchange Rate being the product of (x) the level of such Exchange Rate at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date and (y) the applicable Weighting) is

in each case (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-Out Barrier or (B) "within" the Knock-Out Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-Out Barrier Effective Date, or (y) in respect of any Knock-Out Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-Out Tunnel" means the tunnel specified in the relevant Final Terms, subject to adjustment where applicable as provided in Conditions 1 and 2 of the FX Linked Note Terms.

"Weighting" means the weighting specified in the relevant Final Terms.

5. AUTOMATIC EARLY REDEMPTION

If the Final Terms specify that **"Automatic Early Redemption Event"** is applicable, and unless the Notes have previously been redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) on each of the Automatic Early Redemption Valuation Dates in the Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms, an Automatic Early Redemption Event occurs, then the Notes shall automatically be redeemed in full, and not part only, on the Automatic Early Redemption Date immediately following the Automatic Early Redemption Valuation Date or the end of the relevant Automatic Early Redemption Valuation Period, and the Early Redemption Amount payable by the Issuer on such date for the redemption of each Note shall be an amount in the currency specified in the Final Terms equal to the Automatic Early Redemption Amount.

Definitions

"Automatic Early Redemption Amount" means, the amount determined by reference to the Automatic Early Redemption Payout if specified in the relevant Final Terms and, failing which, the product of (i) the Specified Denomination of each Note and (ii) the applicable Automatic Early Redemption Rate relating to such Automatic Early Redemption Date.

"Automatic Early Redemption Date(s)" means the date(s) specified in the relevant Final Terms, or, if any such date is not a Business Day, the immediately succeeding Business Day, provided that no Noteholder shall be entitled to any interest or additional payment by reason of such postponement.

"Automatic Early Redemption Event" means:

- (a) if SPS AER is specified as being applicable in the Final Terms, the SPS AER Value is; or
- (b) if SPS AER is specified as being not applicable in the Final Terms;

(a) in the case of a single Exchange Rate that the level of the Exchange Rate determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date is, and (b) and in the case of several Exchange Rates, that the amount determined by the Calculation Agent being equal to the sum of the values of each Exchange Rate (the value of an Exchange Rate being the product of (x) the level of such Exchange Rate as determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date, and (y) the applicable Weighting) is, in each case;

(i) "greater than", (ii) "greater than or equal to", (iii) "lower than" or (iv) "lower than or equal to" the Automatic Early Redemption Level (specified in the Final Terms) as specified in the relevant Final Terms (x) on any Automatic Early Redemption Valuation Date, or (y) on any Automatic Early Redemption Valuation Date(s) falling in an Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms.

"Automatic Early Redemption Level" means (i) in the case of a single Exchange Rate, the level of the Exchange Rate, and (ii) in the case of one or more Exchange Rates, the level of the Exchange Rates, in each case (x) specified as such in the relevant Final Terms (y) or calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, if SPS AER is specified as being applicable in the Final Terms, subject to the "Disruption Fallbacks" set forth in Condition 2 above.

"Automatic Early Redemption Rate" means, in respect of an Automatic Early Redemption Date, (x) the rate specified as such, (y) or calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS AER is specified as being applicable, in each case as specified in the relevant Final Terms.

"Automatic Early Redemption Valuation Date(s)" means the date(s) specified in the relevant Final Terms, or, if any such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day, unless in the determination of the Calculation Agent a Disruption Event has occurred on such date, in which case, the corresponding provisions in the definition "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were instead to "Automatic Early Redemption Valuation Date".

"Automatic Early Redemption Valuation Period" means the period as specified in the relevant Final Terms.

"SPS AER Value" means the value calculated in accordance with the Supplemental Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10 as specified in the relevant Final Terms.

6. CONSEQUENCES OF AN ADDITIONAL DISRUPTION EVENT OR OPTIONAL ADDITIONAL DISRUPTION EVENT

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event have/has occurred, the Issuer may redeem the Notes by sending the Noteholders a notice in accordance with Condition 15 of the Terms and Conditions of the Notes. If the Notes are so redeemed, the Issuer shall pay to each Noteholder, in respect of each Note, an amount equal to the fair market value of such Note, taking into account such Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying hedging arrangements, and plus all interest accrued, if any, up to the effective date of redemption, all as determined by the Calculation Agent. Payments shall be made in the manner notified to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes.

"Additional Disruption Event" means each of the following events: a Change in Law, a Hedging Disruption and an Increased Cost of Hedging.

"Change in Law" means that, on or after the Trade Date (as specified in the relevant Final Terms), (A) due to the adoption of, or any change in, any applicable law or regulation (including, without limitation, any law and/or regulation relating to tax or to solvency and/or capital adequacy 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 supervisory authority), or the combined effect of any of such events if they occur more than once, the Issuer determines in its sole discretion that:

- (a) it is unable to perform its obligations under the Notes or that it has become illegal to hold, acquire or dispose of any hedging position in respect of the Notes; or
- (b) the Issuer or any of its Affiliates would incur a materially increased cost (including, without limitation, due to any tax, solvency or capital adequacy requirement) in respect of the Notes or the holding, acquisition or disposal of any hedging position in respect of the Notes.

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense, cost 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 risk (including, but without limitation, the foreign exchange risk and interest rate risk) of issuing the Notes and performing its obligations under the Notes or to (B) realise, recover or remit the proceeds of any such transactions or assets, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"Optional Additional Disruption Event" means any event specified as such in the relevant Final Terms.

7. DEFINITIONS

"Averaging Date" means the dates specified in the relevant Final Terms or, if any such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day, unless in the determination of the Calculation Agent such date is a Disrupted Day, in which case the provisions of FX Linked Note Term 2 (Consequences of a Disruption Event) shall apply.

"Basket of Subject Currencies" means (i) a basket comprising the Subject Currencies specified in the relevant Final Terms assigned with the weightings specified in the relevant Final Terms or (ii) a Relative Performance Basket.

"Disrupted Day" means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred.

"Dual Exchange Rate" means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates.

"Exchange Rate Averaging Date" means the dates specified in the relevant Final Terms or, if any such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day, unless in the determination of the Calculation Agent such date is a Disrupted Day, in which case the provisions of FX Linked Note Term 2 (Consequences

of a Disruption Event) shall apply.

"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 Calculation Agent to hedge the 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).

"Maximum Number of Disrupted Days" means the number of days specified in the relevant Final Terms, or, if not specified, five (5) Scheduled Trading Days.

"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 relevant Final Terms.

"Price Source Disruption" means that it has become impossible to obtain the rate(s) by reference to which the Settlement Price is calculated.

"Relative Performance Basket" means a basket comprising the Subject Currencies specified in the relevant Final Terms where no weighting shall be applicable and where the Final Redemption Amount shall be determined by reference to the Subject Currency which is either (i) the best performing, (ii) the worst performing, or (iii) by reference to any other measure of performance applied to the Subject Currencies, in each case as specified in the relevant Final Terms.

"Scheduled Trading Day" means a day on which commercial banks are (or would, but for the occurrence of a Disruption Event, have been) open for general business (including foreign exchange transactions in accordance with current market practice in the foreign exchange markets) in the principal financial centres for the Base Currency and the Subject Currency or Subject Currencies.

"Settlement Price Date" means the Strike Date, the Observation Date or the Valuation Date, as the case may be.

"Strike Date" means the Strike Date specified in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of FX Linked Note Term 2 (Consequences of a Disruption Event) shall apply.

"Strike Day" means each date as specified in the relevant Final Terms and, if "Averaging Date" is specified as applicable in the relevant 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 instead to "Strike Day".

"Strike Period" means the period as specified in the relevant Final Terms.

"Valid Date" means a Scheduled Trading Day which is not a Disrupted Day and on which no Averaging Date falls or is deemed to fall.

"Valuation Date" means any Interest Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of FX Linked Note Term 2 (Consequences of a Disruption Event) shall apply.

"Valuation Time" means, unless provided otherwise in the relevant Final Terms, the time at which the Price Source publishes the relevant rates by reference to which the Settlement Price is calculated.

TECHNICAL ANNEX 7
SUPPLEMENTAL TERMS APPLICABLE TO UNDERLYING INTEREST RATE
LINKED NOTES

*The terms applicable to Underlying Interest Rate Linked Notes include the terms and conditions of the Notes set forth on pages 89 to 121 (the "**Terms and Conditions of the Notes**") and the supplemental terms described below (the "**Terms and Conditions of the Underlying Interest Rate Linked Notes**" or abbreviated to "**Interest Rate Linked Note Terms**"), in each case, subject as provided in the relevant Final Terms. In the event of conflict between the Terms and Conditions of the Notes and the Interest Rate Linked Note Terms, the Interest Rate Linked Note Terms shall prevail.*

All expressions beginning with a capital letter and not defined in these Underlying Interest Rate Linked Notes Terms shall have the meanings given thereto in the Terms and Conditions of the Notes or the relevant Final Terms.

*References herein to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.*

1. DETERMINATION OF THE UNDERLYING INTEREST RATE

In respect of each Underlying Interest Rate Determination Date or Basket of Underlying Interest Rates specified in the relevant Final Terms, the Underlying Interest Rate or the Basket of Underlying Interest Rates shall be determined in the manner specified in the relevant Final Terms.

2. ISDA DETERMINATION

If the relevant Final Terms specify that ISDA Determination shall be the method for determining the Underlying Interest Rate, the Underlying Interest Rate shall be the applicable Underlying ISDA Rate plus or minus (as specified in the relevant Final Terms) the Underlying Margin (if any) specified in the relevant Final Terms. For the purpose of these Interest Rate Linked Note Terms, the "**Underlying ISDA Rate**" means a rate equal to the Floating Rate as would be determined by the Calculation Agent for an interest rate swap transaction, if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for such interest rate swap transaction, under an agreement incorporating the ISDA Definitions 2006, as published by the *International Swaps and Derivatives Association, Inc.*, and as amended and updated on the Issue Date of the first Tranche of Notes (the "**ISDA Definitions**"), and under the terms of which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the Designated Maturity is a period as specified in the relevant Final Terms; and
- (c) the Reset Date is the date specified in the relevant Final Terms.

For the purposes of these Interest Rate Linked Note Terms, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" shall have the meanings ascribed thereto in the ISDA Definitions.

3. SCREEN RATE DETERMINATION

If the relevant Final Terms specify that Screen Rate Determination shall be the method for determining the Underlying Interest Rate, the Underlying Interest Rate shall, subject as provided below, be:

- (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 at the Specified Time as specified in the relevant 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 relevant Underlying Interest Rate Determination Date, plus or minus (as specified in the relevant 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.

If the relevant Screen Page is not available or if, in the case of (a) above, no offered quotation appears or, in the case of (b) above, lower than three offered quotations appear, in each case by the Specified Time specified above or in the relevant Final Terms, the Calculation Agent shall determine the Underlying Reference Rate, as being the rate that would have applied, in its reasonable opinion, had such unavailability or other event not occurred.

For the avoidance of doubt, if "*Benchmark Replacement*" is specified to be "Applicable" in the relevant Final Terms and amounts under any Underlying Interest Rate Linked Notes are to be calculated by reference to any Underlying Interest Rate in respect of which a Benchmark Event occurs, then the provisions of Condition 5.3(iii)(F) of the Terms and Conditions of the Notes shall apply and prevail over the provisions of these Interest Rate Linked Note Terms.

4. DETERMINATION OF THE UNDERLYING INTEREST RATE

The Calculation Agent shall, on each date or as soon as possible after each date on which the Underlying Interest Rate or the Basket of Underlying Interest Rates is to be determined (the "**Underlying Interest Rate Determination Date**"), determine the Underlying Reference Rate (subject to any Minimum Underlying Reference Rate or Maximum Underlying Reference Rate, if any, specified in the relevant Final Terms). The Calculation Agent shall notify the Underlying Reference Rate to the Calculation Agent as soon as possible thereafter.

5. MINIMUM AND/OR MAXIMUM UNDERLYING REFERENCE RATE

If the relevant Final Terms specify a Minimum Underlying Reference Rate, then, if the Underlying Reference Rate determined in accordance with Conditions 2 or 3 above (as the case may be) of these Interest Rate Linked Note Terms, is lower than such Minimum Underlying Reference Rate, the Underlying Reference Rate shall be such Minimum Underlying Reference Rate.

If the relevant Final Terms specify a Maximum Underlying Reference Rate, then, if the Underlying Reference Rate determined in accordance with Conditions 2 or 3 above (as the case may be) of these Interest Rate Linked Note Terms, 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 being applicable in the relevant Final Terms any payment under the Notes specified in the relevant Final Terms as being subject to a Knock-In Event, shall be subject to the occurrence of such Knock-In Event.

6.2 If "**Knock-Out Event**" is specified as being applicable in the relevant Final Terms any payment under the Notes specified in the relevant Final Terms as being subject to a Knock-Out Event, shall be subject to the occurrence of such Knock-Out Event.

6.3 Definitions relating to Knock-In Events/Knock-Out Events

"**Knock-In Barrier**" means (i) in the case of a single Underlying Interest Rate, the level of the Underlying Interest Rate and (ii) in the case of one or more Underlying Interest Rates, the level of the Underlying Interest Rates, in each case (x) specified as such in the Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-In is specified as applicable in the Final Terms.

"**Knock-In Barrier Effective Date**" means the dates specified as such in the relevant Final Terms, or each Business Day during the Knock-In Barrier Effective Period.

"**Knock-In Barrier Effective Period**" means the period commencing on the Knock-In Barrier Effective Period Commencement Date included and ending on the Knock-In Barrier Effective Period End Date included.

"**Knock-In Barrier Effective Period Commencement Date**" means the date as specified in the relevant Final Terms or, if "Underlying Interest Rate Trading Day Convention for the Knock-In Barrier Effective Period Commencement Date" is specified as applicable in the relevant Final Terms, and if such date is not a Business Day, the immediately succeeding Business Day.

"**Knock-In Barrier Effective Period End Date**" means the date as specified in the relevant Final Terms or, if "Underlying Interest Rate Trading Day Convention for the Knock-In Barrier Effective Period End Date" is specified as applicable in the relevant Final Terms, and if such date is not a Business Day, the immediately succeeding Business Day.

"**Knock-In Barrier Valuation Time**" means the time or period of time on any Knock-In Barrier Effective Date as specified in the relevant Final Terms or if the relevant Final Terms do not specify a Knock-In Barrier Valuation Time, the Knock-In Barrier Valuation Time shall be the Valuation Time.

"**Knock-In Barrier Value**" means the value calculated in accordance with the Supplemental Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10, as specified in the relevant Final Terms.

"**Knock-In Event**" means:

- (a) if SPS Knock-In is specified as being applicable in the relevant Final Terms, the Knock-In Barrier Value is; or
- (b) if SPS Knock-In is specified as being not-applicable in the relevant Final Terms,
 - (i) in respect of a single Underlying Interest Rate, that the level of the Underlying Interest Rate determined by the Calculation Agent at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date is;
 - (ii) in respect of one or more Underlying Interest Rates, that the amount

determined by the Calculation Agent equal to the sum of the values of each Underlying Interest Rate (the value of each Underlying Interest Rate being the product of (x) the level of such Underlying Interest Rate at the Knock-In Barrier Valuation Time on any Knock-In Barrier Effective Date and (y) the applicable Weighting) is

in each case (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-In Barrier or (B) "within" the Knock-In Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-In Barrier Effective Date, or (y) in respect of any Knock-In Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-In Tunnel" means the tunnel specified in the relevant Final Terms.

"Knock-Out Barrier" means (i) in the case of a single Underlying Interest Rate, the level of the Underlying Interest Rate and (ii) in the case of one or more Underlying Interest Rates, the level of the Underlying Interest Rates, in each case (x) specified as such in the relevant Final Terms or (y) calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS Knock-Out is specified as applicable in the relevant Final Terms.

"Knock-Out Barrier Effective Date" means the dates specified as such in the relevant Final Terms, or each Business Day during the Knock-Out Barrier Effective Period.

"Knock-Out Barrier Effective Period" means the period commencing on the Knock-Out Barrier Effective Period Commencement Date included and ending on the Knock-Out Barrier Effective Period End Date included.

"Knock-Out Barrier Effective Period Commencement Date" means the date as specified in the relevant Final Terms or, if "Underlying Interest Rate Trading Day Convention for the Knock-Out Barrier Effective Period Commencement Date" is specified as applicable in the relevant Final Terms, and if such date is not a Business Day, the immediately succeeding Business Day.

"Knock-Out Barrier Effective Period End Date" means the date as specified in the relevant Final Terms or, if "Underlying Interest Rate Trading Day Convention for the Knock-Out Barrier Effective Period End Date" is specified as applicable in the relevant Final Terms, and if such date is not a Business Day, the immediately succeeding Business Day.

"Knock-Out Barrier Valuation Time" means the time or period of time on any Knock-Out Barrier Effective Date as specified in the relevant Final Terms or if the relevant Final Terms do not specify a Knock-Out Barrier Valuation Time, the Knock-Out Barrier Valuation Time shall be the Valuation Time.

"Knock-Out Barrier Value" means the value calculated in accordance with the Supplemental Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10, as specified in the relevant Final Terms.

"Knock-Out Event" means:

- (a) if SPS Knock-Out is specified as being applicable in the Final Terms, the Knock-Out Barrier Value is; or
- (b) if SPS Knock-Out is specified as being not-applicable in the Final Terms,

- (i) in respect of a single Underlying Interest Rate, that the level of the Underlying Interest Rate determined by the Calculation Agent at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date is; and
- (ii) in respect of one or more Underlying Interest Rates, that the amount determined by the Calculation Agent being equal to the sum of the values of each Underlying Interest Rate (the value of each Underlying Interest Rate being the product of (x) the level of such Underlying Interest Rate at the Knock-Out Barrier Valuation Time on any Knock-Out Barrier Effective Date and (y) the applicable Weighting) is

in each case (A) (a) "greater than", (b) "greater than or equal to", (c) "lower than" or (d) "lower than or equal to" the Knock-Out Barrier or (B) "within" the Knock-Out Tunnel,

in each case, as specified in the relevant Final Terms (x) on any Knock-Out Barrier Effective Date, or (y) in respect of any Knock-Out Barrier Effective Period, as specified in the relevant Final Terms.

"Knock-Out Tunnel" means the tunnel specified in the relevant Final Terms.

"Weighting" means the weighting specified in the relevant Final Terms.

7. AUTOMATIC EARLY REDEMPTION EVENT

If the Final Terms specify that **"Automatic Early Redemption Event"** is applicable, then unless the Notes have previously been redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) on each of the Automatic Early Redemption Valuation Dates in the Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms, an Automatic Early Redemption Event occurs, then the Notes shall automatically be redeemed in full, and not part only, on the Automatic Early Redemption Date immediately following the Automatic Early Redemption Valuation Date or the end of the relevant Automatic Early Redemption Valuation Period, and the Early Redemption Amount payable by the Issuer on such date for the redemption of each Note shall be an amount in the currency specified in the Final Terms equal to the Automatic Early Redemption Amount.

Definitions

"Automatic Early Redemption Amount" means, in respect of each amount determined by reference to the Automatic Early Redemption Payout if specified in the relevant Final Terms and, failing which, the product of (i) the Specified Denomination of each Note and (ii) the applicable Automatic Early Redemption Rate relating to such Automatic Early Redemption Date.

"Automatic Early Redemption Date(s)" means the date(s) specified in the relevant Final Terms, or, if any such date is not a Business Day, the immediately succeeding Business Day, provided that no Noteholder shall be entitled to any interest or additional payment by reason of such postponement.

"Automatic Early Redemption Event" means:

- (a) if "Target AER" is specified as applicable in the relevant Final Terms, that the Cumulative Coupon is equal to or greater than the Automatic Early Redemption Percentage;
- (b) if "FI Underlying AER" is specified as applicable in the relevant Final Terms, that the Underlying Reference Level is (i) equal to or greater than the Automatic Early Redemption Percentage Down and (ii) lower than or equal to the Automatic Early Redemption Percentage Up;

- (c) if "FI Coupon AER" is specified as applicable in the relevant Final Terms, that the result obtained by multiplying (i) the Rate of Interest by (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;
- (d) If SPS AER is specified as being applicable in the relevant Final Terms, the SPS AER Value is (i) "greater than", (ii) "greater than or equal to", (iii) "lower than" or (iv) "lower than or equal to" the Automatic Early Redemption Level (specified in the Final Terms) as indicated in the relevant Final Terms (x) on any Automatic Early Redemption Valuation Date, or (y) on any Automatic Early Redemption Valuation Date(s) falling in an Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms; or
- (e) If SPS AER is specified as being not applicable in the Final Terms;
 - (a) in the case of a single Underlying Interest Rate that the level of the Underlying Interest Rate determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date is, and (b) in the case of several Underlying Interest Rates, that the amount determined by the Calculation Agent being equal to the sum of the values of each Underlying Interest Rate (the value of an Underlying Interest Rate being the product of (x) the level of such Underlying Interest Rate as determined by the Calculation Agent at the Valuation Time on any Automatic Early Redemption Valuation Date, and (y) the applicable Weighting) is, in each case;
 - (i) "greater than", (ii) "greater than or equal to", (iii) "lower than" or (iv) "lower than or equal to" the Automatic Early Redemption Level (specified in the Final Terms) as specified in the relevant Final Terms (x) on any Automatic Early Redemption Valuation Date, or (y) on any Automatic Early Redemption Valuation Date(s) falling in an Automatic Early Redemption Valuation Period, as specified in the relevant Final Terms;

"Automatic Early Redemption Level" means (i) in the case of a single Underlying Interest Rate, the level of the Underlying Interest Rate, and (ii) in the case of one or more Underlying Interest Rates, the level of the Underlying Interest Rates, in each case (x) specified as such in the relevant Final Terms (y) or calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, if SPS AER is specified as being applicable in the Final Terms.

"Automatic Early Redemption Percentage" means the percentage specified as such in the relevant Final Terms.

"Automatic Early Redemption Percentage Down" means the percentage specified as such in the relevant Final Terms.

"Automatic Early Redemption Percentage Up" means the percentage specified as such in the relevant Final Terms.

"Automatic Early Redemption Rate" means, in respect of an Automatic Early Redemption Date, (x) the rate specified as such, (y) or calculated pursuant to Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms if SPS AER is specified as being applicable, in each case as specified in the relevant Final Terms;

"Automatic Early Redemption Valuation Date(s)" means the date(s) specified as such in the relevant Final Terms, or, if any such date is not a Business Day, the immediately succeeding Business Day.

"Automatic Early Redemption Valuation Period" means the period as specified in the relevant 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, namely the result obtained by multiplying (i) the Rate of Interest by (ii) the Day Count Fraction, in each case for such Interest Period, plus (b) the result obtained by multiplying (i) the Rate of Interest by (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 occurs.

"SPS AER Value" means the value calculated in accordance with the Supplemental Payout Terms 1.6, 1.7, 1.8, 1.9 or 1.10 as specified in the relevant Final Terms.

8. ACCRUAL OF INTEREST UP TO AN AUTOMATIC EARLY REDEMPTION EVENT

Notwithstanding Condition 5 of the Terms and Conditions of the Notes, if Accrual of Interest Up to an Automatic Early Redemption Event is specified as applicable in the relevant Final Terms, and if an Automatic Early Redemption Event occurs on any Automatic Early Redemption Valuation Date, interest shall cease to accrue on such Automatic Early Redemption Valuation Date.

9. DEFINITIONS

"Basket of Underlying Interest Rates" means (i) a basket comprising the Underlying Interest Rates specified in the relevant Final Terms assigned with the weightings specified in the relevant Final Terms or (ii) a Relative Performance Basket.

"Relative Performance Basket" means a basket comprising the Underlying Interest Rates specified in the relevant Final Terms where no weighting shall be applicable and where the Final Redemption Amount shall be determined by reference to the Underlying Interest Rate which is either (i) the best performing, (ii) the worst performing, or (iii) by reference to any other measure of performance applied to the Underlying Interest Rates, in each case as specified in the relevant Final Terms.

"Strike Date" means the date specified in the relevant Final Terms; and

"Strike Day" means each date specified in the relevant Final Terms;

"Strike Period" means the period specified in the relevant Final Terms.

TECHNICAL ANNEX 8
SUPPLEMENTAL PAYOUT TERMS

*The terms applicable to Underlying Linked Notes include the terms and conditions of the Notes set forth on pages 89 to 121 (the "**Terms and Conditions of the Notes**") and the supplemental terms described below which include the formulas used for the purpose of calculating interest, the early redemption amount or the final redemption amount (the "**Supplemental Payout Terms**"), in each case subject as provided in the relevant Final Terms. In the event of conflict between the Terms and Conditions of the Notes and the Supplemental Payout Terms, the Supplemental Payout Terms shall prevail.*

All expressions beginning with a capital letter and not defined in these Supplemental Payout Terms shall have the meanings given thereto in the Terms and Conditions of the Notes or the relevant Final Terms.

*References herein to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.*

The Final Terms may contain a combination of the formulas set forth in these Supplemental Payout Terms. Also, certain components of these formulas may be equal to 0 or 1.

The amount(s) payable or deliverable, if any, under the Notes, comprise the following amounts:

- (i) upon final redemption of the Notes, the Final Redemption Amount (see Condition 6 of the Terms and Conditions of the Notes and the Final Payouts set forth in Conditions 1.2 and 2.3 of these Supplemental Payout Terms);*
- (ii) if Automatic Early Redemption Event is specified as being applicable in the Final Terms and an Automatic Early Redemption Event occurs, the Automatic Early Redemption Amount (see the section relating to Automatic Early Redemption Events in the applicable Technical Annex and the Automatic Early Redemption Payouts set forth in Conditions 1.3 and 2.4 of these Supplemental Payout Terms);*
- (iii) if an Issuer Redemption Option or Noteholder Redemption Option is specified as applicable in the Final Terms, the Optional Redemption Amount (see Condition 6 of the Terms and Conditions of the Notes);*
- (iv) in the case of Physical Delivery Notes, the Physical Delivery Entitlement Amount (see Conditions 5.6 and 6 of the Terms and Conditions of the Notes and the Physical Delivery Entitlement Amounts applicable to the Notes set forth in Condition 1.4 of these Supplemental Payout Terms); and/or*
- (v) in the case of interest bearing Notes, the amount of interest (see Condition 5 of the Terms and Conditions of the Notes and the Rate of Interest formulas set forth in Conditions 1.1 and 2.1 of these Supplemental Payout Terms).*

The terms and conditions of each Series include (i) the Terms and Conditions of the Notes, (ii) the Technical Annex relating to the applicable Underlying and (iii) if so specified in the Final Terms, the Rate of Interest, the Payout and/or the Physical Delivery Entitlement Amount under these Supplemental Payout Terms specified as applicable in the Final Terms.

1. SPS RATE OF INTEREST, PAYOUTS AND PHYSICAL DELIVERY ENTITLEMENT AMOUNTS

1.1 Rate of Interest

The following Rate of Interest shall apply to the Notes, if the relevant Final Terms so specify:

(a) SPS Fixed Coupon

(i) If the relevant Final Terms specify that SPS Fixed Coupon is applicable:

Rate_(i)

Description of Rate of Interest

A SPS Fixed Coupon provides that the Notes bear interest at a specified rate for the relevant period.

(b) Digital Coupon

If the relevant Final Terms specify that Digital Coupon is applicable:

(i) if the Digital Coupon Condition is satisfied in respect of the SPS Coupon Valuation Date_(i) or the SPS Coupon Valuation Period_(i), as the case may be:

Rate1_(i); or

(ii) if the Digital Coupon Condition is not satisfied in respect of the SPS Coupon Valuation Date_(i) or the SPS Coupon Valuation Period_(i), as the case may be:

Rate2_(i).

Description of Rate of Interest

A Digital Coupon provides that the Notes bear interest at a specified rate for the relevant period if a specified condition is met. If the condition is not met then the Notes will bear interest at a different rate for that period (which may be zero).

(c) Snowball Digital Coupon

If the relevant Final Terms specify that Snowball Digital Coupon is applicable:

(i) if the Snowball Digital Coupon Condition is satisfied in respect of the SPS Coupon Valuation Date_(i):

Rate_(i) + Sum Rate_(i)

Where "Sum Rate" is the sum of Rate_(i) for each SPS Coupon Valuation Date in the period from the last occurring Snowball Date (not included) (or, if none, from the Issue Date) and up to the SPS Coupon Valuation Date_(i) (not included), or

(ii) if the Snowball Digital Coupon Condition is not satisfied in respect of the SPS Coupon Valuation Date_(i):

zero.

Description of Rate of Interest

A Snowball Digital Coupon provides that the Notes bear interest on the basis of a Snowball Digital Coupon Condition, but with a memory effect. Any interest or premium not paid in respect of a period may be paid at a later date if certain conditions are met.

(d) Accrual Digital Coupon

If the relevant Final Terms specify that Accrual Digital Coupon is applicable:

$$\text{Rate}_{(i) \times (n/N)}$$

Where:

"n" is the number of DC Days in the relevant Calculation Period in respect of the relevant SPS Coupon Valuation Date during which the Accrual Digital Coupon Condition is satisfied; and

"N" is the number of DC Days in the relevant Calculation Period in respect of the relevant SPS Coupon Valuation Date.

Description of Rate of Interest

An Accrual Digital Coupon provides that the Notes bear interest on the basis of a rate calculated by reference to the number of DC Days on which a specified condition is satisfied in the relevant period.

(e) Stellar Coupon

If the relevant Final Terms specify that Stellar Coupon is applicable:

$$\text{Max} \left[\text{Min Coupon}_{(i)}, \frac{1}{k} \sum_{k=1}^K \text{Max} [\text{Floor Percentage}_{(i)}, \text{Min} (\text{Cap Percentage}_{(i)}, \text{Coupon Value}_{(i, k)})] - \text{Strike Price Percentage}_{(i)} \right]$$

Description of Rate of Interest

A Stellar Coupon provides that the Notes bear interest, in respect of the relevant period on the basis of a rate calculated by reference to a basket of Reference Underlyings with the value of each Reference Underlying being subject to a cap and a floor. The rate is also subject to a floor.

(f) Cappuccino Coupon

If the relevant Final Terms specify that Cappuccino Coupon is applicable:

$$\text{Max} \left[\text{Min Coupon}_{(i)}, \frac{1}{k} \sum_{k=1}^K \text{Max} [\text{Floor Percentage}_{(i)}, \text{Cappuccino Barrier Value}_{(i, k)}] - \text{Strike Price Percentage}_{(i)} \right]$$

Where "**Cappuccino Barrier Value**" is:

(i) if the Cappuccino Coupon Condition is satisfied for the relevant Reference Underlying in respect of the relevant SPS Coupon Valuation Date:

Cap Percentage_(i); or

(ii) if the Cappuccino Coupon Condition is not satisfied for the relevant Reference Underlying in respect of the relevant SPS Coupon Valuation Date:

Coupon Value_(i,k)

Description of Rate of Interest

A Cappuccino Coupon provides that the Notes bear interest on the basis of a rate calculated by reference to the average value of a basket of Reference Underlyings where each value is floored and may be set at a fixed percentage (the Cap Percentage) if certain conditions are met.

(g) **Ratchet Coupon**

If the relevant Final Terms specify that Ratchet Coupon is applicable:

(i) if Local Cap Percentage is specified as not applicable in the relevant Final Terms:

$$\text{Max} \left[\sum_{q \text{ in } Q(i)} \text{Max}[\text{Coupon Value}_{(q)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}], \text{Global Floor Percentage}_{(i)} \right]$$

(ii) if Local Cap Percentage is specified as applicable in the relevant Final Terms:

$$\text{Max} \left[\sum_{q \text{ in } Q(i)} \text{Max}[\text{Min}[\text{Coupon Value}_{(q)} - \text{Strike Percentage}_{(i)}, \text{Local Cap Percentage}_{(i)}], \text{Local Floor Percentage}_{(i)}], \text{Global Floor Percentage}_{(i)} \right]$$

Description of Rate of Interest

A Ratchet Coupon provides that the Notes bear interest in respect of the relevant period on the basis of a rate calculated by reference to the sum of two or more rates, in each case subject to a floor and if applicable a cap.

(h) **Driver Coupon**

If the relevant Final Terms specify that Driver Coupon is applicable:

$$\text{Max} \left[\text{Min Coupon}_{(i)}, \frac{1}{K} \sum_{k=1}^K \text{Max}[\text{Floor Percentage}_{(i)}, \text{Modified Value}_{(i,k)}] - \text{Strike Price Percentage}_{(i)} \right]$$

Where:

"**Modified Value_(i,k)**" is:

(i) the Driver Percentage, if the Coupon Value_(i,k) is one of the highest NF Coupon Values, calculated for each Reference Underlying in the basket, on the SPS Valuation Date_(i); or

(ii) the Coupon Value_(i,k), if condition (i) above is not satisfied.

"**NF**" means the number specified as such in the relevant Final Terms.

Description of Rate of Interest

A Driver Coupon provides that the Notes bear interest in respect of the relevant period on the basis of a rate calculated by reference to the average performance of a basket of Reference Underlyings with the Reference Underlying with the highest NF Coupon Values, on the relevant valuation date, being replaced by a fixed percentage (the Driver Percentage).

(i) Sum Coupon

If the relevant Final Terms specify that Sum Coupon is applicable:

$$\sum_{a=1}^A (CWA_{(i)} \prod_{b=1}^B ([\text{Additional Coupon}_{(i)}], a, b))$$

Where: "CW" is the Weighting of the relevant Coupon; and

"A" is the number specified as such in the relevant Final Terms.

"B" is the number specified as such in the relevant Final Terms.

Description of Rate of Interest

A Sum Coupon provides that the Notes bear interest in respect of the relevant period on the basis of a rate calculated as the weighted sum of two or more interest rates provided in the Terms and Conditions and specified in the relevant Final Terms.

(j) Max Coupon

If the relevant Final Terms specify that Max Coupon is applicable:

$$\text{Max}_{a=1}^A ([\text{Additional Coupon}_{(i)}] a)$$

Where "A" is the number specified as such in the relevant Final Terms.

Description of Rate of Interest

A Max Coupon provides that the Notes bear interest in respect of the relevant period on the basis of a rate calculated as the maximum of two or more interest rates provided in the Terms and Conditions and specified in the relevant Final Terms.

(k) Min Coupon

If the relevant Final Terms specify that Min Coupon is applicable.

$$\text{Min}_{a=1}^A ([\text{Additional Coupon}_{(i)}] a)$$

Where "A" is the number specified as such in the relevant Final Terms.

Description of Rate of Interest

A Min Coupon provides that the Notes bear interest in respect of the relevant period on the basis of a rate calculated as the minimum of two or more interest rates provided in the Terms and Conditions and specified in the relevant Final Terms.

1.2 Final Payouts

The following final payouts which when multiplied by the applicable Specified Denomination (each a "**Final Payout**") will apply to the Notes if specified in the relevant Final Terms.

(a) SPS Fixed Percentage Notes

If the relevant Final Terms specify that the Notes are SPS Fixed Percentage Notes:

Constant Percentage

Description of the Payout

The Final Payout comprises a fixed percentage equal to the Constant Percentage.

(b) SPS Reverse Convertible Notes

(i) SPS Reverse Convertible Notes

If the relevant Final Terms specify that the Notes are SPS Reverse Convertible Notes:

(A) if no Knock-In Event has occurred:

Constant Percentage (1); or

(B) (B) if a Knock-In Event has occurred:

Max (Constant Percentage (2) + Gearing x Option; 0%)

Provided That (aa) if the provisions of sub-paragraph (A) of this Supplemental Payout Term 2(b)(i) apply and Physical Delivery Option 1 is specified as applicable in the relevant Final Terms, or (bb) if the provisions of sub-paragraph (B) of this Supplemental Payout Term 2(b)(i) apply and Physical Delivery Option 2 is specified as applicable in the relevant Final Terms, no Redemption Amount shall be payable and Physical Delivery shall apply.

Description of the Final Payout

The Final Payout comprises:

- *If no Knock-In Event has occurred, a fixed percentage equal to the Constant Percentage; or*
- *If a Knock-In Event has occurred, and if the Option is a Put or Put Spread, indexation to the value of the Reference Underlying(s), up to the Strike Percentage; or*
- *If a Knock-In Event has occurred, and if the Option is a Forward, indexation to the value of the Reference Underlying(s); or*

- *If a Knock-In Event has occurred, and the Option is EDS, a percentage that depends on how many Reference Underlying(s) in the basket have a value greater than the EDS Barrier Percentage. When Gearing is positive, the higher the number of Reference Underlyings with a value above this barrier, the higher the Percentage.*
- *Physical Delivery may also apply.*

(ii) SPS Reverse Convertible Standard Notes

If the relevant Final Terms specify that the Notes are SPS Reverse Convertible Standard Notes:

(A) if no Knock-In Event has occurred:

Constant Percentage (1); or

(B) if a Knock-In Event has occurred:

Min (Constant Percentage (2), Final Redemption Value).

Description of the Final Payout

The Final Payout comprises:

- *If no Knock-In Event has occurred, a fixed percentage equal to Constant Percentage (1); or*
- *If a Knock-In Event has occurred, the lesser of a fixed percentage equal to Constant Percentage (2) or indexation to the value of the Reference Underlying(s).*

(c) SPS Vanilla Products

(i) Vanilla Call Notes

If the relevant Final Terms specify that the Notes are Vanilla Call Notes:

Constant Percentage + Gearing * Call

Description of the Final Payout

The Final Payout comprises:

- *if Gearing is positive, a fixed percentage equal to the Constant Percentage, or, if Gearing is negative, no fixed percentage; and*
- *indexation to the value of the Reference Underlying(s) above the Strike Percentage.*

(ii) Vanilla Call Spread Notes

If the relevant Final Terms specify that the Notes are Vanilla Call Spread Notes:

Constant Percentage + Gearing * Call Spread

Description of the Final Payout

The Final Payout comprises:

- if Gearing is positive, a fixed percentage equal to the Constant Percentage, or, if Gearing is negative, no fixed percentage; and
- indexation to the value of the Reference Underlying(s) above the Strike Percentage, up to a maximum level. The maximum level is equal to the Cap Percentage.

(iii) Vanilla Put Notes

If the relevant Final Terms specify that the Notes are Vanilla Put Notes:

Constant Percentage + Gearing * Put

Description of the Final Payout

The Final Payout comprises:

- if Gearing is positive, a fixed percentage equal to the Constant Percentage, or, if Gearing is negative, no fixed percentage; and
- indexation to the value of the Reference Underlying(s) below the Strike Percentage.

(iv) Vanilla Put Spread Notes

If the relevant Final Terms specify that the Notes are Vanilla Put Spread Notes:

Constant Percentage + Gearing * Put Spread

Description of the Final Payout

The Final Payout comprises:

- if Gearing is positive, a fixed percentage equal to the Constant Percentage, or, if Gearing is negative, no fixed percentage; and
- indexation to the value of the Reference Underlying(s) below the Strike Percentage, up to a maximum level. The maximum level is equal to the Cap Percentage.
- The Final Payout provides no guarantee of a fixed percentage if the Final Redemption Value is below the Strike Price.

(v) Vanilla Digital Notes

If the relevant Final Terms specify that the Notes are Vanilla Digital Notes:

(A) if a Knock-In Event has occurred:

Constant Percentage (1) + Gearing x Option; or

(B) if no Knock-In Event has occurred:

Constant Percentage (2).

Where:

"Option" means a Call, Call Spread, Put, Put Spread, EDS or Forward as specified in the relevant Final Terms.

Description of the Final Payout

The Final Payout comprises:

- *a percentage fixe; and*
- *if a Knock-In Event has occurred, indexation to the Reference Underlying depending on the Option specified.*

(vi) Knock-Out Vanilla Call Notes

If the relevant Final Terms specify that the Notes are Knock-Out Vanilla Call Notes:

(A) if no Knock-Out Event has occurred:

Constant Percentage (1) + Gearing* Call;

or

(B) if a Knock-Out Event has occurred:

Constant Percentage (-2).

Description of the Final Payout

The Final Payout comprises:

- *a fixed percentage; and*
- *if no Knock-Out Event has occurred, indexation to the value of the Reference Underlying(s) depending on the Option specified.*

(d) Asianing Products

(i) Asian Notes

If the relevant Final Terms specify that the Notes are Asian Notes:

if Asian Local Cap is specified as applicable in the relevant Final Terms:

$$\text{Constant Percentage} + \text{Gearing} * \text{Max} \left(\frac{1}{\text{Total M}} \times \sum_{(i)}^{\text{M}} \text{Min} \left(\text{Max} \left(\text{Final Redemption Value}_{(i)} - \text{Strike Percentage}_{(i)} \right), \text{Local Floor Percentage}_{(i)} \right), \text{Local Cap Percentage}_{(i)} \right), \text{Floor Percentage} \right)$$

Local Floor Percentage_(i)), Local Cap Percentage_(i)), Floor Percentage)

if Asian Local Cap is specified as not applicable in the relevant Final Terms:

$$\text{Constant Percentage} + \text{Gearing} * \text{Max} \left(\frac{1}{\text{Total M}} \times \sum_{(i)}^M \text{Max}(\text{Final Redemption Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}) \right), \text{Floor Percentage}$$

Description of the Final Payout

The Final Payout comprises:

- a fixed percentage equal to Constant Percentage 1; and
- indexation to the average value of the Reference Underlyings when the average value is above the Strike Percentage.

(ii) Capped Asian Notes

If the relevant Final Terms specify that the Notes are Capped Asian Notes:

if Asian Local Cap is specified as applicable in the relevant Final Terms:

$$\text{Constant Percentage} + \text{Gearing} * \text{Min} \left(\text{Max} \left(\frac{1}{\text{Total M}} \times \sum_{(i)}^M (\text{Min}(\text{Max}(\text{Final Redemption Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}), \text{Local Cap Percentage}_{(i)})) \right), \text{Floor Percentage} \right); \text{Cap Percentage}$$

if Asian Local Cap is specified as not applicable in the relevant Final Terms:

$$\text{Constant Percentage} + \text{Gearing} * \text{Min} \left(\text{Max} \left(\frac{1}{\text{Total M}} \times \sum_{(i)}^M (\text{Max}(\text{Final Redemption Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)})) \right), \text{Floor Percentage} \right); \text{Cap Percentage}_{(i)}$$

Description of the Final Payout

The Final Payout comprises:

- a fixed percentage equal to Constant Percentage 1; and
- indexation to the average value of the Reference Underlyings, up to a maximum level if the average value is above the Strike Percentage. The maximum level is equal to the Cap Percentage.

(iii) Himalaya Notes

If the Final Terms specify that the Notes are Himalaya Notes:

if Local Cap Percentage is specified as not applicable in the relevant Final Terms:

$$\text{Constant Percentage} + \text{Gearing} * \text{Max} \left[\frac{1}{\text{Total M}} \times \sum_{(i)}^M \text{max}(\text{BestLock Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}), 0 \right]$$

if Local Cap Percentage is specified as applicable in the relevant Final

Terms:

Constant Percentage + Gearing * Max

$$\left[\frac{1}{\text{Total M}} \times \sum_{(i)}^{\text{M}} \max(\text{Min}(\text{BestLock Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Cap Percentage}_{(i)}), \text{Local Floor Percentage}_{(i)}), 0 \right]$$

Where:

"**BestLock Value_(i)**" means the highest Reference Underlying Value on SPS Valuation Date_(i) of the Reference Underlyings in Relevant Basket_(i); and

"**Relevant Basket_(i)**" means, in respect of a SPS Valuation Date_(i) a Basket comprising each Reference Underlying in Relevant Basket_(i-1), but excluding the Reference Underlying in relation to BestLock Value_(i-1), within a limit of one single occurrence of such Reference Underlying per SPS Valuation Date;

Relevant Basket_(i-1) will be set out in the relevant Final Terms and may comprise several occurrences of the same Reference Underlying.

Description of the Final Payout

The Final Payout comprises:

- *a fixed percentage equal to the Constant Percentage;*
- *average indexation to the Reference Underlyings above the Strike Percentage, in accordance with the eligibility criteria on each Valuation Date where the Value of the best performing Reference Underlying in the Basket is calculated, then removed from the Basket (one single occurrence per Valuation Date, where the Basket comprises several occurrences of such Reference Underlying) for the following Valuation Dates, the Final Payout providing indexation to the average of those calculated Values (the BestLock Values) above the Strike Percentage (with application, if specified, of a local cap).*

(e) Automatic Early Redemption Products

(i) Autocall Notes

If the relevant Final Terms specify that the Notes are Autocall Notes:

(A) if the Final Redemption Condition is satisfied:

Constant Percentage (1) + AER Exit Rate; or

(B) if the Final Redemption Condition is not satisfied and no Knock-In Event has occurred:

Constant Percentage (2) + Coupon Airbag Percentage; or

(C) if the Final Redemption Condition is not satisfied and a Knock-In Event has occurred:

Max (Constant Percentage (3) + Gearing x Option; 0%)

Provided That (aa) if the provisions of sub-paragraph (A) of this Supplemental Payout Term 2.2(e)(i) apply and Physical Delivery Option 1 is specified as applicable in the relevant Final Terms or (bb) if the provisions of sub-paragraph (B) of this Supplemental Payout Term 2.2(e)(i) apply and Physical Delivery Option 2 is specified as applicable in the relevant Final Terms or (cc) if the provisions of sub-paragraph (C) of this Supplemental Payout Term 2.2(e)(i) apply and Physical Delivery Option 3 is specified as applicable in the relevant Final Terms, no Redemption Amount will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *if the Final Redemption Condition is satisfied, a fixed percentage plus a final exit rate (equal to AER Exit Rate);*
- *if the Final Redemption Condition is not satisfied and no Knock-In Event has occurred, a fixed percentage (which may be different than the fixed rate above);*
- *if the Final Redemption Condition is not satisfied, a Knock-In Event has occurred and the Option is Put or Put Spread, no fixed percentage and indexation to the value of the Reference Underlying(s) below the Strike Percentage; or*
- *if the Final Redemption Condition is not satisfied, a Knock-In Event has occurred and the Option is Forward, no fixed percentage and indexation to the value of the Reference Underlying(s); or*
- *if the Final Redemption Condition is not satisfied, a Knock-In Event has occurred and the Option is EDS, a percentage which depends on the number of Reference Underlyings in the basket with a value greater than the EDS Barrier Percentage. When Gearing is positive, the higher the number of Reference Underlyings with a value above this barrier, the higher the percentage.*
- *Physical Delivery may also apply.*

(ii) Autocall One Touch Notes

If the relevant Final Terms specify that the Notes are Autocall One Touch Notes:

(A) if the Final Redemption Condition is satisfied:

Constant Percentage (1) + AER Exit Rate;

(B) if the Final Redemption Condition is not satisfied and if a Knock-Out Event has occurred:

Constant Percentage (2) + Coupon Airbag Percentage 1; or

(C) if the Final Redemption Condition is not satisfied and if no Knock-

Out Event has occurred and no Knock-In Event has occurred:

Constant Percentage (3) + Coupon Airbag Percentage 2; or

- (D) if the Final Redemption Condition is not satisfied and no Knock-Out Event has occurred but a Knock-In Event has occurred:

Max (Constant Percentage (4) + Gearing x Option; 0%)

where:

Description of the Final Payout

The Final Payout comprises:

- *if the Final Redemption Condition is satisfied, a fixed percentage plus a final exit rate (equal to AER Exit Rate);*
- *if the Final Redemption Condition is not satisfied and a Knock-Out Event has occurred, a fixed percentage (which may be different than the fixed percentage above);*
- *if the Final Redemption Condition is not satisfied, no Knock-Out Event has occurred and no Knock-In Event has occurred, a fixed percentage (which may be different than the fixed percentages above); or*
- *if the Final Redemption Condition is not satisfied, and no Knock-Out Event has occurred but a Knock-In Event has occurred, and if the Option is Put or Put Spread, no fixed percentage and indexation to the value of the Reference Underlying(s) below the Strike Percentage; or, if the Option is Forward, no fixed percentage and indexation to the value of the Reference Underlying(s).*

(iii) *Autocall Standard Notes*

If the relevant Final Terms specify that the Notes are Autocall Standard Notes:

- (A) If the Final Redemption Barrier Value is equal to or greater than Final Redemption Condition Level:

100% + AER Exit Rate; or

- (B) If the Final Redemption Barrier Value is lower than the Final Redemption Condition Level and no Knock-In Event has occurred:

100% + Coupon Airbag Percentage; or

- (C) If the Final Redemption Barrier Value is lower than the Final Redemption Condition Level and a Knock-In Event has occurred:

Min (100%, Final Redemption Value).

Description of the Final Payout

The Final Payout comprises:

- *if the Final Redemption Barrier Value on the SPS FR Barrier Valuation Date is equal to or greater than the Final Redemption Condition Level, 100 per cent plus a final exit rate (equal to AER Exit Rate);*
- *if the Final Redemption Barrier Value on the SPS FR Barrier Valuation Date is lower than the Final Redemption Condition Level, and no Knock-In Event has occurred, 100 per cent plus a fixed percentage; or*
- *if the Final Redemption Barrier Value on the SPS FR Barrier Valuation Date is lower than the Final Redemption Condition Level, and a Knock-In Event has occurred, a minimum of 100 per cent and indexation to the value of the Reference Underlying(s).*

(f) Indexation Products

(i) Booster Notes

If the relevant Final Terms specify that the Notes are Booster Notes:

(A) if Cap is specified as not applicable in the relevant Final Terms:

Constant Percentage + Final Redemption Value + Gearing * Call

(B) if Cap is specified as applicable in the relevant Final Terms:

Constant Percentage + Final Redemption Value + Gearing * Call Spread

Description of the Final Payout

If Cap is specified as not applicable, the Final Payout comprises:

- *indexation to the value of the Reference Underlying(s); and*
- *additional indexation to the value of the Reference Underlyings above the Strike Percentage.*

If Cap is specified as applicable, the Final Payout comprises:

- *indexation to the value of the Reference Underlying(s);*
- *additional indexation to the value of the Reference Underlyings above the Strike Percentage; and*
- *subject to a cap of the Cap Percentage.*

(ii) Bonus Notes

If the relevant Final Terms specify that the Notes are Bonus Notes:

(A) if Cap is specified as not applicable in the relevant Final Terms:

(x) if a Knock-Out Event has occurred:

Constant Percentage (1) + (Down Final Redemption Value); or

(y) if no Knock-Out Event has occurred:

Constant Percentage (2) + [Max (Bonus Percentage, Up Final Redemption Value)]

(B) if Cap is specified as applicable in the relevant Final Terms:

(x) if a Knock-Out Event has occurred:

Constant Percentage (1) + [Down Final Redemption Value - Max (Down Final Redemption Value - Cap Percentage, 0)]; or

(y) if no Knock-Out Event has occurred:

Constant Percentage (2) + [Max (Bonus Percentage, Up Final Redemption Value) - Max (Up Final Redemption Value - Cap Percentage, 0)]

Description of the Final Payout

If Cap is specified as not applicable, the Final Payout comprises:

- *if no Knock-Out Event has occurred, a minimum percentage and indexation to the value of the Reference Underlying(s) above the Bonus Percentage; or*
- *if a Knock-Out Event has occurred, indexation to the value of the Reference Underlying(s) (such value may be different than the value above);*

If Cap is specified as applicable, the Final Payout provides limited maximum upside] and comprises:

- *if no Knock-Out Event has occurred, a minimum percentage and indexation to the value of the Reference Underlying(s) above the Bonus Percentage, up to a maximum level. The maximum level is equal to the Cap Percentage; or*
- *if a Knock-Out Event has occurred, indexation to the value of the Reference Underlying(s) (such value may be different than the value above), up to a maximum level equal to the Cap Percentage.*

(iii) Leveraged Notes

If the relevant Final Terms specify that the Notes are Leveraged Notes:

(A) if Cap is specified as not applicable in the relevant Final Terms:

(x) if a Knock-Out Event has occurred:

Constant Percentage (1) + [Final Redemption Value + Gearing × Max (Final Redemption Value - Strike Percentage, 0)]; or

(y) if no Knock-Out Event has occurred:

Constant Percentage (2) + (Max (100%, 100% + (1 + Gearing) × (Final Redemption Value - Strike Percentage)))

(B) if Cap is specified as applicable in the relevant Final Terms:

(x) if a Knock-Out Event has occurred:

Constant Percentage (1) + Min [Cap Percentage, [Final Redemption Value + Gearing × Max (Final Redemption Value – Strike Percentage, 0)]]; or

(y) if no Knock-Out Event has occurred:

Constant Percentage (2) + Min [Cap Percentage, [Max (100%, 100% + (1 + Gearing) × (Final Redemption Value – Strike Percentage))]]

Description of the Final Payout

If Cap is specified as not applicable, the Final Payout comprises:

- *if no Knock-Out Event has occurred, a minimum percentage and leveraged indexation to the value of the Reference Underlying(s) above the Strike Percentage; or*
- *if a Knock-Out Event has occurred, indexation to the value of the Reference Underlying(s), plus additional indexation to the value of the Reference Underlying(s) above the Strike Percentage.*

If Cap is specified as applicable, the Final Payout provides limited maximum upside and comprises:

- *if no Knock-Out Event has occurred, a minimum percentage and leveraged indexation to the value of the Reference Underlying(s) above the Strike Percentage, up to a maximum level equal to the Cap Percentage; or*
- *if a Knock-Out Event has occurred, indexation to the value of the Reference Underlying(s) plus additional indexation to the value of the Reference Underlying(s) above the Strike Percentage. The aggregate indexation is limited to a maximum level equal to the Cap Percentage.*

(iv) *Twin Win Notes*

If the relevant Final Terms specify that the Notes are Twin Win Notes:

(A) if Cap is specified as not applicable in the relevant Final Terms:

(x) if a Knock-Out Event has occurred:

Constant Percentage (1) + Max[0, Gearing * Final Redemption Value]
; or

(y) if no Knock-Out Event has occurred:

Constant Percentage (2) + Max [Max (Gearing (1) * (Strike Percentage – Final Redemption Value), Gearing (2) *(Final Redemption Value – Strike Percentage)), Floor Percentage]

(B) if Cap is specified as applicable in the relevant Final Terms:

(x) if a Knock-Out Event has occurred:

Constant Percentage (1) + [Min (Cap Percentage, Gearing * Final Redemption Value)]
; or

(y) or, if no Knock-Out Event has occurred:

Constant Percentage (2) + Max [Max (Gearing (1) * (Strike Percentage - Final Redemption Value), Min (Cap Percentage - Strike Percentage, Gearing (2) * (Final Redemption Value - Strike Percentage))) Floor Percentage]

Description of the Final Payout

If Cap is specified as not applicable, the Final Payout comprises:

- *if no Knock-Out Event has occurred, a minimum percentage, indexation to the value of the Reference Underlying(s) above the Strike Percentage, and indexation to the value of the Reference Underlying(s) below the Strike Percentage in absolute terms; or*
- *if a Knock-Out Event has occurred, indexation to the value of the Reference Underlying(s).*

If Cap is specified as applicable, the Final Payout comprises:

- *if no Knock-Out Event has occurred, a minimum percentage, indexation to the value of the Reference Underlying(s) above the Strike Percentage and up to a maximum level equal to the Cap Percentage, and indexation to the value of the Reference Underlying(s) below the Strike Percentage in absolute terms; or*
- *if a Knock-Out Event has occurred, indexation to the value of the Reference Underlying(s), up to a maximum level equal to the Cap Percentage.*

(v) *Sprinter Notes*

If the relevant Final Terms specify that the Notes are Sprinter Notes:

(A) if Cap is specified as not applicable in the relevant Final Terms:

(x) if a Knock-In Event has occurred:

Constant Percentage (1) + Final Redemption Value +
Gearing × Max [Final Redemption Value - Strike Percentage, 0];
or

(y) if no Knock-In Event has occurred:

Constant Percentage (2) + Final Redemption Value

(B) if Cap is specified as applicable in the relevant Final Terms:

(x) if a Knock-In Event has occurred:

Constant Percentage (1) +
Min [Cap Percentage, Final Redemption Value + Gearing ×

Max (Final Redemption Value – Strike Percentage, 0)]; or

(y) if no Knock-In Event has occurred:

Constant Percentage (2)
+ Min(Cap Percentage, Final Redemption Value)

Description of the Final Payout

If Cap is specified as not applicable, the Final Payout comprises:

- *indexation to the value of the Reference Underlying(s); and*
- *if a Knock-In Event has occurred, plus additional indexation to the value of the Reference Underlying(s) above the Strike Percentage.*

If Cap is specified as applicable, the Final Payout provides limited maximum upside and comprises:

- *indexation to the value of the Reference Underlying(s) up to a maximum level;*
- *if a Knock-In Event has occurred, plus additional indexation to the value of the Reference Underlying(s) above the Strike Percentage, up to a maximum level; and*
- *a maximum payout equal to Constant Percentage 1 plus the Cap Percentage.*

(vi) Generic Notes

If the relevant Final Terms specify that the Notes are Generic Notes:

$$\sum_{g=1}^G \text{Constant Percentage}(g) + \text{Gearing}(g) \times \text{option}(g)$$

Description of the Final Payout

The Final Payout provides no guarantee of a fixed percentage and comprises: Indexation or a combination of indexations each of which may comprise:

- *indexation to the value of the Reference Underlying(s) above the Strike Percentage if the Option is Call (subject to a maximum level if the Option is Call Spread); or*
- *indexation to the value (this value may be different than the value above) of the Reference Underlyings below the Strike Percentage if the Option is Put (subject to a maximum level if the Option is Put Spread).*

(vii) Digital-A Generic Notes

If the relevant Final Terms specify that the Notes are Digital-A Generic Notes:

$$\sum_{g=1}^G \text{Digit}(g) \times [\text{Constant Percentage}(g) + \text{Gearing}(g) \times \text{option}(g)]$$

Where:

If no Knock-In Event has occurred:

Digit(g) equals 0, otherwise Digit (g) equals 1:

Description of the Final Payout

The Final Payout comprises:

Indexation or a combination of indexations, determined depending on whether or not a Knock-In Event has occurred, each of which may comprise:

- *indexation to the value of the Reference Underlying(s) above the Strike Percentage if the Option is Call (subject to a maximum level if the Option is Call Spread);or*
- *indexation to the value (this value may be different than the value above) of the Reference Underlyings below the Strike Percentage if the Option is Put (subject to a maximum level if the Option is Put Spread).*

(viii) *Digital-B Generic Notes*

If the relevant Final Terms specify that the Notes are Digital-B Generic Notes:

$$\sum_{g=1}^G \text{Digit}(g) \times [\text{Constant Percentage}(g) + \text{Gearing}(g) \times \text{option}(g)]$$

Where:

If Generic Final Redemption Condition(g) is satisfied, then Digit(g) equals 1; otherwise Digit(g) equals 0:

"Generic Final Redemption Condition" means a series of conditions (between 1 and U included) each designating a Final Redemption Condition, provided that one single Final Redemption Condition in the series may be satisfied in respect of one given SPS Valuation Date or SPS Valuation Period.

Description of the Final Payout

The Final Payout comprises:

Indexation based on the Option the characteristics of which are determined by reference to the Final Redemption Condition in the series of Final Redemption Conditions that is satisfied on the relevant SPS Valuation Date or in respect of the relevant SPS Valuation Period, such indexation being either:

- *indexation to the value of the Reference Underlying(s) above the Strike Percentage if the Option is Call (subject to a maximum level if the Option is Call Spread); or*
- *indexation to the value (this value may be different than the value above) of the Reference Underlyings below the Strike Percentage if the Option is Put (subject to a maximum level if the Option is Put Spread).*

(g) Ratchet Notes

If the relevant Final Terms specify that the Notes are Ratchet Notes:

(i) if Local Cap is specified as not applicable in the relevant Final Terms:

$$\text{Constant Percentage } 1 + \text{Max} \left(\sum_{q \text{ in } Q(i)} \text{Max}(\text{Final Redemption Value}_{(q)} - \text{Strike Percentage, Local Floor Percentage}), \text{Global Floor Percentage} \right)$$

(ii) if Local Cap is specified as applicable in the relevant Final Terms:

$$\text{Constant Percentage } 1 + \text{Max} \left(\sum_{q \text{ in } Q(i)} \text{Max}(\text{Min}(\text{Final Redemption Value} - \text{Strike Percentage, Local Cap Percentage}), \text{Local Floor Percentage}), \text{Global Floor Percentage} \right)$$

Description of the Final Payout

The Final Payout provides an amount equal to the sum of the Final Redemption Values above the Strike Percentage, subject to a floor equal to the Global Floor Percentage. The Final Redemption Values are calculated on each SPS Valuation Date during the SPS Valuation Period, and each may be subject to a Cap and/or a Floor.

(h) Sum Notes

If the relevant Final Terms specify that the Notes are Sum Notes:

$$\text{Constant Percentage } 1 + \sum_{a=1}^A \text{Pwa} \prod_{b=1}^B ([\text{Additional Final Payment}]_{a,b})$$

Where "PW" is the Weighting of the Additional Final Payout;

"A" is the number specified as such in the relevant Final Terms; and

"B" is the number specified as such in the relevant Final Terms.

Description of the Final Payout

The Final Payout comprises a weighted sum of two or more Payouts as provided in the Conditions and specified in the relevant Final Terms.

(i) Max Notes

If the relevant Final Terms specify that the Notes are Max Notes:

$$\text{Constant Percentage } 1 + \text{Max}_{a=1}^A([\text{Additional Final Payment}]_a)$$

where:

"A" is the number specified as such in the relevant Final Terms.

Description of the Final Payout

The Final Payout comprises a maximum of two or more Payouts as provided in the Conditions and specified in the relevant Final Terms.

(j) If so specified in the relevant Final Terms, any Final Payout shall be capped at the Maximum Final Payout and/or floored at the Minimum Final Payout, as specified, in each case, in the relevant Final Terms.

1.3 Automatic Early Redemption ("AER") Payouts, Call Payouts or Put Payouts

(a) Automatic Early Redemption Payouts

If the relevant Final Terms specify that Automatic Early Redemption is applicable, if an Automatic Early Redemption Event occurs, and if an Automatic Early Redemption Payout is specified in the relevant Final Terms, the following Payout (or one of the Final Payouts specified in section 2, if so specified in the relevant Final Terms), multiplied by the Specified Denomination, shall apply in the event of Automatic Early Redemption:

$$\text{AER Redemption Percentage} + \text{AER Exit Rate}$$

Provided that if so specified in the relevant Final Terms, the Automatic Early Redemption Payout shall be capped at the Maximum Automatic Early Redemption Payout and/or floored at the Minimum Automatic Early Redemption Payout, as specified, in each case, in the relevant Final Terms.

(b) Definitions applicable to Automatic Early Redemption (abbreviated to: "AER") Payouts

"AER Athena Up Rate" means:

(i) if Cap is specified as applicable in the relevant Final Terms:

$$\text{Min} \left[\text{Max} \left(\text{ER Floor Percentage}_{(i)}, \text{ER Gearing}_{(i)} \times (\text{ER Value}_i - \text{ER Strike Percentage}_{(i)}) + \text{ER Spread}_{(i)} \right), \text{ER Cap Percentage}_{(i)} \right] + \text{ER Constant Percentage}_{(i)}$$

(ii) if Cap is specified as not applicable in the relevant Final Terms:

$$\text{Max} \left[\text{ER Floor Percentage}_{(i)}, \text{ER Gearing}_{(i)} \times (\text{ER Value}_i - \text{ER Strike Percentage}_{(i)}) + \text{ER Spread}_{(i)} \right] + \text{ER Constant Percentage}_{(i)}$$

"AER Calculation Period" means the period from (and including) the Coupon

Payment Date immediately preceding the Automatic Early Redemption Date (or, if none, the Issue Date) and the Automatic Early Redemption Date (excluded);

"**AER CSN Rate**" means a percentage calculated as the product of the AER Rate and the applicable Day Count Fraction;

"**AER Exit Rate**" means, in respect of a SPS ER Valuation Date or Early Redemption Valuation Period, any of AER Rate, AER Athena Up Rate or AER CSN Rate, as specified in the relevant Final Terms;

"**AER Rate**" means the rate specified as such in the relevant Final Terms;

"**AER Redemption Percentage**" means the percentage specified as such in the relevant Final Terms;

"**AER Reference Rate**" means the floating rate specified as such in the relevant Final Terms;

"**Early Redemption Cap Percentage**" or "**ER Cap Percentage**" means, in respect of a SPS ER Valuation Date or Early Redemption Valuation Period, the percentage specified as such in the relevant Final Terms;

"**Early Redemption Constant Percentage**" or "**ER Constant Percentage**" means, in respect of a SPS ER Valuation Date or Early Redemption Valuation Period, the percentage specified as such in the relevant Final Terms;

"**Early Redemption Floor Percentage**" or "**ER Floor Percentage**" means, in respect of a SPS ER Valuation Date or Early Redemption Valuation Period, the percentage specified as such in the relevant Final Terms;

"**Early Redemption Gearing**" or "**ER Gearing**" means, in respect of a SPS ER Valuation Date or Early Redemption Valuation Period, the percentage specified as such in the relevant Final Terms;

"**Early Redemption Spread**" or "**ER Spread**" means, in respect of a SPS ER Valuation Date or Early Redemption Valuation Period, the percentage specified as such in the relevant Final Terms;

"**Early Redemption Strike Percentage**" or "**ER Strike Percentage**" means, in respect of a SPS ER Valuation Date or Early Redemption Valuation Period, the percentage specified as such in the relevant Final Terms;

"**Early Redemption Value**" or "**ER Value**" means, in respect of a SPS ER Valuation Date, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"**SPS Early Redemption Valuation Date**" or "**SPS ER Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date, as specified in the relevant Final Terms; and

"**SPS Early Redemption Valuation Period**" or "**SPS ER Valuation Period**" means each period as specified in the relevant Final Terms.

(c) Call Payouts

If Call Payout is specified as applicable in the relevant Final Terms, the following

Payout which, multiplied by the Specified Denomination, shall apply in the event of a call:

(Call Redemption Percentage + Call Exit Rate)

Provided that, if so specified in the relevant Final Terms, the Call Payout shall be capped at the Maximum Call Payout and/or floored at the Minimum Call Payout, as specified, in each case, in the relevant Final Terms.

(d) Definitions for Call Payouts

"**Call Athena Up Rate**" means:

(i) if Cap is specified as applicable in the relevant Final Terms:

$$\text{Min} \left[\text{Max} \left(\text{Call Floor Percentage}_{(i)}, \text{Call Gearing}_{(i)} \times \left(\text{Call Value}_{(i)} - \text{Call Strike Percentage}_{(i)} \right) + \text{Call Spread Percentage}_{(i)} \right), \text{Call Cap Percentage}_{(i)} \right] + \text{Call Constant Percentage}_{(i)}$$

(ii) if Cap is specified as not applicable in the relevant Final Terms:

$$\text{Max} \left[\text{Call Floor Percentage}_{(i)}, \text{Call Gearing}_{(i)} \times \left(\text{Call Value}_{(i)} - \text{Call Strike Percentage}_{(i)} \right) + \text{Call Spread Percentage}_{(i)} \right] + \text{Call Constant Percentage}_{(i)}$$

"**Call Calculation Period**" means the period from (and including) the Coupon Payment Date immediately preceding the Optional Redemption Date (or, if none, the Issue Date) to the Optional Redemption Date (excluded);

"**Call Cap Percentage**" means the percentage specified as such in the relevant Final Terms;

"**Call Constant Percentage**" means the percentage specified as such in the relevant Final Terms;

"**Call CSN Rate**" means a percentage calculated as the product of the Call Rate and the applicable Day Count Fraction;

"**Call Exit Rate**" means any of Call Rate, Call Athena Up Rate or Call CSN Rate, as specified in the relevant Final Terms;

"**Call Floor Percentage**" means the percentage specified as such in the relevant Final Terms;

"**Call Gearing**" means the percentage specified as such in the relevant Final Terms;

"**Call Rate**" means the rate specified as such or determined in the manner specified in the relevant Final Terms;

"**Call Reference Rate**" means the floating rate specified as such in the relevant Final Terms;

"**Call Spread Percentage**" means the percentage specified as such in the relevant Final Terms;

"**Call Redemption Percentage**" means the percentage specified as such in the

relevant Final Terms;

"Call Strike Percentage" means the percentage specified as such in the relevant Final Terms;

"Call Value" means, in respect of a SPS Call Valuation Date or SPS Call Valuation Period, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"SPS Call Valuation Date" means each Averaging Date, Pricing Date and/or Settlement Price Date, as specified in the relevant Final Terms; and

"SPS Call Valuation Period" each period as specified in the relevant Final Terms.

(e) Put Payouts

If Put Payout is specified as applicable in the relevant Final Terms, the following Payout which, multiplied by the Specified Denomination, shall apply in the event of a Put:

$$\text{Specified Denomination} \times (\text{Put Redemption Percentage} + \text{Put Exit Rate})$$

Provided that, if so specified in the relevant Final Terms, the Put Payout shall be capped at the Maximum Put Payout and/or floored at the Minimum Put Payout, as specified, in each case, in the relevant Final Terms.

(f) Definitions applicable to Put Payouts

"Put Athena Up Rate" means:

(i) if Cap is specified as applicable in the relevant Final Terms:

$$\text{Min} \left[\text{Max} \left(\text{Put Floor Percentage}_{(i)}, \text{Put Gearing}_{(i)} \times (\text{Put Value}_i - \text{Put Strike Percentage}_{(i)}) + \text{Put Spread}_{(i)} \right), \text{Put Cap Percentage}_{(i)} \right] + \text{Put Constant Percentage}_{(i)}$$

(ii) if Cap is specified as not applicable in the relevant Final Terms:

$$\text{Max} \left[\text{Put Floor Percentage}_{(i)}, \text{Put Gearing}_{(i)} \times (\text{Put Value}_i - \text{Put Strike Percentage}_{(i)}) + \text{Put Spread}_{(i)} \right] + \text{Put Constant Percentage}_{(i)}$$

"Put Calculation Period" means the period from (and including) the Coupon Payment Date immediately preceding the Optional Redemption Date (or, if none, the Issue Date) to the Optional Redemption Date (excluded);

"Put Cap Percentage" means the percentage specified as such in the relevant Final Terms;

"Put CSN Rate" means a percentage calculated as the product of the Put Rate and the applicable Day Count Fraction;

"Put Constant Percentage" means the percentage specified as such in the relevant Final Terms;

"Put Exit Rate" means any of Put Rate, Put Athena Up Rate or Put CSN Rate, as specified in the relevant Final Terms;

"Put Floor Percentage" means the percentage specified as such in the relevant Final Terms;

"Put Gearing" means the percentage specified as such in the relevant Final Terms;

"Put Rate" means the rate specified as such or determined in the manner specified in the relevant Final Terms;

"Put Redemption Percentage" means the percentage specified as such in the relevant Final Terms;

"Put Reference Rate" means the floating rate specified as such in the relevant Final Terms;

"Put Spread Percentage" means the percentage specified as such in the relevant Final Terms;

"Put Strike Percentage" means the percentage specified as such in the relevant Final Terms;

"Put Value" means, in respect of a SPS Put Valuation Date or a SPS Put Valuation Period, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"SPS Put Valuation Date" means each Averaging Date, Pricing Date and/or Settlement Price Date, as specified in the relevant Final Terms; and

"SPS Put Valuation Period" each period as specified in the relevant Final Terms.

1.4 Physical Delivery Entitlement Amounts

The following Physical Delivery Entitlement Amounts (each a **"Physical Delivery Entitlement Amount"**) shall apply to the Notes, if so specified in the relevant Final Terms, subject as provided in Payout Term 1.4(c) below:

(a) Delivery of the Worst Performing Underlying

If Delivery of the Worst Performing Underlying is specified as applicable in the relevant Final Terms:

Specified Denomination \times Redemption Payout / (Worst Performing Reference Underlying Closing Price Value_(i) \times FX_(i))

Where:

"Worst Performing Reference Underlying Closing Price Value_(i)" is the Reference Underlying Closing Price Value_(i) on the relevant SPS Valuation Date in respect of the Reference Underlying with the Worst Value on such date; and

"FX_(i)" is the FX Level_(i) of the relevant Reference Underlying on the relevant SPS Valuation Date or, if such date is not a Business Day, the immediately succeeding Business Day.

(b) Delivery of the Best Performing Underlying

If Delivery of the Best Performing Underlying is specified as applicable in the relevant Final Terms:

Specified Denomination \times Redemption Payout / (Best Performing Reference Underlying Closing Price Value_(i) \times FX_(i))

Where:

"**Best Performing Reference Underlying Closing Price Value_(i)**" is the Reference Underlying Closing Price Value_(i) on the relevant SPS Valuation Date in respect of the Reference Underlying with the Best Value on such date; and

"**FX_(i)**" is the FX Level of the relevant Reference Underlying on the relevant SPS Valuation Date or, if such date is not a Business Day, the immediately succeeding Business Day.

(c) Rounding and Residual Amount

The Physical Delivery Entitlement Amount shall be rounded down to the nearest unit of each Relevant Asset capable of being delivered and, in lieu thereof, the Issuer shall pay an amount equal to:

Specified Denomination \times Redemption Payout - $\sum_{k=1}^K$ Number (k,i) \times FX_(i) \times Underlying Closing Level_(k,i)

1.5 Definitions for Rates of Interest/Coupon and Final Redemption Rates

(a) Definitions for Rates of Interest /Coupon

"**Accrual Digital Coupon Barrier Level Down**" means (i) in respect of a SPS Coupon Valuation Date or SPS Coupon Valuation Period, the product of the Barrier Gearing multiplied by the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, or (ii) the percentage, the amount or the number, specified as such in the relevant Final Terms;

"**Accrual Digital Coupon Barrier Level Up**" means (i) in respect of a SPS Coupon Valuation Date or SPS Coupon Valuation Period, the product of the Barrier Gearing multiplied by the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, or (ii) the percentage, the amount or the number, specified as such in the relevant Final Terms;

"**Accrual Digital Coupon Condition**" means:

- (i) if Barrier Up is specified as applicable in the relevant Final Terms, that the Digital Coupon Barrier Value for the relevant DC Day is (i) greater than or equal to the relevant Accrual Digital Coupon Barrier Level Down, and (ii) less than or equal to the relevant Accrual Digital Coupon Barrier Level Up; or
- (ii) if Barrier Up is specified as not applicable in the relevant Final Terms, that the Digital Coupon Barrier Value for the relevant DC Day is (a) greater than, (b) less than, (c) greater than or equal to, or (d) less than or equal to the relevant Accrual Digital Coupon Barrier Level Down, as specified in the relevant Final Terms;

"**Additional Coupon**" means each Rate of Interest specified as such in the relevant Final Terms;

"**Barrier Gearing**" means the percentage or the number specified as such in the relevant Final Terms;

"Cappuccino Coupon Condition" means the Coupon Value for the relevant Reference Underlying, on the relevant SPS Valuation Date, is (a) greater than, (b) less than, (c) greater than or equal to, or (d) less than or equal to the Barrier Level, as specified in the relevant Final Terms;

"Coupon Value" means, in respect of a SPS Coupon Valuation Date or the SPS Coupon Valuation Period, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"DC Day" means a calendar day, an Exchange Business Day, a Trading Day or any other day specified as such in the relevant Final Terms;

"Digital Coupon Barrier Level Down" means (i) in respect of a SPS Coupon Valuation Date or SPS Coupon Valuation Period, the product of the Barrier Gearing multiplied by the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, or (ii) the percentage, the amount or the number, specified as such in the relevant Final Terms;

"Digital Coupon Barrier Level Up" means (i) in respect of a SPS Coupon Valuation Date or SPS Coupon Valuation Period, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, or (ii) the percentage, the amount or the number, specified as such in the relevant Final Terms;

"Digital Coupon Barrier Value" means, in respect of a DC Day, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"Digital Coupon Barrier Value" means, in respect of a SPS Coupon Valuation Date or the SPS Coupon Valuation Period, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"Digital Coupon Condition" means:

- (i) if Barrier Up is specified as applicable in the relevant Final Terms, that the Digital Coupon Barrier Value for the relevant SPS Coupon Valuation Date is (i) greater than or equal to the relevant Digital Coupon Barrier Level Down, and (ii) less than or equal to the relevant Barrier Level Up; or
- (ii) if Barrier Up is specified as not applicable in the relevant Final Terms, that the Digital Coupon Barrier Value, for the relevant SPS Coupon Valuation Date or SPS Coupon Valuation Period, is (a) greater than, (b) less than, (c) greater than or equal to, or (d) less than or equal to the Digital Coupon Barrier Level Down, as specified in the relevant Final Terms;

"Driver Percentage" means the percentage specified as such in the relevant Final Terms;

"Final Redemption Barrier Value" means for the relevant Final Redemption Condition, in respect of a SPS Valuation Date or SPS Coupon Valuation Period, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"Final Redemption Condition" means:

- (i) if Barrier Up is specified as applicable in the relevant Final Terms, that the Final Redemption Barrier Value for the relevant SPS Valuation Date or the SPS Valuation Period is (a) greater than or equal to the relevant Final Redemption Condition Level Down and (b) less than or equal to the relevant Final Redemption Condition Level Up; or
- (ii) if Barrier Up is specified as not applicable in the relevant Final Terms, that the Final Redemption Barrier Value, for the relevant SPS Coupon Valuation Date or SPS Coupon Valuation Period, is (a) greater than, (b) less than, (c) greater than or equal to, or (d) less than or equal to the relevant Final Redemption Condition Level Down, as specified in the relevant Final Terms, to the Final Redemption Condition Level;

"Final Redemption Condition Level Down" means for the relevant Final Redemption Condition, (i) in respect of a SPS Valuation Date or SPS Coupon Valuation Period, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms or (ii) the percentage, amount or number, specified as such in the relevant Final Terms;

"Final Redemption Condition Level Up" means for the relevant Final Redemption Condition, (i) in respect of a SPS Valuation Date or SPS Coupon Valuation Period, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms or (ii) the percentage, amount or number, specified as such in the relevant Final Terms;

"IRR Rate" means:

$$\text{Constant Percentage}_{(i)} + \text{Gearing}_{(i)} \\ * \text{Min}[\text{Max}(\text{IRR}_{(i)} + \text{Spread}_{(i)}, \text{Floor Percentage}_{(i)}), \text{Cap Percentage}_{(i)}]$$

$$\text{IRR}_{(i)} = \left(\text{Coupon Value}_{(i)} / \text{Coupon Value}_{(j)} \right)^{\text{IRR Exposure}_{(i)}} - \text{Strike Percentage}_{(i)}$$

"nfixed value" means the number specified as such in the relevant Final Terms.

"Rate" means, in respect of a SPS Coupon Valuation Date or SPS Coupon Valuation Period:

- (i) the fixed rate specified in the relevant Final Terms or the floating rate calculated in the manner specified in the relevant Final Terms; or
- (ii) the Vanilla Call Rate, the Vanilla Call Spread Rate or the IRR Rate specified in the relevant Final Terms.

"Rate 1", "Rate 2" each means a Rate as defined below;

"Snowball Barrier Value" means, in respect of a SPS Coupon Valuation Date, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"Snowball Date" means each date on which the Snowball Digital Coupon Condition is satisfied;

"Snowball Digital Coupon Condition" means that the Snowball Barrier Value for the relevant SPS Coupon Valuation Date is (a) greater, (b) less, (c) greater than or equal to, or (d) less than or equal to, as specified in the relevant Final Terms, the Snowball Level;

"**Snowball Level**" means the percentage specified as such in the relevant Final Terms;

"**Spread**" means the percentage specified as such in the relevant Final Terms;

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

"**SPS Coupon Valuation Period**" means the period as specified in the relevant Final Terms;

"**Vanilla Call Rate**" means:

Constant Percentage_(i) + Gearing_(i) * Max Coupon Value_(i) – Strike Percentage_(i) + Spread_(i), Floor Percentage_(i);

"**Vanilla Call Spread Rate**" means:

Constant Percentage_(i) + Gearing_(i) * Min(Max (Coupon Value_(i) – Strike Percentage_(i) + Spread_(i), Floor Percentage_(i)), Cap Percentage_(i))

(b) Definitions for calculating the Final Redemption Rate

"**Final Redemption Cap Percentage**" (abbreviated to: "**FR Cap Percentage**") means the percentage specified as such in the relevant Final Terms;

"**Final Redemption Constant Percentage**" (abbreviated to: "**FR Constant Percentage**") means the percentage specified as such in the relevant Final Terms;

"**Final Redemption Floor Percentage**" (abbreviated to: "**FR Floor Percentage**") means the percentage specified as such in the relevant Final Terms;

"**Final Redemption Gearing**" (abbreviated to: "**FR Gearing**") means the percentage specified as such in the relevant Final Terms;

"**Final Redemption Percentage (FR)**" means the percentage specified as such in the relevant Final Terms;

"**Final Redemption Spread**" (abbreviated to: "**FR Spread**") means the percentage specified as such in the relevant Final Terms;

"**Final Redemption Strike Percentage**" (abbreviated to: "**FR Strike Percentage**") means the percentage specified as such in the relevant Final Terms;

"**Final Redemption Value Down**" (abbreviated to: "**FR Value Down**") means, in respect of a SPS FR Valuation Date, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"**Final Redemption Value Up**" (abbreviated to: "**FR Value Up**") means, in respect of a SPS FR Valuation Date, the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms as specified in the relevant Final Terms;

"**FR Athena Up Rate**" means:

(i) if Cap is specified as applicable in the relevant Final Terms:

$$\text{Min (Max(FR Floor Percentage , FR Gearing} \times (\text{FR Value} - \text{FR Strike Percentage}) \\ + \text{FR Spread}), \text{FR Cap Percentage}) + \text{FR Constant Percentage}$$

* FR= Final Redemption

(ii) if Cap is specified as not applicable in the relevant Final Terms:

$$\text{Max [FR Floor Percentage , FR Gearing} \times (\text{FR Value} - \text{FR Strike Percentage}) + \text{Fr Spread}] \\ + \text{FR Constant Percentage}$$

"FR Calculation Period" means the period commencing on the Coupon Payment Date (included), as the case may be, immediately preceding the Final Valuation Date (or, if none, the Issue Date) and ending on the Final Valuation Date (excluded);

"FR CSN Rate" means a percentage equal to the product of the FR Rate multiplied by the applicable Day Count Fraction;

"FR Exit Rate" means any of the FR Rate, the FR Athena Up Rate or the FR CSN Rate, as specified in the relevant Final Terms;

"FR Rate" means the rate specified as such or determined in the manner specified in the relevant Final Terms;

"FR Reference Rate" means the floating rate specified as such in the relevant Final Terms;

"Min Coupon" means the percentage specified as such in the relevant Final Terms;

"SPS Final Redemption Barrier Valuation Date (abbreviated to: **"FR Barrier Valuation Date"**)" means each Averaging Date, Pricing Date and/or Settlement Price Date as specified in the relevant Final Terms;

"SPS Final Redemption Barrier Valuation Period (abbreviated to: **"FR Barrier Valuation Period"**)" means each period specified as such in the relevant Final Terms;

"SPS Final Redemption Valuation Date (abbreviated to: **"FR Valuation Date"**)" means each Averaging Date, Pricing Date and/or Settlement Price Date as specified in the relevant Final Terms; and

"SPS Final Redemption Valuation Period" (abbreviated to: **"FR Valuation Period"**)" means each period specified as such in the relevant Final Terms.

1.6 Base and Performance Definitions for calculating Rates of Interest, Payouts and Physical Delivery Entitlement Amounts

(a) Base Value Definitions

"Performance" means, in respect of a Reference Underlying and a SPS Valuation Date, (a) the Reference Underlying Value for such Reference Underlying on such date, less (b) 100 per cent;

"Reference Underlying FX Level" means, in respect of a Reference Underlying and any day, the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and

determined from the source(s) and at the time, in each case specified in the relevant Final Terms for such Reference Underlying on such day;

"Reference Underlying FX Strike Level" means, in respect of a Reference Underlying:

- (i) the rate specified as such in the relevant Final Terms; or
- (ii) if Closing FX Level is specified as applicable in the relevant Final Terms, the Reference Underlying FX Level for such Reference Underlying on the Strike Date; or
- (iii) if Maximum FX Level is specified as applicable in the relevant Final Terms, the greatest Reference Underlying FX Level for such Reference Underlying for all Strike Dates in the Strike Period; or
- (iv) if Minimum FX Level is specified as applicable in the relevant Final Terms, the lowest Reference Underlying FX Level for such Reference Underlying for all Strike Dates in the Strike Period; or
- (v) if Average FX Level is specified as applicable in the relevant Final Terms, the arithmetic average of the Reference Underlying FX Levels for such Reference Underlying for all Strike Dates in the Strike Period; and

"Reference Underlying Strike Price" means, in respect of a Reference Underlying:

- (i) the amount specified as such in the relevant Final Terms; or
- (ii) if Strike Price Closing Value is specified as applicable in the relevant Final Terms, the Reference Underlying Closing Price Value for such Reference Underlying on the Strike Date; or
- (iii) if Strike Price Maximum Value is specified as applicable in the relevant Final Terms, the highest Reference Underlying Closing Price Value for such Reference Underlying for all Strike Dates in the Strike Period; or
- (iv) if Strike Price Minimum Value is specified as applicable in the relevant Final Terms, the lowest Reference Underlying Closing Price Value for such Reference Underlying for all Strike Dates in the Strike Period; or
- (v) if Strike Price Average Value is specified as applicable in the relevant Final Terms, the arithmetic average of the Reference Underlying Closing Price Values for such Reference Underlying for all Strike Dates in the Strike Period; or
- (vi) if Barrier Strike Price Closing Value is specified as applicable in the relevant Final Terms, an amount equal to the product of (x) the Reference Underlying Closing Price Value for such Reference Underlying on the Strike Date, and (y) the Barrier Strike Percentage; or
- (vii) if Barrier Strike Price Maximum Value is specified as applicable in the relevant Final Terms, an amount equal to the product of (x) the highest Reference Underlying Closing Price Value for such Reference Underlying for all Strike Dates in the Strike Period, and (y) the Barrier Strike Percentage; or

- (viii) if Barrier Strike Price Minimum Value is specified as applicable in the relevant Final Terms, an amount equal to the product of (x) the lowest Reference Underlying Closing Price Value for such Reference Underlying for all Strike Dates in the Strike Period, and (y) the Barrier Strike Percentage; or
- (ix) if Barrier Strike Price Average Value is specified as applicable in the relevant Final Terms, an amount equal to the product of (x) the arithmetic average of the Reference Underlying Closing Price Values for such Reference Underlying for all Strike Dates in the Strike Period, and (y) the Barrier Strike Percentage; or
- (x) if Barrier Closing Price Value is specified as applicable in the relevant Final Terms, an amount equal to the product of (x) the Reference Underlying Closing Price Value for such Reference Underlying in respect of a SPS Valuation Date (being a Knock-In Barrier Effective Date or a Knock-Out Barrier Effective Date, as the case may be) "on which a Knock-In Event has occurred", "on which a Knock-Out Event has occurred" as specified in the relevant Final Terms, and (y) the Barrier Strike Percentage;

"Restrike Performance" means, in respect of a Reference Underlying and a SPS Valuation Date (a) (i) the Reference Underlying Closing Price Value for such Reference Underlying in respect of such day (ii) divided by the Reference Underlying Closing Price Value for such Reference Underlying in respect of the immediately preceding SPS Valuation Date (b) less 100 per cent.

(b) Mono Reference Underlying Value Definitions.

"FX Value" means, in respect of a Reference Underlying and a day, the FX Level for such Reference Underlying on such day, divided by the Reference Underlying FX Strike Level;

"Reference Underlying Closing Price Value" means, in respect of a SPS Valuation Date:

- (i) if the relevant Reference Underlying is an Index or Strategy Index, its official closing level; or
- (ii) if the Reference Underlying is a listed security or a Share, its official closing price;
- (iii) if the Reference Underlying is a Commodity/Goods or a Commodity/Goods Index, the Reference Price;
- (iv) if the Reference Underlying is a Fund, the NAV per Share or Unit in the Fund;
- (v) if the Reference Underlying is a Currency or Futures Contract, the Settlement Price;
- (vi) if the Reference Underlying is an Underlying Interest Rate, the Rate of the Reference Underlying; or
- (vii) if the Reference Underlying is an Inflation Index, the Reference Level;

in each case for such day;

"Reference Underlying EndDay Closing Price Value" means, in respect of a Reference Underlying and a SPS Valuation Date, the Reference Underlying Closing Price Value for such Reference Underlying on the date (the **"SPS EndDay Valuation Date"**) falling nEnd days after such SPS Valuation Date;

"Reference Underlying IntraDay Price Value" means:

- (i) if the relevant Reference Underlying is an Index, the Intraday Level; or
- (ii) if the relevant Reference Underlying is a Share, an Exchange Listed Instrument, a Commodity/Goods or a Commodity/Goods Index, the Intraday Price;

"Reference Underlying IntraDay Value" means, in respect of a Reference Underlying and a SPS Valuation Date, (a) (i) the Reference Underlying IntraDay Price Value for such Reference Underlying in respect of such SPS Valuation Date (ii) divided by the Strike Price of the relevant Reference Underlying, and (b) if FX Conversion is specified as applicable in the relevant Final Terms, multiplied by the FX Value;

"Reference Underlying Restrike Value" means, in respect of a Reference Underlying and a SPS Valuation Date, (a) the Reference Underlying Closing Price Value for such Reference Underlying for such date, divided by (b) the Reference Underlying Closing Price Value for such Reference Underlying on the immediately preceding SPS Valuation Date;

"Reference Underlying StartDay Closing Price Value" means, in respect of a Reference Underlying and a SPS Valuation Date, the Reference Underlying Closing Price Value for such Reference Underlying on the date (the **"SPS StartDay Valuation Date"**) falling nStart days before such SPS Valuation Date;

"Reference Underlying TOM Restrike Value" means, in respect of a Reference Underlying and a SPS Valuation Date, (a) the Reference Underlying EndDay Closing Price Value for such Reference Underlying for such date, divided by (b) the Reference Underlying StartDay Closing Price Value for such Reference Underlying for such day;

"Reference Underlying TOM Value" means, in respect of a Reference Underlying and a SPS Valuation Date, the product of all Underlying TOM Restrike Values for all SPS Valuation Dates prior to and including such SPS Valuation Date, in respect of a Reference Underlying; and

"Reference Underlying Value" means, in respect of a Reference Underlying and a SPS Valuation Date, (a) (i) the Reference Underlying Closing Price Value for such Reference Underlying in respect of such SPS Valuation Date (ii) divided by the Strike Price of the relevant Reference Underlying and (b) if FX Conversion is specified as applicable in the relevant Final Terms, multiplied by the FX Value.

(c) Multi Reference Underlying Value Definitions

"Basket Value" means, in respect of a SPS Valuation Date, the sum of the values calculated for each Reference Underlying in the Basket, as (a) the Reference Underlying Value for such Reference Underlying in respect of such SPS Valuation Date, multiplied by (b) the relevant Reference Underlying Weighting;

"Best Intraday Value" means, in respect of a SPS Valuation Date, the highest Reference Underlying Intraday Value for any Reference Underlying in respect of

such SPS Valuation Date;

"Best Value" means, in respect of a SPS Valuation Date, the highest Reference Underlying Value for any Reference Underlying in the basket in respect of such SPS Valuation Date;

"Rainbow Value" means, in respect of a SPS Valuation Date, the sum of the values calculated for each Reference Underlying in the Basket, as (a) the Ranked Value of such Reference Underlying in respect of such SPS Valuation Date, multiplied by (b) the relevant Reference Underlying Weighting;

"Ranked Value" means, in respect of a SPS Valuation Date, the Reference Underlying Value for the relevant Reference Underlying with the applicable Ranking on such SPS Valuation Date, as specified in the relevant Final Terms;

"Ranking" means, in respect of a SPS Valuation Date, the ordinal positioning of each Reference Underlying by Reference Underlying Value, from lowest Reference Underlying Value to highest Reference Underlying Value in respect of such SPS Valuation Date;

"Worst Intraday Value" means, in respect of a SPS Valuation Date, the lowest Reference Underlying IntraDay Value for any Reference Underlying in respect of such SPS Valuation Date; and

"Worst Value" means, in respect of a SPS Valuation Date, the lowest Reference Underlying Value for any Reference Underlying in the basket in respect of such SPS Valuation Date.

1.7 Greatest Period Value definitions for Coupon, Payout and Physical Delivery Entitlement Amount calculations

(a) Mono Reference Underlying Value Definitions

"Greatest Reference Underlying IntraDay Value" means, in respect of a Reference Underlying and a SPS Valuation Period, the highest Reference Underlying IntraDay Value for such Reference Underlying for all SPS Valuation Dates in such SPS Valuation Period.

"Greatest Reference Underlying Value" means, in respect of a Reference Underlying and a SPS Valuation Period, the highest Reference Underlying Value for such Reference Underlying for all SPS Valuation Dates in such SPS Valuation Period; and

(b) Multi Reference Underlying Value Definitions

"Greatest Basket Value" means, in respect of a SPS Valuation Period, the highest Basket Value for all SPS Valuation Dates in such SPS Valuation Period;

"Greatest Best Intraday Value" means, in respect of a SPS Valuation Period, the highest Best Intraday Value for all SPS Valuation Dates in such SPS Valuation Period;

"Greatest Best Value" means, in respect of a SPS Valuation Period, the highest Best Value for all SPS Valuation Dates in such SPS Valuation Period;

"Greatest Rainbow Value" means, in respect of a SPS Valuation Period, the highest for all SPS Valuation Dates in such SPS Valuation Period of the relevant

Rainbow Values; and

"Greatest Worst Value" means, in respect of a SPS Valuation Period, the highest Worst Value for all SPS Valuation Dates in such SPS Valuation Period.

1.8 **Lowest Period Value definitions for Coupon, Payout and Physical Delivery Entitlement Amount calculations**

(a) Mono Reference Underlying Value Definitions

"Lowest Reference Underlying IntraDay Value" means, in respect of a Reference Underlying and a SPS Valuation Period, the lowest Reference Underlying IntraDay Value for such Reference Underlying for all SPS Valuation Dates in such SPS Valuation Period.

"Lowest Reference Underlying Value" means, in respect of a Reference Underlying and a SPS Valuation Period, the lowest Reference Underlying Value for such Reference Underlying for all SPS Valuation Dates in such SPS Valuation Period; and

(b) Multi Reference Underlying Value Definitions

"Lowest Basket Value" means, in respect of a SPS Valuation Period, the lowest Basket Value for all SPS Valuation Dates in such SPS Valuation Period;

"Lowest Best Value" means, in respect of a SPS Valuation Period, the lowest Best Value for all SPS Valuation Dates in such SPS Valuation Period;

"Lowest Rainbow Value" means, in respect of a SPS Valuation Period, the lowest for all SPS Valuation Dates in such SPS Valuation Period of the relevant Rainbow Values;

"Lowest Worst Intraday Value" means, in respect of a SPS Valuation Period, the lowest Worst Intraday Value for all SPS Valuation Dates in such SPS Valuation Period; and

"Lowest Worst Value" means, in respect of a SPS Valuation Period, the lowest Worst Value for all SPS Valuation Dates in such SPS Valuation Period.

1.9 **Average Values for Coupon, Payout and Physical Delivery Entitlement Amount calculations**

(a) Mono Reference Underlying Value Definitions

"Average Reference Underlying TOM Value" means, in respect of a Reference Underlying and a SPS Valuation Period, the arithmetic average of the Reference Underlying TOM Values for such Reference Underlying, for all SPS Valuation Dates in such SPS Valuation Period.

"Average Reference Underlying Value" means, in respect of a Reference Underlying and a SPS Valuation Period, the arithmetic average of the Reference Underlying Values for such Reference Underlying, for all SPS Valuation Dates in such SPS Valuation Period.

(b) Multi Reference Underlying Value Definitions

"Average Basket Value" means, in respect of a SPS Valuation Period, the

arithmetic average of the Basket Values for all SPS Valuation Dates in such SPS Valuation Period;

"Average Best Value" means, in respect of a SPS Valuation Period, the arithmetic average of the Best Values for all SPS Valuation Dates in such SPS Valuation Period;

"Average Rainbow Value" means, in respect of a SPS Valuation Period, the arithmetic average for all SPS Valuation Dates in such SPS Valuation Period of the relevant Rainbow Values; and

"Average Worst Value" means, in respect of a SPS Valuation Period, the arithmetic average of the Worst Values for all SPS Valuation Dates in such SPS Valuation Period.

1.10 **Weighted Average Values for Coupon, Payout and Physical Delivery Entitlement Amount calculations**

(a) Mono Reference Underlying Value Definitions

"Weighted Average Reference Underlying Value" means, in respect of a Reference Underlying and a SPS Valuation Period, the sum of the values calculated for all SPS Valuation Dates in such SPS Valuation Period, as (a) the Reference Underlying Value for such Reference Underlying for such SPS Valuation Date, (b) multiplied by the applicable SPS Date Weighting.

(b) Multi Reference Underlying Value Definitions

"Weighted Average Basket Value" means, in respect of a SPS Valuation Period, the sum of the values calculated for all SPS Valuation Dates in such SPS Valuation Period, as (a) the Basket Value for such SPS Valuation Date (b) multiplied by the applicable SPS Date Weighting;

"Weighted Average Best Value" means, in respect of a SPS Valuation Period, the sum of the values calculated for all SPS Valuation Dates in such SPS Valuation Period, as (a) the Best Value for such SPS Valuation Date (b) multiplied by the applicable SPS Date Weighting;

"Weighted Average Rainbow Value" means, in respect of a SPS Valuation Period, the sum of the values calculated for all SPS Valuation Dates in such SPS Valuation Period, as (a) the relevant Rainbow Values (b) multiplied by the applicable SPS Date Weighting; and

"Weighted Average Worst Value" means, in respect of a SPS Valuation Period, the sum of the values calculated for all SPS Valuation Dates in such SPS Valuation Period, as (a) the Worst Value for such SPS Valuation Date (b) multiplied by the applicable SPS Date Weighting.

1.11 **Specific Payout Definitions**

"Call" means $\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}, \text{Floor Percentage})$;

"Call Spread" means $\text{Min}(\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}, \text{Floor Percentage}), \text{Cap Percentage})$;

"EDS" means $\text{Max}(\text{Floor Percentage}, \text{Min}(\text{Constant Percentage} - \text{nEDS} \times \text{Loss Percentage}, 0\%))$;

"Forward" means Final Redemption Value – Strike Percentage;

"nEDS" means the number of Reference Underlyings in the Basket, in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than, as specified in the relevant Final Terms, the EDS Barrier Percentage;

"Option" means a Call, Call Spread, Put, Put Spread, EDS or Forward as specified in the relevant Final Terms;

"Put" means Max (Strike Percentage - Final Redemption Value; 0); and

"Put Spread" means Min (Max (Strike Percentage – Final Redemption Value; 0); Cap Percentage).

1.12 **Minimum / Maximum Values**

Any value specified in the relevant Final Terms and used in the calculation of any Rate of Interest, Payout and/or Physical Delivery Entitlement Amount applicable to SPS, or for any related purpose, maybe subject to a cap of the Maximum Value and/or to a floor of the Minimum Value, as specified in each case in the relevant Final Terms.

1.13 **General definitions for Coupon, Payout and Physical Delivery Entitlement Amount calculations**

"Additional Final Payout" means each Final Payout as specified in the relevant Final Terms for the relevant Sum Notes or Max Notes and, if Payout FX Conversion is specified as applicable in the relevant Final Terms, converted into the Payout Currency at the Payout FX Value, as specified in each case in the relevant Final Terms;

"Asian Local Cap" means the percentage specified as such in the relevant Final Terms;

"Bonus Coupon" means the percentage specified as such in the relevant Final Terms;

"Bonus Percentage" means the percentage specified as such in the relevant Final Terms;

"Cap" means the percentage specified as such in the relevant Final Terms;

"Cap Percentage" means the percentage specified as such in the relevant Final Terms;

"Constant Percentage" means the percentage specified as such in the relevant Final Terms;

"Constant Percentage (u, u from between 1 and 4)" means the percentage specified as such in the relevant Final Terms;

"Coupon Airbag Percentage" means the percentage specified as such in the relevant Final Terms;

"Coupon Airbag Percentage 1" means the percentage specified as such in the relevant Final Terms;

"Coupon Airbag Percentage 2" means the percentage specified as such in the relevant Final Terms;

"EDS Barrier Percentage" means the percentage specified as such in the relevant Final Terms;

"Final Redemption Value" means the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, as specified in the relevant Final Terms;

"Floor Percentage" means the percentage specified as such in the relevant Final Terms;

"g" means an Option in the list of G Options;

"G" means the list of Options specified for the purposes of the Generic Notes Payout, corresponding to the number specified in the relevant Final Terms;

"Gearing" means the percentage specified in the relevant Final Terms;

"Global Floor Percentage" means the percentage specified as such in the relevant Final Terms;

"i" means the relevant SPS Valuation Date;

"IRR Exposure" means, in respect of a relevant SPS Valuation Date, the number specified for such date in the relevant Final Terms;

"j" means the relevant Strike Date;

"k" means the relevant Reference Underlying;

"Local Cap" means the percentage specified as such in the relevant Final Terms;

"Local Cap Percentage" means the percentage specified as such in the relevant Final Terms;

"Local Floor Percentage" means the percentage specified as such in the relevant Final Terms;

"Loss Percentage" means the percentage specified as such in the relevant Final Terms;

"Min Coupon" means the percentage specified as such in the relevant Final Terms;

"nEnd days" has the meaning given thereto in the relevant Final Terms;

"nStart days" has the meaning given thereto in the relevant Final Terms;

"Payout Currency" means the Currency specified in the relevant Final Terms;

"Payout FX Rate Date" means the date specified in the relevant Final Terms;

"Payout FX Rate Strike Date" means the date specified in the relevant Final Terms;

"q" means the relevant Observation Date or SPS Valuation Date;

"Q" is a series of SPS Valuation Dates falling in a SPS Valuation Period_(i) or a Calculation Period_(i);

"Redemption Payout" means the Final Payout specified in the relevant Final Terms;

"Reference Underlying Weighting" means, in respect of a Reference Underlying, the number, amount or percentage specified as such for such Reference Underlying in the relevant Final Terms;

"SPS Date Weighting" means, in respect of a SPS Valuation Date, the number, amount or percentage specified as such for such date in the relevant Final Terms;

"SPS Redemption Valuation Date" means each Averaging Date, Pricing Date and/or Settlement Price Date, as specified in the relevant Final Terms;

"SPS Redemption Valuation Period" means each period specified as such in the relevant Final Terms;

"SPS Valuation Date" means each SPS Coupon Valuation Date, SPS Redemption Valuation Date, SPS ER Valuation Date, SPS FR Valuation Date, SPS FR Barrier Valuation Date, Knock-In Barrier Effective Date, Knock-Out Barrier Effective Date, AEE Valuation Date, SPS EndDay Valuation Date, SPS StartDay Valuation Date, Automatic Early Redemption Valuation Date, SPS Coupon Switch Valuation Date or Final Payout Switch Valuation Date, as specified in the relevant Final Terms;

"SPS Valuation Period" means each SPS ER Valuation Period, SPS Coupon Valuation Period, SPS FR (Final Redemption) Barrier Valuation Period, SPS FR Valuation Period, SPS Redemption Valuation Period, Knock-In Barrier Effective Period, Knock-Out Barrier Effective Period, SPS Coupon Switch Valuation Period or Final Payout Switch Valuation Period, as specified in the relevant Final Terms;

"Strike Percentage" means for the relevant Option and in respect of a SPS Valuation Date or SPS Coupon Valuation Period, the percentage specified as such, or the value calculated in accordance with Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 of the Supplemental Payout Terms, as specified in the relevant Final Terms;

"T" means the relevant Observation Date or SPS Valuation Date;

"Total M" means the number specified as such in the relevant Final Terms;

"u" means the relevant Final Redemption Condition in the series of "U" conditions;

"U" means a series of Final Redemption Conditions specified for Digital-B Generic Notes.

2. COUPON RATES AND PAYOUTS FOR FIXED RATE NOTES

2.1 Coupon Rate on Fixed Rate Notes ("FI")

The following Coupon Rate(s) shall apply to the Notes if specified in the relevant Final Terms:

(a) FI Digital Coupon

If FI Digital Coupon is specified as applicable in the relevant Final Terms:

(i) If the FI Digital Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

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

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

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

(b) Range Accrual Coupon

If Range Accrual Coupon is specified as applicable in the relevant Final Terms:

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

Where:

'n' is the number of Range Accrual Days in the relevant Range Period where 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 relevant 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, shall be deemed to be the FI DC Barrier Value on the Range Cut-Off Date.

(c) Combination Floater Coupon

If Combination Floater Coupon is specified as applicable in the relevant Final Terms:

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

(d) PRDC Coupon

If PRDC Coupon is specified as applicable in the relevant Final Terms:

(i) If Knock-In Event is specified as applicable in the relevant Final Terms:

(A) if no Knock-In Event occurs, 0 (zero); or

(B) if a Knock-In Event has occurred:

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

(ii) If Knock-In Event is specified as not applicable in the relevant Final Terms:

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

(iii) If Knock-In Event and Knock-Out Event are specified as applicable in the relevant Final Terms:

- (A) if a Knock-In Event has occurred but a Knock-Out Event has not occurred:

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

- (B) 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).

(e) FI Digital Floor Coupon

If the relevant Final Terms specify that the Notes are FI Digital Floor Coupon Notes:

- (i) If Knock-In Event is specified as applicable in the relevant Final Terms:

- (A) if no Knock-In Event occurs, 0 (zero);
- (B) if a Knock-In Event has occurred and if the FI Digital Floor Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1; or

- (C) if a Knock-In Event has occurred and if the FI Digital Floor Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 2.

- (ii) If Knock-In Event is specified as not applicable in the relevant Final Terms:

- (A) if the FI Digital Floor Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1; or

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

Digital Floor Percentage 2; or

- (iii) If Knock-In Event and Knock-Out Event are specified as applicable in the relevant Final Terms:

- (A) if no Knock-In Event occurs, 0 (zero); or

- (B) if a Knock-In Event has occurred but a Knock-Out Event has not occurred and if the FI Digital Floor Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1;

(C) in all other cases:

Digital Floor Percentage 2.

(f) FI Digital Cap Coupon

If the relevant Final Terms specify that the Notes are FI Digital Cap Coupon Notes:

(i) If Knock-In Event is specified as applicable in the relevant Final Terms:

(A) if no Knock-In Event occurs, 0 (zero);

(B) if a Knock-In Event has occurred and if the FI Digital Cap Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1; or

(C) if a Knock-In Event has occurred and if the FI Digital Cap Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 2; or

(ii) If Knock-In Event is specified as not applicable in the relevant Final Terms:

(A) if the FI Digital Cap Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1; or

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

Digital Cap Percentage 2; or

(iii) If Knock-In Event and Knock-Out Event is specified as applicable in the relevant Final Terms:

if no Knock-In Event has occurred, 0 (zero); or

(A) if a Knock-In Event has occurred, but a Knock-Out Event has not occurred and if the FI Digital Cap Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1;

(B) in all other cases:

Digital Cap Percentage 2.

(g) FI Target Coupon

If the relevant Final Terms specify that the Notes are FI Target Coupon Notes and if 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 relevant Final Terms:

(i) in respect of each Interest Period other than the Target Final Interest Period, the fixed rate specified in the relevant Final Terms.

2.2 Definitions for Fixed Rate Note Coupon Rates

"**Cap**" means the percentage specified as such in the relevant Final Terms;

"**Constant A**" means the percentage specified as such in the relevant Final Terms;

"**Constant B**" means the percentage specified as such in the relevant Final Terms;

"**Coupon Percentage 1**" means the percentage specified as such in the relevant Final Terms;

"**Coupon Percentage 2**" means the percentage specified as such in the relevant Final Terms;

"**FI DC Barrier Value**" means, in respect of a FI Interest Valuation Date and an Underlying Reference, the Closing Value for such Underlying Reference;

"**FI Digital Coupon Condition**" means, in respect of Underlying Reference:

- (a) if Underlying Reference 1 is specified as applicable in the relevant Final Terms, in respect of Underlying Reference 1, that the FI DC Barrier Value, for such Reference Underlying on the relevant FI Interest Valuation Date, is (i) (a) greater than, (b) less than, (c) greater than or equal to or (d) less than or equal to, as specified in the relevant Final Terms, the FI Upper Barrier Level and (ii) if a FI Lower Barrier Level is specified in the relevant Final Terms, (a) greater than, (b) less than, (c) greater than or equal to or (d) less than or equal to, as specified in the relevant Final Terms, the FI Lower Barrier Level; and
- (b) if Underlying Reference 2 is specified as applicable in the relevant Final Terms, in respect of Underlying Reference 2, that the FI FC Barrier Value, for such Underlying Reference on the relevant FI Interest Valuation Date, is (i) (a) greater than, (b) less than, (c) greater than or equal to or (d) less than or equal to, as specified in the relevant Final Terms, the FI Upper Barrier Level and (ii) if a FI Lower Barrier Level is specified in the relevant Final Terms, (a) greater than, (b) less than, (c) greater than or equal to or (d) less than or equal to, as specified in the relevant Final Terms, the FI Lower Barrier Level;

"**FI Interest Valuation Date**" means each Underlying Interest Rate Determination Date, Determination Valuation Date, Pricing Date, Ascertainment Date, Valuation Date, Interest Valuation Date and/or Settlement Price Date, as specified in the relevant Final Terms or each Range Accrual Day;

"**FI Lower Barrier Level**" means, in respect of an Underlying Reference, the number, level or percentage specified as such in the relevant Final Terms;

"**FI Rate**" means the Rate or Inflation Rate as specified in the relevant Final Terms;

"**FI Rate A**" means the Rate or Inflation Rate as specified in the relevant Final Terms;

"**FI Rate B**" means the Rate or Inflation Rate as specified in the relevant Final Terms;

"**FI Upper Barrier Level**" means, in respect of an Underlying Reference, the number,

level or percentage specified as such in the relevant Final Terms;

"**Floor**" means the percentage specified as such in the relevant Final Terms;

"**Global Cap**" means the percentage specified as such in the relevant Final Terms;

"**Global Cap A**" means the percentage specified as such in the relevant Final Terms;

"**Global Cap B**" means the percentage specified as such in the relevant Final Terms;

"**Global Floor**" means the percentage specified as such in the relevant Final Terms;

"**Global Floor A**" means the percentage specified as such in the relevant Final Terms;

"**Global Floor B**" means the percentage specified as such in the relevant Final Terms;

"**Global Margin**" means the percentage specified as such in the relevant Final Terms;

"**Local Cap**" means the percentage specified as such in the relevant Final Terms;

"**Local Floor**" means the percentage specified as such in the relevant 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 and the relevant Range Accrual Day, is (i) (a) greater than, (b) less than, (c) greater than or equal to or (d) less than or equal to, as specified in the relevant Final Terms, the relevant Range Accrual Coupon Lower Barrier Level and (ii) if a Range Accrual Coupon Upper Barrier Level is specified in the relevant Final Terms, (a) greater than, (b) less than, (c) greater than or equal to or (d) less than or equal to, as specified in the relevant Final Terms, the Range Accrual Coupon Upper Barrier Level; or
- (b) if Underlying Reference 2 is specified as applicable in the relevant Final Terms, in respect of Underlying Reference 2, that the FI DC Barrier Value, for such Underlying Reference and the relevant Range Accrual Day, is (i) (a) greater than, (b) less than, (c) greater than or equal to or (d) less than or equal to, as specified in the relevant Final Terms, the Range Accrual Coupon Lower Barrier Level and (ii) if a Range Accrual Coupon Upper Barrier Level is specified in the relevant Final Terms, (a) greater than, (b) less than, (c) greater than or equal to or (d) less than or equal to, as specified in the relevant Final Terms, the Range Accrual Coupon Upper Barrier Level;

"**Range Accrual Coupon Lower Barrier Level**" means, in respect of an Underlying Reference, the percentage specified as such in the relevant Final Terms;

"**Range Accrual Coupon Upper Barrier Level**" means, in respect of an Underlying Reference, the percentage specified as such in the relevant Final Terms;

"**Range Accrual Day**" means a Scheduled Trading Day, a Business Day, an Underlying Interest Rate Determination Date or a calendar day, as specified in the relevant Final Terms;

"**Range Cut-Off Date**" means the date as specified in the relevant Final Terms;

"**Range Period**" means the period as specified in the relevant Final Terms;

"**Range Period End Date**" means the date as specified in the relevant Final Terms;

"**Rate**" means, in respect of a FI Interest Valuation Date, the fixed rate specified in the relevant Final Terms or the floating rate calculated in accordance with the relevant Final Terms;

"**Target Determination Date**" means each date as specified in the relevant Final Terms;

"**Target Final Interest Period**" means the Interest Period ending on the Maturity Date;

"**Target Coupon Percentage**" means the percentage specified as such in the relevant Final Terms; and

"**YoY Inflation Rate**" means $[\text{Inflation Index}_{(i)}/\text{Inflation Index}_{(i-1)}] - 1$.

2.3 Fixed Rate Note Final Payouts

The following final payouts (each a "**Final Payout**") will apply to the Notes if so specified in the relevant Final Terms.

(a) FI FX Vanilla Notes

If the relevant Final Terms specify that the Notes are FI FX Vanilla Notes:

(i) if Knock-In Event is specified as applicable in the relevant Final Terms:

(A) if no Knock-In Event has occurred, the FI FX Vanilla Percentage; or

(B) if a Knock-In Event has occurred:

Gearing x Option;

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

Gearing x Option;

(iii) if Knock-In Event and Knock-Out Event is specified as applicable in the relevant Final Terms:

(A) if a Knock-In Event has occurred but a Knock-Out Event has not occurred,

Gearing x Option;

(B) if (a) a Knock-In Event and a Knock-Out Event have occurred or (b) a Knock-Out Event has occurred, the FI FX Vanilla Percentage.

Where:

"**Option**" means $\text{Max}(\text{Performance Value}, \text{Floor})$.

(b) FI Digital Floor Notes

If the relevant Final Terms specify that the Notes are FI Digital Floor Notes:

(i) if the Final Terms specify that a Knock-In Event is applicable:

- (A) if no Knock-In Event has occurred, Digital Floor Percentage 3;
- (B) if a Knock-In Event has occurred and if the FI Digital Floor Condition is satisfied in respect of the relevant FI Redemption Valuation Date:
Digital Floor Percentage 1; or
- (C) if a Knock-In Event has occurred and if the FI Digital Floor Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:
Digital Floor Percentage 2.

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

- (A) if the FI Digital Floor Condition is satisfied in respect of the relevant FI Redemption Valuation Date:
Digital Floor Percentage 1; or
- (B) if the FI Digital Floor Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:
Digital Floor Percentage 2; or

(iii) if Knock-In Event and Knock-Out Event is specified as applicable in the relevant Final Terms:

- (A) if no Knock-In Event has occurred, Digital Floor Percentage 3;
- (B) if a Knock-In Event has occurred but a Knock-Out Event has not occurred and if the FI Digital Floor Coupon Condition is satisfied in respect of the relevant Redemption Valuation Date:
Digital Floor Percentage 1;
- (C) in all other cases:
Digital Floor Percentage 2.

(c) FI Digital Cap Notes

If the relevant Final Terms specify that the Notes are FI Digital Cap Notes:

(i) if Knock-In Event is specified as applicable in the relevant Final Terms:

- (A) if no Knock-In Event has occurred, Digital Cap Percentage 3;
- (B) if a Knock-In Event has occurred and if the FI Digital Cap Condition is satisfied in respect of the relevant FI Redemption Valuation Date:
Digital Cap Percentage 1; or
- (C) if a Knock-In Event has occurred and if the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:
Digital Cap Percentage 2; or

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

- (A) if the FI Digital Cap Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

Digital Cap Percentage 1; or

- (B) if the FI Digital Cap Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:

Digital Cap Percentage 2; or

(iii) if Knock-In Event and Knock-Out Event is specified as applicable in the relevant Final Terms:

- (A) if no Knock-In Event has occurred, Digital Cap Percentage 3; or

- (B) if a Knock-In Event has occurred but a Knock-Out Event has not occurred and if the FI Digital Cap Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

Digital Cap Percentage 1; or

- (C) in all other cases:

Digital Cap Percentage 2.

(d) FI Digital Plus Notes

If the relevant Final Terms specify that the Notes are FI Digital Plus Notes:

(i) if Knock-In Event is specified as applicable in the relevant Final Terms:

- (A) if no Knock-In Event has occurred, Digital Plus Percentage 3; or

- (B) if a Knock-In Event has occurred and if the FI Digital Plus Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

Max (Digital Plus Percentage 1, (Gearing x FI Digital Value)); or

- (C) if a Knock-In Event has occurred and if the FI Digital Plus Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:

Digital Plus Percentage 2; or

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

- (A) if the FI Digital Plus Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

Max (Digital Plus Percentage 1, (Gearing x FI Digital Value)); or

- (B) if the FI Digital Plus Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:

Digital Plus Percentage 2.

(iii) if Knock-In Event and Knock-Out Event is specified as applicable in the relevant Final Terms:

- (A) if no Knock-In Event has occurred, Digital Plus Percentage 3; or
- (B) if a Knock-In Event has occurred but a Knock-Out Event has not occurred and if the FI Digital Plus Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

Max (Digital Plus Percentage 1, (Gearing x FI Digital Value)); or

- (C) in all other cases:

Digital Plus Percentage 2.

(e) FI Inflation Linked Notes

If the relevant Final Terms specify that the Notes are FI Inflation Linked Notes:

Max [100%, Cumulative Inflation Rate]

2.4 Fixed Rate Note Automatic Early Redemption Payouts

If Automatic Early Redemption is specified as applicable in the relevant Final Terms and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Payout shall be as follows:

- (a) If Target Automatic Early Redemption is specified as applicable in the relevant Final Terms:

Notional Amount x (100% + Final Rate of Interest)

- (b) If FI Underlying Automatic Early Redemption is specified as applicable in the relevant Final Terms:

Notional Amount

- (c) If FI Coupon Automatic Early Redemption is specified as applicable in the relevant Final Terms:

Notional Amount x (100% + (Min (Coupon Cap, Final Coupon Rate) x Final Day Count Fraction)).

2.5 Fixed Rate Note Automatic Early Redemption Payout definitions

"**Coupon Cap**" means the percentage specified as such in the relevant Final Terms;

"**Cumulative Inflation Rate**" means $\text{Inflation Index}_{(i)} / \text{Inflation Index}_{(base)}$;

"**Final Rate of Interest**" means:

- (a) if Capped and Guaranteed Applicable is specified in the relevant Final Terms, the Automatic Early Redemption Percentage or the Target Coupon Percentage, as the case may be, less Paid Coupon;

- (b) if Capped and Guaranteed Not Applicable is specified in the relevant Final Terms, the product of the Final Coupon Rate and the Final Day Count

Fraction;

(c) if Capped Only is specified as applicable in the relevant Final Terms:

Min (Final Coupon Rate x Final Day Count Fraction, Automatic Early Redemption Percentage or Target Coupon Percentage, as the case may be, – Paid Coupon);

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

Max (Final Coupon Rate x Final Day Count Fraction, Automatic Early Redemption Percentage or Target Coupon Percentage, as the case may be – Paid Coupon).

2.6 General definitions for Fixed Rate Note Coupon 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;

"**Current Interest Period**" means the Interest Period during which the relevant Automatic Early Redemption Valuation Date occurs or, for the calculation of the FI Target Coupon, the Target Final Interest Period;

"**Digital Cap Percentage 1**" means the percentage specified as such in the relevant Final Terms;

"**Digital Cap Percentage 2**" means the percentage specified as such in the relevant Final Terms;

"**Digital Cap Percentage 3**" means the percentage specified as such in the relevant Final Terms;

"**Digital Floor Percentage 1**" means the percentage specified as such in the relevant Final Terms;

"**Digital Floor Percentage 2**" means the percentage specified as such in the relevant Final Terms;

"**Digital Floor Percentage 3**" means the percentage specified as such in the relevant Final Terms;

"**Digital Plus Percentage 1**" means the percentage specified as such in the relevant Final Terms;

"**Digital Plus Percentage 2**" means the percentage specified as such in the relevant Final Terms;

"**Digital Plus Percentage 3**" means the percentage specified as such in the relevant Final Terms;

"**FI Digital Cap Condition**" means that the FI Digital Value on 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 relevant Final Terms;

"**FI Digital Floor Condition**" means that the FI Digital Value on 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 relevant Final Terms;

"FI Digital Plus Condition" means that the FI Digital Value on 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 relevant Final Terms;

"FI Digital Value" means, in respect of a FI Valuation Date, the Performance Value, the Worst Value, the Best Value, the Multi-Basket Value or the FI Weighted Average Basket Value, as specified in the relevant Final Terms;

"FI FX Vanilla Percentage" means the percentage specified as such in the relevant Final Terms;

"FI Redemption Valuation Date" means each Settlement Price Date as specified in the relevant Final Terms;

"FI Valuation Date" means each FI Redemption Valuation Date or a FI Interest Valuation Date, as specified in the relevant Final Terms;

"FI Weighted Average 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 and such FI Valuation Date (b) multiplied by the relevant FI Weighting;

"FI Weighting" means, in respect of a Subject Currency, the number, amount or percentage specified as such for such Subject Currency in the relevant Final Terms;

"Final Coupon Rate" means the Rate of Interest calculated in respect of the Current Interest Period or the Target Final Interest Period, as the case may be (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 relevant Final Terms, the Settlement Price on the relevant FI Valuation Date, or (ii) if Averaging is specified as applicable in the relevant Final Terms, the arithmetic average of the Settlement Prices for all Ascertainment Dates;

"Floor" means the percentage specified as such in the relevant Final Terms;

"G" means, in respect of a Subject Currency, the percentage specified for such Subject Currency in the relevant Final Terms;

"Gearing" means the percentage specified as such in the relevant Final Terms;

"Gearing A" means the percentage specified as such in the relevant Final Terms;

"Gearing B" means the percentage specified as such in the relevant Final Terms;

"Inflation Index_(base)" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the Strike Date;

"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, on the Strike Date);

"Inflation Rate" means, in respect of a FI Valuation Date, the YoY Inflation Rate or the Cumulative Inflation Rate, as specified in the relevant Final Terms;

"Initial Settlement Price" means, in respect of a Subject Currency:

- (a) the amount specified as such in the relevant Final Terms; or
- (b) if Initial Closing Value is specified as applicable in the relevant 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 relevant Final Terms, the arithmetic average of the Settlement Prices for such Subject Currency, for all Strike Days in the Strike Period.

"Multi-Basket Value" means, in respect of a FI Valuation Date:

$$\sum_{j=1}^m \sum_{i=1}^n G_j * (W_i * \text{Performance Value}_i)$$

"Notional Amount" means the Notional Amount or, in respect of a Note, the Calculation Amount;

"Paid Coupon" means, in respect of an Automatic Early Redemption Valuation Date or a 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, calculated, in each case, for each 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 a FI Valuation Date:

- (a) If Performance Value 1 is specified in the relevant Final Terms,

Final Settlement Price – Initial Settlement Price

- (b) If Performance Value 2 is specified in the relevant Final Terms,

Initial Settlement Price – Final Settlement Price

- (c) If Performance Value 3 is specified in the relevant Final Terms,

$$\frac{(\text{Final Settlement Price} - \text{Initial Settlement Price})}{\text{Final Settlement Price}}$$

- (d) If Performance Value 4 is specified in the relevant Final Terms,

$$\frac{(\text{Initial Settlement Price} - \text{Final Settlement Price})}{\text{Final Settlement Price}}$$

- (e) If Performance Value 5 is specified in the relevant 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 relevant 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 relevant Final Terms,

$$\frac{(\text{Final Settlement Price} - \text{Initial Settlement Price})}{\text{Initial Settlement Price}}$$

- (h) If Performance Value 8 is specified in the relevant Final Terms,

$$\frac{(\text{Initial Settlement Price} - \text{Final Settlement Price})}{\text{Initial Settlement Price}}$$

- (i) If Performance Value 9 is specified in the relevant Final Terms,

Initial Settlement Price

$$\frac{\text{Initial Settlement Price}}{\text{Final Settlement Price}}$$

- (j) If Performance Value 10 is specified in the relevant Final Terms,

$$\frac{\text{Final Settlement Price}}{\text{Initial Settlement Price}}$$

"Underlying Reference" means, for the purpose of Fixed Rate Note Payouts, each Inflation Index, Subject Currency, or Underlying Interest Rate or any other basis of reference to which the Notes relate;

"Underlying Reference 1" means the Underlying Reference as specified in the relevant Final Terms;

"Underlying Reference 2" means the Underlying Reference as specified in the relevant Final Terms;

"Underlying Reference Closing Value" means, in respect of a FI Interest Valuation Date:

- (a) if the Underlying Reference is an Inflation Index, the Relevant Level (as defined in the Inflation Index Linked Notes Terms); or
- (b) if the Underlying Reference is an interest rate, the Reference Rate, in each case in respect of such date;

"W" means, in respect of a Subject Currency, the FI Weighting for such Subject Currency;

"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.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes unless otherwise specified in the relevant Final Terms.

FORM OF FINAL TERMS

Final Terms dated [●]

[Logo, if the document is printed]

BANQUE PALATINE

€5,000,000,000

Euro Medium Term Note Programme

[Brief description and amount of the Notes]

Issue Price: [●]%

[Name(s) of Dealer(s)]

[MiFID II PRODUCT GOVERNANCE / [RETAIL INVESTORS,]PROFESSIONAL INVESTORS AND ECPS [ONLY]TARGET MARKET – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Notes taking into account the five categories referred to in item 18 of the Guidelines published by European Securities and Markets Authority ("ESMA") on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties[./ and] professional clients[only/ and retail clients]¹, each as defined in Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**") EITHER [and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution [; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice] portfolio management[./ and][non-advised sales][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]¹. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**")]/[MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under

¹ Only applicable to Notes with a specified denomination of less than €100,000. Legend to be included following completion of the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018.

the PRIIPS Regulation.]²

[The Base Prospectus referred to below (as supplemented by the Final Terms) has been prepared on the assumption that, other than as provided in sub-paragraph (b) below, any offering of Notes in any Member State of the European Economic Area each a "Relevant Member State, that has implemented [Directive 2003/71/EC, as amended or superseded]/[the Prospectus Directive], shall be made pursuant to an exemption from the requirement to publish a prospectus for offers of Notes, in accordance with the Prospectus Directive, as implemented in the Relevant Member State. Accordingly, any person offering or intending to offer Notes may only do so:

(a) in circumstances under which neither the Issuer nor any Dealer is under any obligation to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement in accordance with Article 16 of the Prospectus Directive, in each case, in respect of such offer; or

(b) in a Public Offer Jurisdiction as referred to in paragraph 12 of Part B below, provided that such person is one of the persons referred to in paragraph 12 of Part B below, that such offer is made during the Offer Period specified for such purpose and the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID product governance" legend set out above have been considered.

Neither the Issuer nor any Dealer has authorised or authorises the offering of any Notes in any other circumstances.]

PART A – CONTRACTUAL TERMS

Terms used below shall be deemed to have the same meanings as given to them in the terms and conditions set forth in the Base Prospectus dated 4 July 2019 (in respect of which the *Autorité des marchés financiers* ("AMF") granted visa no. 19-322 on 4 July 2019) [and in the supplement(s) to the Base Prospectus dated [●] (in respect of which the AMF issued *visa* number [●] on [●])] which [together] constitute a base prospectus as defined in Directive 2003/71/EC of the European Parliament and Council dated 4 November 2003, as amended or superseded (the "**Prospectus Directive**").

This document constitutes the Final Terms of the Notes described herein (the "**Notes**") for the purposes of Article 5.4 of the Prospectus Directive and contains the final terms of the Notes. These Final Terms are supplemental to the Base Prospectus dated 4 July 2019 [and the supplement to the Base Prospectus dated [●]] relating to the Issuer's Euro Medium Term Note Programme and must be read in conjunction therewith. [A summary of the issue is attached to these Final Terms]³.

The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.palatine.fr), and during normal office opening hours at the registered office of the Issuer [and the specified offices of the Paying Agent(s)] where copies may be obtained. [Furthermore⁴, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at/on] [●].]

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

Terms used herein shall be deemed to have the same meanings as given to them in the terms and conditions set forth in the Base Prospectus dated [*original date*] [and the supplement(s) to the Base Prospectus dated [●]] which are incorporated into the Prospectus dated [*current date*] and

² Delete legend if the Notes do not constitute "packaged" products, in which case, insert "Not Applicable" in paragraph 13 of Part B below. Include legend if the Notes may constitute "packaged" products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert "Applicable" in paragraph 13 of Part B below.

³ Only applicable to Notes with a specified denomination of less than €100,000.

⁴ If the Notes are admitted to trading on a Regulated Market other than Euronext Paris

attached to this document.

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and Council dated 4 November 2003, as amended or superseded (the **Prospectus Directive**), and must be read in conjunction with the Base Prospectus dated [*current date*] in respect of which the *Autorité des marchés financiers* ("AMF") issued visa number [●] on [●] [and the supplement(s) to the Base Prospectus dated [●]], which together constitute a base prospectus as defined in the Prospectus Directive. [A summary of the issue is attached to these Final Terms]⁵.

The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.palatine.fr), and during normal office opening hours at the registered office of the Issuer [and the specified offices of the Paying Agent(s)] where copies may be obtained. [Furthermore, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at/on].]

[The following alternative language applies if the Notes are Underlying Linked Notes the terms of which are based in whole or in part on the provisions of the Technical Annex.]

[The provisions of the Technical Annex [1]/[2]/[3]/[4]/[5]/[6]/[7]/[8] [(other than clauses [specify any inapplicable clauses])] shall apply to these Final Terms and such documents shall be read and construed together.]

[The following alternative language applies in respect of issues of Notes where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth under the section[s] entitled ["Terms and Conditions of the Notes"] / [and Technical Annex [1]/[2]/[3]/[4]/[5]/[6]/[7]/[8] in the Base Prospectus dated 4 July 2019 which received visa no. 19-322 from the *Autorité des marchés financiers* ("AMF") on 4 July 2019 [and the Supplement to the Base Prospectus dated [●] (together, the "**2019 Base Prospectus**")]) notwithstanding the approval of an updated base prospectus which will replace the 2019 Base Prospectus (the "**2020 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 (i) prior to the approval date by the AMF of the 2020 Base Prospectus (the "**Approval Date**"), must be read in conjunction with the 2019 Base Prospectus, as supplemented, and (ii) on and after the Approval Date, must be read in conjunction with the 2020 Base Prospectus, save in respect of the Conditions which are extracted from the 2019 Base Prospectus, as supplemented. The 2019 Base Prospectus, as supplemented, constitutes, and the 2020 Base Prospectus will constitute, a base prospectus for the purposes of the Prospectus Directive. Full information on Banque Palatine (the "**Issuer**") and the offer of the Notes is only available on the basis of the combination of these Final Terms and either (i) prior to the Approval Date, the 2019 Base Prospectus, as supplemented, or (ii) on or after the Approval Date, the 2019 Base Prospectus, as supplemented, and the 2020 Base Prospectus. [The Issuer has in the 2019 Base Prospectus given consent to the use of the 2019 Base Prospectus in connection with the offer of the Notes. Such consent will be valid until the date that is twelve months following the date of the 2019 Base Prospectus. The Issuer will in the 2020 Base Prospectus give consent to the use of the 2020 Base Prospectus in connection with the offer of the Notes.] [The 2019 Base Prospectus [and the supplement[s] to the 2019 Base Prospectus] and the 2020 Base Prospectus [is] [are] [will be] available for viewing at the office of Banque Palatine, 42 rue d'Anjou, 75008 Paris, France and on the website of the AMF (www.amf-france.org) and Banque Palatine (<https://www.palatine.fr/nous-sommes/focus-sur-les-chiffres/programme-demission-emptn/prospectus-de-base.html>) and copies may be obtained from Banque Palatine, 42 rue d'Anjou, 75008 Paris, France] [In addition⁶, the 2019 Base Prospectus [and the supplement[s] to the 2019 Base Prospectus] and the 2020 Base Prospectus [is] [are] [will be] available for

⁵ Only applicable to Notes with a specified denomination of less than €100,000.

⁶ If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

viewing at [address] [and] [website] and copies may be obtained from [address].]

[Complete the following headings or specify "Not Applicable" (N/A). The numbering must remain identical to that appearing below even where "Not Applicable" is specified for any particular paragraph or sub-paragraph. Terms in italics provide information to assist in completing the Final Terms.]

- | | | |
|-----|---|--|
| 1. | Issuer: | Banque Palatine |
| 2. | (a) Series no.: | [●] |
| | (b) Tranche no.: | [●] |
| | (c) [Date on which the Notes become fungible: | The Notes will, upon listing, be assimilated (<i>assimilées</i>) and form a single series with the (insert description of the relevant Series) (the " Existing Notes ") on [●] |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Aggregate Nominal Amount: | [●] |
| | (a) Series: | [●] |
| | (b) Tranche: | [●] |
| 5. | Issue Price: | [●]% of the Aggregate Nominal Amount [plus interest accrued as from <i>[insert date]</i> (where applicable)] |
| 6. | Specified Denomination: | [●] (<i>only one denomination</i>) |
| 7. | (a) Issue Date: | [●] |
| | (b) Interest Commencement Date: | [Specify/Issue Date/Not Applicable] |
| 8. | Maturity Date: | <i>[Specify the date or (for Floating Rate Notes) the Coupon Payment Date falling in the relevant month and year or the date nearest thereto]</i> [subject to the Business Day Convention] |
| 9. | Hybrid Notes: | [Yes/No] ⁷ |
| 10. | Interest Basis: | [Fixed Rate of [●] %]

[[<i>EURIBOR, EONIA, LIBOR, CMS Rate, TEC10</i>] +/- [●] % Floating Rate]

[Fixed/Floating Rate] [Zero Coupon] [Zero |

⁷ The Notes are Hybrid Notes if interest and redemption amounts are calculated by reference to several Underlyings.

		Coupon redeemable prior to its Maturity Date] [Index Linked Coupon] [Equity Linked Coupon] [Inflation Linked Coupon] [Fund Linked Coupon] [Commodity Linked Coupon] [FX Linked Coupon] [Underlying Interest Rate Linked Coupon]
11.	Redemption/Payment Basis⁸:	[Redemption at par] [[●]% of the Specified Denomination] [Index Linked Redemption] [Equity Linked Redemption] [Inflation Linked Redemption] [Fund Linked Redemption] [Commodity Linked Redemption] [FX Linked Redemption] [Underlying Interest Rate Linked Redemption] [Partly Paid up] [Instalment]
12.	Change of Interest Basis or Redemption/Payment Basis:	[Applicable/Not Applicable] <i>[Give details of any provisions relating to change of Interest or Redemption/Payment Basis applicable to the Notes]</i>
13.	Put/Call Option:	[Noteholder Redemption Option] [Issuer Redemption Option] <i>(other details provided below)</i> [Not Applicable]
14.	(a) Status of the Notes:	Unsubordinated
	(b) Date of the corporate authorizations for issuance of the Notes:	Decision of the Board of Directors dated [●]
15.	Distribution method:	[Syndicated/Non syndicated]
16.	Calculation Agent:	[●]
PROVISIONS RELATING TO INTEREST		
17.	Provisions relating to Fixed Rate Notes:	[Applicable/Not Applicable]

⁸ If the Final Redemption Amount is not equal to one hundred per cent (100%) of the nominal amount, the Notes shall constitute derivative instruments for the purposes of the Prospectus Directive and the provisions of Annex XII of European Regulation n°809/2004 as amended shall apply. This form of Final Terms has been annotated to provide the main additional requirements of Annex XII. Note that certain regulatory authorities may require information relating to paragraph 5 of Annex XII to be included even if (such information not being required under Annex XII) the nominal value of the Notes is greater than or equal to €100,000. Where Annex XII does not apply but the return on the Notes is linked to an underlying, consideration should be given as to whether to include information on such underlying.

(If not applicable, delete the other subparagraphs below)

(a) Rate of Interest: % per year [payable [annually/ semi-annually/quarterly/monthly/ other (*Specify*)] in arrears]

(b) Coupon Payment Date(s): in each year

[non adjusted/[*Specify the Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]* and any Business Centre(s) applicable for the definition "Business Day"]]

(c) Fixed Coupon Amount(s): € per € Specified Denomination

(d) Broken Amount(s): [Not Applicable]/[per Specified Denomination, payable on the Coupon Payment Date falling [in/on] [*Specify*]

(e) Day Count Fraction: [Actual/365 - Actual/365 FBF - Actual/Actual ISDA]

[Actual/Actual ICMA]

[Actual/Actual FBF]

[Actual/365 (Fixed)]

[Actual/360]

[30/360 - 360/360 - Bond Basis]

[30/360 FBF - Actual 30A/360 (American Bond Basis)]

[30E/360 - Euro Bond Basis)]

[30E/360 FBF]

(f) Coupon Determination Dates: in each year

[Specify the normal Interest Payment Dates, ignoring the Issue Date and the Maturity Date in the case of a short or long first or last coupon. N.B.: only applicable if the Day Count Fraction is Actual/Actual - ICMA]

18. Provisions relating to [Applicable/Not Applicable]

Floating Rate Notes:

(If not applicable, delete the following sub-paragraphs)

- (a) Floating Rate: [●] *(Specify the Benchmark [EURIBOR, EONIA, LIBOR, CMS Rate, TEC10] and period (e.g. EURIBOR 3 months))*
- (b) Interest Period(s): [●]
- (c) Coupon Payment Dates: [●]
- (d) First Coupon Payment Date: [●]
- (e) Interest Period Date: [Coupon Payment Date/(Specify)]
- (f) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Non adjusted]
- [Insert "non adjusted" if no relevant Business Day Convention applies for the purpose of determining the Coupon Amount]*
- (g) Business Centre(s) (Condition 5(1)): [●]/[Not Applicable]
- (h) Party responsible for calculating the Rate(s) of Interest and Coupon Amount(s) (if other than the Calculation Agent): [●]/[Calculation Agent]
- (i) Method for determination of the Floating Rate: [FBF Determination/ISDA Determination/ Screen Rate Determination]
- (j) FBF Determination: [Applicable/Not Applicable]
- (If not applicable, delete the following sub-paragraphs)*
- Floating Rate [●]
 - Floating Rate Determination Date [●]
- (k) ISDA Determination: [Applicable/Not Applicable]

(If not applicable, delete the following subparagraphs)

- Floating Option Rate
 - Designated Maturity
 - Reset Date /In accordance with Condition 5.3(c)(ii)(C)
- (l) Screen Determination: Rate [Applicable/Not Applicable]

(If not applicable, delete the following subparagraphs)

- Benchmark [EURIBOR/EONIA/LIBOR/CMS Rate/TEC10]
 - Relevant Time
 - Coupon Determination Date(s)
 - Principal Source for the Floating Rate [Screen Page/Reference Banks]
 - Screen Page /[Not Applicable]
 - Reference Banks [*Specify four institutions*]/[In accordance with Condition 5.1]/[Not Applicable]
 - Relevant Financial Centre /[In accordance with Condition 5.1]
 - Representative Amount /[In accordance with Condition 5.1]
 - Effective Date /[In accordance with Condition 5.1]
 - Specified Duration /[Interest Accrual Period ignoring adjustments]
- (m) Margin(s): [+/-] % per year
- (n) Minimum Rate of Interest: [*specify a positive interest rate*]% per year/0 as per Condition 5.9(c)]

(Unless a higher Minimum Rate of Interest is specified, the Minimum Rate of Interest shall be deemed equal to zero.)

(o) Maximum Rate of Interest:	[Non applicable/[●]% per year]
(p) Day Count Fraction:	[Actual/365 - Actual/365 FBF - Actual/Actual - ISDA]
	[Actual/Actual - ICMA]
	[Actual/Actual - FBF]
	[Actual/365 (Fixed)]
	[Actual/360]
	[30/360 or 360/360 or Bond Basis]
	[30/360 - FBF or Actual 30A/360 (American Bond Basis)]
	[30E/360 or Euro Bond Basis]
	[30E/360 - FBF]
(q) Benchmark Replacement	[Applicable/Not Applicable]
19. Provisions relating to Fixed/Floating Rate Notes:	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a) Issuer Change of Interest Basis:	[Applicable/Not Applicable]
(b) Automatic Change of Interest Basis:	[Applicable/Not Applicable]
(c) Rate of Interest applicable to the Interest Periods preceding the Switch Date (excluded):	Determined in accordance with [Condition 5.2, as though the Note was a Fixed Rate Note]/ [Condition 5.3, as though the Note was a Floating Rate Note] with further variables set out in item [●] of these Final Terms
(d) Rate of Interest applicable to the Interest Periods following the Switch Date (included):	Determined in accordance with [Condition -5.2, as though the Note was a Fixed Rate Note]/ [Condition 5.3, as though the Note was a Floating Rate Note] with further variables set out in item [●] of these Final Terms
(e) Switch Date:	[●]
(f) Minimum notice period required for notice from the	[[●] Business Days prior to the Switch Date] / [(for Automatic Change of Interest :)] [Not Applicable]

Issuer:

20. **Provisions relating to Zero Coupon Notes:** [Applicable/Not Applicable]
(If not applicable, delete the following subparagraphs)
- (a) Amortisation Yield: [] % per year
- (b) Day Count Fraction: [Actual/365 - Actual/365 FBF - Actual/Actual - ISDA]
 [Actual/Actual - ICMA]
 [Actual/Actual - FBF]
 [Actual/365 (Fixed)]
 [Actual/360]
 [30/360 or 360/360 or Bond Basis]
 [30/360 - FBF or Actual 30A/360 (American Bond Basis)]
 [30E/360 or Euro Bond Basis]
 [30E/360 - FBF]
21. **Interest Rate provisions applicable to Underlying Linked Notes:** [Not Applicable]/*(If relevant, for Underlying Linked Notes)*
 The Rate of Interest shall be calculated in accordance with the Coupon Payout (*refer to paragraph 22 below*)
 Coupon Payment Date(s): []
22. **Provisions relating to Automatic Interest Basis Conversion and Automatic Interest Rate Conversion:**
- (a) Automatic Interest Basis Conversion: [Applicable/Not Applicable]
(If not applicable, delete the following subparagraphs)
- Converted Interest Basis []
 - Notice of Automatic Interest Basis Conversion [Applicable/Not Applicable]
- (b) Automatic Interest Rate [Applicable/Not Applicable]

Conversion:

(If not applicable, delete the following subparagraphs)

- Converted Interest Rate [●]
 - Notice of Automatic Interest Rate Conversion [Applicable/Not Applicable]
- (c) Coupon Switch Date: [●]
- (d) Interest Conversion Event: *(Specify ["greater"/"greater than or equal to"/"lower than"/"lower than or equal to" the SPS Coupon Switch Level])*
- (e) SPS Coupon Switch Level: [●]
- (f) SPS Coupon Switch Valuation Date(s): [●] *(Specify one or more dates for a SPS Coupon Switch Valuation Period)*
- (g) SPS Coupon Switch Valuation Period: [●]
- (h) Maximum Number of Interest Conversions: [●]
- (i) SPS Coupon Switch Value: [●]

23.

Coupon Payouts:

[Applicable/Not Applicable]

(If not applicable, delete the following subparagraphs)

(If applicable, insert one of the following:

[SPS Fixed Coupon: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Digital Coupon: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Snowball Digital Coupon: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Accrual Digital Coupon: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

Terms)]

[Stellar Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[Cappuccino Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[Ratchet Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[Driver Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[Sum Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[Min Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[Max Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[FI Digital Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[Range Accrual Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[Combination Floater Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[PRDC Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[FI Digital Floor Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

[FI Digital Cap Coupon: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

Terms)]

[FI Target Coupon: [●] (*Insert formula, relevant values and other related provisions from the Supplemental Payout Terms*)]

24. **Additional provisions relating to Inflation Index Linked Notes:** [Applicable/Not Applicable]
- (If not applicable, delete the following subparagraphs)*
- (a) Calculation Agent [●]
- (b) Index Sponsor: [●]
- (c) Index /Indices: [●]
- (d) Determination Date: [●]
- (e) Trade Date: [●]
- (f) Cut-Off Date: [3 business days prior to any Determination Date]/[●]
- (g) Related Bond: [Applicable/Not Applicable]
- If applicable: [●/Fall-Back Bond]*
- (h) Fall-Back Bond: [Applicable/Not Applicable]
- (i) Related Bond Redemption Event: [Applicable/Not Applicable]
- (j) Additional Disruption Event: [Not Applicable]/[Change in Law/ Hedging Disruption/ Increased Cost of Hedging]
25. **Additional provisions relating to Index Linked Notes:** [Applicable/Not Applicable]
- (If not applicable, delete the following subparagraphs)*
- (a) Calculation Agent: [●]
- (b) Index Sponsor: [●]
- (c) Index (Indices): [●]
- (d) Composite Index /Indices [●]/[In accordance with the Conditions]
- (e) Trade Date: [●]
- (f) Knock-In Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-In*

Barrier]/ ["within" the Knock-In Tunnel])

(If not applicable, delete the following subparagraphs)

- SPS Knock-In [Applicable/Not Applicable]
 - Knock-In Tunnel [●]
 - Knock-In Barrier Value [●]
 - Knock-In Barrier Valuation Time [●]/[In accordance with the Conditions]
 - Knock-In Barrier [●]/[In accordance with the Conditions]
 - Knock-In Barrier Effective Period Commencement Date [●]
 - Trading Day Convention for the Knock-In Barrier Effective Period Commencement Date [Applicable/Not Applicable]
 - Knock-In Barrier Effective Date [●]/[In accordance with the Conditions]
 - Knock-In Barrier Effective Period End Date [●]
 - Trading Day Convention for the Knock-In Barrier Effective Period End Date [Applicable/Not Applicable]
- (g) Knock-Out Event: [Applicable/Not Applicable]

(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-Out Barrier]/["within" the Knock-Out Tunnel])

(If not applicable, delete the following subparagraphs)

- SPS Knock-Out [Applicable/Not Applicable]
- Knock-Out Tunnel [●]
- Knock-Out Barrier Value [●]

- Knock-Out Barrier Valuation Time [●]/[In accordance with the Conditions]
 - Knock-Out Barrier [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period Commencement Date [●]
 - Trading Day Convention for the Knock-Out Barrier Effective Period Commencement Date [Applicable/Not Applicable]
 - Knock-Out Barrier Effective Date [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period End Date [●]
 - Trading Day Convention for the Knock-Out Barrier Effective Period End Date [Applicable/Not Applicable]
- (h) Weighting: [●]
- (i) Automatic Early Redemption Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Automatic Early Redemption Level])*
- (If not applicable, delete the following subparagraphs)*
- SPS AER [Applicable/Not Applicable]
 - Automatic Early Redemption Amount [[●]/(Specify an Automatic Early Redemption Payout)]/ [In accordance with the Conditions]
 - Automatic Early Redemption Valuation Date(s) [●] (Specify one or more dates falling in an Automatic Early Redemption Valuation Period)
 - Automatic Early Redemption Valuation Period [●]
 - SPS AER Value [●]

- Automatic Early Redemption Date(s) [●]
 - Automatic Early Redemption Level [●]
 - Automatic Early Redemption Rate [●]
- (j) Exchange: [●]
- (k) Additional Disruption Event: [Change in Law/Hedging Disruption/Increased Cost of Hedging/Increased Cost of Stock Borrow/Loss of Stock Borrow]
- (l) Protected Capital Termination Amount: [Applicable/Not Applicable]
- (m) Cut-Off Date: [●]/[3 business days prior to any Determination Date]
- (n) Averaging Date: [●]/[In accordance with the Conditions]
- Omission [Applicable/Not Applicable]
 - Postponement [Applicable/Not Applicable]
 - Modified Postponement [Applicable/Not Applicable]
- (o) Determination Date(s): [●]/[In accordance with the Conditions]
- (p) Valuation Date: [●]/[In accordance with the Conditions]
- (q) Valuation Time: [●]/[In accordance with the Conditions]
- (r) Strike Date: [●]
- (s) Strike Period: [●]
- (t) Observation Date: [●]
- (u) Exchange Business Day: [●]/[In accordance with the Conditions]
- (v) Trading Day: [●]/[In accordance with the Conditions]
- (w) Related Exchange: [*Specify*/All Exchanges]
- (x) Maximum Number of Disrupted Days: [●]/[In accordance with the Conditions]
- (y) Screen Page: [*Specify*]

- (z) Relative Performance Basket: The Final Redemption Amount shall be determined by reference to the [best performing]/[worst performing] Index / [●]
- (aa) Index Correction Period: [●]/[In accordance with the Conditions]
- (bb) Observation Period: [●]
- (cc) Settlement Price: [In accordance with the Conditions]/[Specify]
- (dd) Averaging: [Applicable/Not Applicable]
- (ee) Initial Stock Loan Rate: [●]
- (ff) Maximum Stock Loan Rate: [●]
- (gg) Deferred Redemption following an Index Adjustment Event: [Applicable/Not Applicable]
- (hh) Deferred Redemption following an Additional Disruption Event: [Applicable/Not Applicable]
- 26. Additional provisions relating to Strategy Index Linked Notes:** [Applicable/Not Applicable]
(If not applicable, delete the following subparagraphs)
- (a) Calculation Agent: [●]
- (b) Strategy Index/Strategy Indices: [●]
- (c) Index Sponsor: [●]
- (d) Trade Date: [●]
- (e) Deferred Redemption following a Strategy Index Adjustment Event: [Applicable/Not Applicable]
- (f) Strategy Index Business Day: [Applicable/Not Applicable]
(If applicable, Specify [Single Strategy Index Basis/All Strategy Indices Basis /Per Strategy Index Basis]/[In accordance with the Conditions])
- (g) Scheduled Strategy Index Business Day: [Applicable/Not Applicable]
(If applicable, Specify [Single Strategy Index Basis/All Strategy Indices Basis /Per

Strategy Index Basis]/[In accordance with the Conditions])

- (h) Strategy Index Adjustment Amount: [●]/[In accordance with the Conditions]
- (i) Deferred Redemption following an Additional Disruption Event: [Applicable/Not Applicable]
- (j) Knock-In Event: [Applicable/Not Applicable]

(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-In Barrier]/["within" the Knock-In Tunnel])

(If not applicable, delete the following subparagraphs)

- SPS Knock-In [Applicable/Not Applicable]
- Knock-In Tunnel [●]
- Knock-In Barrier Value [●]
- Knock-In Barrier Valuation Time [●]/[In accordance with the Conditions]
- Knock-In Barrier [●]/[In accordance with the Conditions]
- Knock-In Barrier Effective Period Commencement Date [●]
- Scheduled Strategy Index Business Day Convention for the Knock-In Barrier Effective Period Commencement Date [Applicable/Not Applicable]
- Knock-In Barrier Effective Date [●]/[In accordance with the Conditions]
- Knock-In Barrier Effective Period End Date [●]
- Scheduled Strategy Index Business Day Convention for the Knock-In Barrier Effective Period End Date [Applicable/Not Applicable]

- (k) Knock-Out Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-Out Barrier]/["within" the Knock-Out Tunnel])*
- (If not applicable, delete the following subparagraphs)*
- SPS Knock-Out [Applicable/Not Applicable]
 - Knock-Out Tunnel [●]
 - Knock-Out Barrier Value [●]
 - Knock-Out Barrier Valuation Time [●]/[In accordance with the Conditions]
 - Knock-Out Barrier [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period Commencement Date [●]
 - Scheduled Strategy Index Business Day Convention for the Knock-Out Barrier Effective Period Commencement Date [Applicable/Not Applicable]
 - Knock-Out Barrier Effective Date [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period End Date [●]
 - Scheduled Strategy Index Business Day Convention for the Knock-Out Barrier Effective Period End Date [Applicable/Not Applicable]
- (l) Weighting: [●]
- (m) Automatic Early Redemption Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Automatic Early Redemption Level])*
- (If not applicable, delete the following sub-*

	<i>paragraphs)</i>
• SPS AER	[Applicable/Not Applicable]
• Automatic Early Redemption Amount	[●](Specify an Automatic Early Redemption Payout)/ [In accordance with the Conditions]
• Automatic Early Redemption Valuation Date(s)	[●] (Specify one or more dates for an Automatic Early Redemption Valuation Period)
• Automatic Early Redemption Valuation Period	[●]
• SPS AER Value	[●]
• Automatic Early Redemption Date(s)	[●]
• Automatic Early Redemption Level	[●]
• Automatic Early Redemption Rate	[●]
(n) Additional Disruption Event:	[Change in Law/Force Majeure Event/Hedging Disruption/ Increased Cost of Hedging/ Increased Cost of Stock Borrow/Loss of Stock Borrow]
(o) Protected Capital Termination Amount:	[Applicable/Not Applicable]
(p) Cut-Off Date	[●]/[3 business days prior to any Determination Date]
(q) Averaging Date:	[●]/[In accordance with the Conditions]
(r) Valuation Date:	[●]/[In accordance with the Conditions]
(s) Strike Date:	[●]
(t) Observation Date:	[●]
(u) Maximum Number of Disrupted Days:	[●]/[In accordance with the Conditions]
(v) Relative Performance Basket:	The Final Redemption Amount shall be determined by reference to the [best performing]/[worst performing] Strategy Index /[●]
(w) Strategy Index Correction Period:	[●]/[In accordance with the Conditions]

- (x) Observation Period: [●]
- (y) Strike Price: [In accordance with the Conditions]/[Specify]
- (z) Settlement Price: [In accordance with the Conditions]/[Specify]
- (aa) Averaging: [Applicable/Not Applicable]
- (bb) Initial Stock Loan Rate: [●]
- (cc) Maximum Stock Loan Rate: [●]
27. **Additional provisions relating to Equity Linked Notes:** [Applicable/Not Applicable]
(If not applicable, delete the following subparagraphs)
- (a) Share(s): [●]
- (b) Calculation Agent: [●]
- (c) Relevant Asset: [●]
- (d) Weighting: [●]
- (e) Physical Delivery Notes: [Applicable/Not Applicable]
- (f) Deliverable Number of Shares: [●]
- (g) Extraordinary Events:
- Liquidity Shortfall [Applicable/Not Applicable]
 - Change in Listing [Applicable/Not Applicable]
 - Listing Suspension [Applicable/Not Applicable]
- (h) Averaging: [Applicable/Not Applicable]
- (i) Deferred Redemption following an Extraordinary Event: [Applicable/Not Applicable]
- (j) Deferred Redemption following an Additional Disruption Event: [Applicable/Not Applicable]
- (k) Knock-In Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-In*

Barrier]/["within" the Knock-In Tunnel]

(If not applicable, delete the following subparagraphs)

- SPS Knock-In [Applicable/Not Applicable]
 - Knock-In Tunnel [●]
 - Knock-In Barrier Value [●]
 - Knock-In Barrier Valuation Time [●]/[In accordance with the Conditions]
 - Knock-In Barrier [●]/[In accordance with the Conditions]
 - Knock-In Barrier Effective Period Commencement Date [●]
 - Trading Day Convention for the Knock-In Barrier Effective Period Commencement Date [Applicable/Not Applicable]
 - Knock-In Barrier Effective Date [●]/[In accordance with the Conditions]
 - Knock-In Barrier Effective Period End Date [●]
 - Trading Day Convention for the Knock-In Barrier Effective Period End Date [Applicable/Not Applicable]
- (l) Knock-Out Event: [Applicable/Not Applicable]

(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-Out Barrier]/"within" the Knock-Out Tunnel])

(If not applicable, delete the following subparagraphs)

- SPS Knock-Out [Applicable/Not Applicable]
- Knock-Out Tunnel [●]
- Knock-Out Barrier Value [●]

- Knock-Out Barrier Valuation Time [●]/[In accordance with the Conditions]
 - Knock-Out Barrier [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period Commencement Date [●]
 - Trading Day Convention for the Knock-Out Barrier Effective Period Commencement Date [Applicable/Not Applicable]
 - Knock-Out Barrier Effective Date [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period End Date [●]
 - Trading Day Convention for the Knock-Out Barrier Effective Period End Date [Applicable/Not Applicable]
- (m) Weighting: [●]
- (n) Automatic Early Redemption Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Automatic Early Redemption Level])*
- (If not applicable, delete the following subparagraphs)*
- SPS AER [Applicable/Not Applicable]
 - Automatic Early Redemption Amount [●] *(Specify an Automatic Early Redemption Payout)* [In accordance with the Conditions]
 - Automatic Early Redemption Valuation Date(s) [●] *(Specify one or more dates for an Automatic Early Redemption Valuation Period)*
 - Automatic Early Redemption Valuation Period [●]
 - SPS AER Value [●]

• Automatic Early Redemption Date(s)	[●]
• Automatic Early Redemption Level	[●]
• Automatic Early Redemption Rate	[●]
(o) Exchange:	[●]
(p) Additional Disruption Event:	[Change in Law/Failure to Deliver/Hedging Disruption/ Increased Cost of Hedging/ Increased Cost of Stock Borrow/ Insolvency Filing/Stop-Loss Event/ Loss of Stock Borrow]
(q) Protected Capital Termination Amount:	[Applicable/Not Applicable]
(r) Stop-Loss Event:	[●]
(s) Trade Date:	[●]
(t) Cut-Off Date:	[●]/[3 business days prior to any Determination Date]
(u) Averaging Date:	[In accordance with the Conditions]/[●]
• Omission	[Applicable/Not Applicable]
• Postponement	[Applicable/Not Applicable]
• Modified Postponement	[Applicable/Not Applicable]
(v) Determination Date(s):	[●]/[In accordance with the Conditions]
(w) Valuation Date:	[●]/[In accordance with the Conditions]
(x) Strike Date:	[●]
(y) Observation Date:	[●]
(z) Valuation Time:	[●]/[In accordance with the Conditions]
(aa) Exchange Business Day:	[[Exchange Business Day (Single Share Basis)/Exchange Business Day (All Shares Basis)/Exchange Business Day (Per Share Basis)],[In accordance with the Conditions]]
(bb) Trading Day:	[[Trading Day (Single Share Basis)/Trading Day (All Shares Basis)/Trading Day (Per Share Basis)],[In accordance with the Conditions]]

- (cc) Related Exchange: *[Specify/All Exchanges]*
- (dd) Maximum Number of Disrupted Days: /[In accordance with the Conditions]
- (ee) Screen Page:
- (ff) Relative Performance Basket: The Final Redemption Amount shall be determined by reference to the [best performing]/[worst performing] Share /
- (gg) Share Correction Period: /[In accordance with the Conditions]
- (hh) Observation Period:
- (ii) Settlement Price: /[In accordance with the Conditions]
- (jj) Averaging: *[Applicable/Not Applicable]*
- (kk) Basket Company: *[Specify]*
- (ll) Initial Stock Loan Rate:
- (mm) Maximum Stock Loan Rate:
- (nn) Dividend Payment: *[Applicable/Not Applicable]*
- (oo) GDR/ADR: *[Applicable/Not Applicable]*
- 28. Additional provisions relating to Fund Linked Notes:** *[Applicable/Not Applicable]*
- (If not applicable, delete the following subparagraphs)*
- (a) Fund/Basket of Funds: *[Specify]*
- Private Equity Fund *[Not Applicable/Specify]*
 - Hedge Fund *[Not Applicable/Specify]*
 - Mutual Fund *[Not Applicable/Specify]*
- (b) Calculation Agent:
- (c) Commission:
- (d) Calculation Date: /[In accordance with the Conditions]
- (e) Initial Calculation Date: /[In accordance with the Conditions]
- (f) Final Calculation Date:
- (g) Hedging Date:

- (h) Trade Date: [●]
- (i) Termination Date: [●]/[In accordance with the Conditions]
- (j) Delayed Payment Cut-Off Date: [●]/[In accordance with the Conditions]
- (k) Fund Business Day: [●]/[In accordance with the Conditions]
- (l) Simple Interest Spread: [●]/[In accordance with the Conditions]
- (m) Protected Amount: [●]
- (n) Termination Amount: [●]/[Protected Capital Termination Amount]/ [Unprotected Capital Termination Amount]
- (o) Number of NAV Publication Days: [●]/[In accordance with the Conditions]
- (p) Relative Performance Basket: The Final Redemption Amount shall be determined by reference to the [best performing]/[worst performing] Unit of the Fund/[●]
- (q) Fund Units: [Specify]/[In accordance with the Conditions]
- (r) NAV Trigger Period: [●]/[In accordance with the Conditions]
- (s) NAV Trigger Percentage: [●]/[In accordance with the Conditions]
- (t) Fund Service Provider: [Specify]/[In accordance with the Conditions]
- (u) Deferred Redemption following a Fund Disruption Event: [Applicable/Not Applicable]
- (v) Net Asset Threshold: [●]/[In accordance with the Conditions]
- (w) Basket Trigger Threshold: [●]/[In accordance with the Conditions]
- 29. Commodity Linked Notes:** [Applicable/Not Applicable]
- (If not applicable, delete the following subparagraphs)*
- (a) Commodity(ies)/ Commodity Index (Indices): [●]
- (b) Index Sponsor: [●]
- (c) Pricing Date: [●]

- (d) Initial Pricing Date: [●]
- (e) Final Pricing Date: [●]
- (f) Commodity Reference Price: [●]
- (g) Delivery Date: [●]/ [Not Applicable]
- (h) Nearby Month: [●]/ [Not Applicable]
- (i) Specified Price: [●]
- (j) Trade Date: [●]
- (k) Commodity Correction Period: [●]
- (l) Disruption Fallback: [●]/[In accordance with the Conditions]
- (m) Maximum Number of Disrupted Days: [●]/[Five Commodity Business Days]
- (n) Exchange: [●]/[In accordance with the Conditions]
- (o) Knock-In Event: [Applicable/Not Applicable]

(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-In Barrier]/["within" the Knock-In Tunnel])

(If not applicable, delete the following subparagraphs)

- SPS Knock-In [Applicable/Not Applicable]
- Knock-In Tunnel [●]
- Knock-In Barrier Value [●]
- Knock-In Barrier Valuation Time [●]/[In accordance with the Conditions]
- Knock-In Barrier [●]/[In accordance with the Conditions]
- Knock-In Barrier Effective Period Commencement Date [●]
- Commodity Trading Day Convention - Knock-In Barrier Effective Period Commencement Date [Applicable/Not Applicable]

- Knock-In Barrier Effective Date [●]/[In accordance with the Conditions]
 - Knock-In Barrier Effective Period End Date [●]
 - Commodity Trading Day Convention - Knock-In Barrier Effective Period End Date [Applicable/Not Applicable]
- (p) Knock-Out Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-Out Barrier]/["within" the Knock-Out Tunnel])*
- (If not applicable, delete the following subparagraphs)*
- SPS Knock-Out [Applicable/Not Applicable]
 - Knock-Out Tunnel [●]
 - Knock-Out Barrier Value [●]
 - Knock-Out Barrier Valuation Time [●]/[In accordance with the Conditions]
 - Knock-Out Barrier [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period Commencement Date [●]
 - Commodity Trading Day Convention - Knock-Out Barrier Effective Period Commencement Date [Applicable/Not Applicable]
 - Knock-Out Barrier Effective Date [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period End Date [●]
 - Commodity Trading Day Convention - Knock-Out Barrier Effective Period End [Applicable/Not Applicable]

	Date	
	(q) Relative Performance Basket:	The Final Redemption Amount shall be determined by reference to the [best performing]/[worst performing] Commodity/Commodity Index / [●]
	(r) Weighting:	[●]
	(s) Automatic Early Redemption Event:	[Applicable/Not Applicable] <i>(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Automatic Early Redemption Level])</i> <i>(If not applicable, delete the following sub-paragraphs)</i>
	• SPS AER	[Applicable/Not Applicable]
	• Automatic Early Redemption Amount	[●] <i>(Specify an Automatic Early Redemption Payout)</i> / [In accordance with the Conditions]
	• Automatic Early Redemption Valuation Date(s)	[●] <i>(Specify one or more dates for an Automatic Early Redemption Valuation Period)</i>
	• Automatic Early Redemption Valuation Period	[●]
	• SPS AER Value	[●]
	• Automatic Early Redemption Date(s)	[●]
	• Automatic Early Redemption Level	[●]
	• Automatic Early Redemption Rate	[●]
	(t) Optional Additional Disruption Event:	[Not Applicable]/[Change in Law/ Hedging Disruption]
30.	FX Linked Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the following sub-paragraphs)</i>
	(a) Base Currency(ies)/Subject Currency(ies):	[●]

- (b) Deferred Redemption following a Disruption Event: [Applicable/Not Applicable]
[If applicable:
- (c) Protected Capital Termination Amount: [Applicable/Not Applicable]
- (d) Price Source: [●]
- (e) Maximum Number of Disrupted Days: [●]/[Five Scheduled Trading Days]
- (f) Strike Date: [●]/[In accordance with the Conditions]
- (g) Trade Date: [●]
- (h) Strike Day: [●]
- (i) Strike Period: [●]
- (j) Valuation Date: [●]/[In accordance with the Conditions]
- (k) Valuation Time: [●]/[In accordance with the Conditions]
- (l) Knock-In Event: [Applicable/Not Applicable]
(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-In Barrier]/["within" the Knock-In Tunnel])
(If not applicable, delete the following subparagraphs)
- SPS Knock-In [Applicable/Not Applicable]
 - Knock-In Tunnel [●]
 - Knock-In Barrier Value [●]
 - Knock-In Barrier Valuation Time [●]/[In accordance with the Conditions]
 - Knock-In Barrier [●]/[In accordance with the Conditions]
 - Knock-In Barrier Effective Period Commencement Date [●]
 - Exchange Rate Trading Day Convention - Knock-In Barrier Effective Period Commencement Date [Applicable/Not Applicable]

• Knock-In Barrier Effective Date	[●]/[In accordance with the Conditions]
• Knock-In Barrier Effective Period End Date	[●]
• Exchange Rate Trading Day Convention - Knock-In Barrier Effective Period End Date	[Applicable/Not Applicable]
(m) Knock-Out Event:	[Applicable/Not Applicable]
	<i>(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-Out Barrier]/["within" the Knock-Out Tunnel])</i>
	<i>(If not applicable, delete the following subparagraphs)</i>
• SPS Knock-Out	[Applicable/Not Applicable]
• Knock-Out Tunnel	[●]
• Knock-Out Barrier Value	[●]
• Knock-Out Barrier Valuation Time	[●]/[In accordance with the Conditions]
• Knock-Out Barrier	[●]/[In accordance with the Conditions]
• Knock-Out Barrier Effective Period Commencement Date	[●]
• Exchange Rate Trading Day Convention - Knock-Out Barrier Effective Period Commencement Date	[Applicable/Not Applicable]
• Knock-Out Barrier Effective Date	[●]/[In accordance with the Conditions]
• Knock-Out Barrier Effective Period End Date	[●]
• Exchange Rate Trading Day Convention - Knock-Out Barrier Effective	[Applicable/Not Applicable]

Period End Date

- (n) Relative Performance Basket: The Final Redemption Amount shall be determined by reference to the [best performing]/[worst performing] Subject Currency /[●]
- (o) Weighting: [●]
- (p) Consequences of a Disruption Event: [Applicable/Not Applicable]
- (q) Automatic Early Redemption Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Automatic Early Redemption Level])*
- (If not applicable, delete the following subparagraphs)*
- SPS AER [Applicable/Not Applicable]
 - Automatic Early Redemption Amount [●] *(Specify an Automatic Early Redemption Payout)* [In accordance with the Conditions]
 - Automatic Early Redemption Valuation Date(s) [●] *(Specify one or more dates for an Automatic Early Redemption Valuation Period)*
 - Automatic Early Redemption Valuation Period [●]
 - SPS AER Value [●]
 - Automatic Early Redemption Date(s) [●]
 - Automatic Early Redemption Level [●]
 - SPS Automatic Early Redemption Rate [●]
- (r) Optional Additional Disruption Event [●]
- (s) Averaging Date [●]/[In accordance with the Conditions]
- (t) Exchange Rate Averaging Date: [●]/[In accordance with the Conditions]

31. Underlying Interest Rate [Applicable/Not Applicable]

Linked Notes:	<i>(If not applicable, delete the following sub-paragraphs)</i>
(a) Underlying Interest Rate Determination Date:	[●]
(b) Method for determination of the Interest Rate:	[Screen Rate Determination/ ISDA Determination]
(c) Screen Rate Determination:	[Applicable/Not Applicable]
	<i>(If not applicable, delete the following sub-paragraphs)</i>
• Underlying Reference Rate	[EURIBOR/EONIA/LIBOR/CMS Rate/TEC10]
• Relevant Screen Page	[●]
• Specified Time	[●]/[In accordance with the Conditions]
(d) ISDA Determination:	[Applicable/Not Applicable]
	<i>(If not applicable, delete the following sub-paragraphs)</i>
• Floating Rate Option	[●]
• Designated Maturity	[●]
• Reset Date	[●]
(e) Underlying Margin:	[+/-] [●]% per year
(f) Minimum Underlying Reference Rate:	[Not Applicable/[●]% per year]
(g) Maximum Underlying Reference Rate:	[Not Applicable/[●]% per year]
(h) Knock-In Event:	[Applicable/Not Applicable]
	<i>(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-In Barrier]/["within" the Knock-In Tunnel])</i>
• SPS Knock-In	[Applicable/Not Applicable]
• Knock-In Tunnel	[●]
• Knock-In Barrier Value	[●]
• Knock-In Barrier Valuation Time	[●]/[In accordance with the Conditions]

- Knock-In Barrier [●]/[In accordance with the Conditions]
 - Knock-In Barrier Effective Period Commencement Date [●]
 - Underlying Interest Rate Trading Day Convention for the Knock-In Barrier Effective Period Commencement Date [Applicable/Not Applicable]
 - Knock-In Barrier Effective Date [●]/[In accordance with the Conditions]
 - Knock-In Barrier Effective Period End Date [●]
 - Underlying Interest Rate Trading Day Convention for the Knock-In Barrier Effective Period End Date [Applicable/Not Applicable]
- (i) Knock-Out Event: [Applicable/Not Applicable]
- (If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Knock-Out Barrier]/["within" the Knock-Out Tunnel])*
- (If not applicable, delete the following subparagraphs)*
- SPS Knock-Out [Applicable/Not Applicable]
 - Knock-Out Tunnel [●]
 - Knock-Out Barrier Value [●]
 - Knock-Out Barrier Valuation Time [●]/[In accordance with the Conditions]
 - Knock-Out Barrier [●]/[In accordance with the Conditions]
 - Knock-Out Barrier Effective Period Commencement Date [●]
 - Underlying Interest Rate Trading Day Convention for the Knock-Out Barrier [Applicable/Not Applicable]

	Effective Period Commencement Date	
	• Knock-Out Barrier Effective Date	[●]/[In accordance with the Conditions]
	• Knock-Out Barrier Effective Period End Date	[●]
	• Underlying Interest Rate Trading Day Convention for the Knock-Out Barrier Effective Period End Date	[Applicable/Not Applicable]
	• Weighting:	[●]
(j)	Automatic Early Redemption Event:	[Applicable/Not Applicable] <i>(If applicable, Specify ["greater than"/ "greater than or equal to"/ "lower than"/ "lower than or equal to" the Automatic Early Redemption Level] or [Target AER / FI Underlying AER / FI Coupon AER])</i> <i>(If not applicable, delete the following sub- paragraphs)</i>
	• SPS AER	[Applicable/Not Applicable]
	• Automatic Early Redemption Amount	[●] <i>(Specify an Automatic Early Redemption Payout)</i> [In accordance with the Conditions]
	• Automatic Early Redemption Valuation Date(s)	[●] <i>(Specify one or more dates for an Automatic Early Redemption Valuation Period)</i>
	• Automatic Early Redemption Valuation Period	[●]
	• SPS AER Value	[●]
	• Automatic Early Redemption Date(s)	[●]
	• Automatic Early Redemption Level	[●]
	• Automatic Early Redemption Rate	[●]
	• Automatic Early Redemption	[●]%

- Percentage
- Automatic Early Redemption Percentage Down %
 - Automatic Early Redemption Percentage Up %
 - Underlying Reference Level
 - [Accrual of Interest up to an Automatic Early Redemption Event] [Applicable/Not Applicable]
- (k) Strike Date:
- (l) Relative Performance Basket: The Final Redemption Amount shall be determined by reference to the [best performing]/[worst performing] Underlying Interest Rate /
- (m) Strike Day:
- (n) Strike Period:
- (o) Benchmark Replacement [Applicable/Not Applicable]

PROVISIONS RELATING TO PHYSICAL DELIVERY NOTES

32. **Physical Delivery Notes:** [Applicable/Not Applicable]
- (If not applicable, delete the following subparagraphs)*
- (a) Underlying[s]:
- (b) Physical Delivery Amount: *(If relevant, for Underlying Linked Notes)* The Physical Delivery Amount shall be calculated in accordance with the terms relating to Physical Delivery Entitlement Amount
- (c) Physical Delivery Entitlement Amount: [Applicable/Not Applicable]
- (If not applicable, delete the following subparagraphs)*
- (If applicable, insert one of the following:*
- [Delivery of the Worst Performing Underlying:] *(Insert formula, relevant values and other related provisions from*

the Supplemental Payout Terms)]

[Delivery of the Best Performing Underlying: [●] (*Insert formula, relevant values and other related provisions from the Supplemental Payout Terms*)]

[Rounding and Residual Amount: [●] (*Insert formula, relevant values and other related provisions from the Supplemental Payout Terms*)]

SPS Valuation Date: [●]

- (d) Provisions specifying whether transfer of Underlyings or payment of an amount in cash applies: [●] [As specified in the Technical Annex, section [●]]
- (e) Option [of the Issuer/Noteholders] to change the method of settlement and, if yes, method of exercise of the option and procedure for modifying settlement method: [Yes [[*provide details or attach as schedule*]]/No] [●] [As specified in the Technical Annex, section [●]]
- (f) If settlement takes the form of physical transfer of Underlyings: [Applicable/Not Applicable]
- (i) Method of transfer of Underlyings in respect of the Physical Delivery Amount (other than delivery) and consequences of Settlement Disruption Event(s): [●] [As specified in the Technical Annex, section [●]]
- (ii) Transfer Notice: [Applicable/Non applicable] (*If applicable, provide details on method and timing for giving Transfer Notice.*) [●] [As specified in the Technical Annex, section [●]]
- (iii) Details on the manner in which the entitlement to receive the Physical Delivery Amount shall be [Applicable/Non applicable] [●] [As specified in the Technical Annex, section [●]]

represented:

- | | |
|---|---|
| (g) Party responsible for calculating the redemption amount and/or Coupon Amount, or Physical Delivery Amount (if other than the Calculation Agent): | [Applicable/Non applicable]

<i>(If applicable, specify the name and address)</i>

[●] [As specified in the Technical Annex, section [●]] |
| (h) Provisions applicable if calculation by reference to the Underlyings and/or formula is impossible or impracticable: | [●] [As specified in the Technical Annex, section [●]] |
| (i) Details of any other relevant conditions, stock market requirements/tax considerations (including contact details of the person responsible for transfer expenses): | [●] [As specified in the Technical Annex, section [●]] |
| (j) Method for calculating the Early Redemption Amount (for reasons other than due to redemption for tax reasons or event of default): | [●] [As specified in the Technical Annex, section [●]] |

PROVISIONS RELATING TO REDEMPTION

- | | |
|---|---|
| 33. Issuer Redemption Option: | [Applicable/Not Applicable]

<i>(If not applicable, delete the following subparagraphs)</i> |
| (a) Optional Redemption Date(s): | [●] |
| (b) Optional Redemption Amount(s) for each Note and, where applicable, method for calculating such amount(s): | [€[●] per Note of €[●] Specified Denomination]/ <i>(If relevant, for Underlying Linked Notes)</i> The Optional Redemption Amount shall be calculated in accordance with the Call Payout: [●] <i>(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)</i> |
| (c) If redeemable in part: | [●] |
| (i) Minimum Redemption Amount: | [●] |
| (ii) Maximum | [●] |

Redemption Amount:

- (d) Notice period (if different than specified in the Conditions)⁹ [Not Applicable/[●] days (if different than specified in the Conditions)]
- 34. Noteholder Redemption Option:** [Applicable/Not Applicable]
(If not applicable, delete the following subparagraphs)
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s) for each Note and, where applicable, method for calculating such amount(s): [€[●] per Note of €[●] Specified Denomination]/[(If relevant, for Underlying Linked Notes) The Optional Redemption Amount shall be calculated in accordance with the Put Payout: [●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]
- (c) Notice period (if different than specified in the Conditions)¹⁰ [Not Applicable/[●] days (if different than specified in the Conditions)]
- 35. Final Redemption Amount¹¹** [€[●] per Note of €[●] Specified Denomination]/[(where applicable, for Underlying Linked Notes) The Final Redemption Amount shall be calculated in accordance with the Final Payout]
- 36. Final Payout:** [Applicable/Not Applicable]
(If not applicable, delete the following subparagraphs)
(If applicable, insert one of the following:
[SPS Fixed Percentage Notes
[●] (Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]

⁹ If notice periods are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of additional means 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 its Fiscal Agent.

¹⁰ If notice periods are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of additional means 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 its Fiscal Agent.

¹¹ If the Final Redemption Amount is not equal to one hundred per cent (100%) of the nominal amount, the Notes shall constitute derivative instruments for the purposes of the Prospectus Directive and the provisions of Annex XII of European Regulation n°809/2004 as amended shall apply. This form of Final Terms has been annotated to provide the main additional requirements of Annex XII. Note that certain regulatory authorities may require information relating to paragraph 5 of Annex XII to be included even if the nominal value of the Notes is greater than or equal to €100,000 (whereas such information is not required under Annex XII. Where Annex XII does not apply but the return on the Notes is linked to an underlying, consideration should be given as to whether to include information on such underlying.

[SPS Reverse Convertible Notes

[SPS Reverse Convertible Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[SPS Reverse Convertible Standard Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[SPS Vanilla Products:

[Vanilla Call Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[Vanilla Call Spread Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[Vanilla Put Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[Vanilla Put Spread Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[Vanilla Digital Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[[Knock-In/Knock-Out] Vanilla Call Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[Asianing Products

[Asian Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[Capped Asian Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[Himalaya Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]*

[Autocall Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Autocall One Touch Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Autocall Standard Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]]*

[Indexation products

[Booster Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Bonus Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Leveraged Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Twin Win Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Sprinter Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Generic Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Digital-A Generic Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Digital-B Generic Notes: [●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)]]*

[Ratchet Notes:

[●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*]

[Sum Notes:

[●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*

[Max Notes:

[●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*

[Maximum Final Payout: [●]/Not applicable]

[Minimum Final Payout: [●]/Not applicable]

[FI FX Vanilla Notes:

[●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*

[FI Digital Floor Notes:

[●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*

[FI Digital Cap Notes:

[●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*

[FI Digital Plus Notes:

[●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*

[FI Inflation Linked Notes:

[●] *(Insert formula, relevant values and other related provisions from the Supplemental Payout Terms)*

**37. Automatic Final Payment
Formula Conversion**

[Applicable/Not Applicable]

(If not applicable, delete the following subparagraphs)

- Switched Redemption/Payment Basis

[●]

- Final Payout Switch Notice [Applicable/Not Applicable]
 - Final Payout Switch Date [●]
 - Final Payout Switch Event (*Specify* ["greater than"/"greater than or equal to"/ "lower than"/"lower than or equal to" the Final Payout Switch Level])
 - Final Payout Switch Level [●]
 - Final Payout Switch Valuation Date(s) [●] (*Specify one or more dates for a Final Payout Switch Valuation Period*)
 - Final Payout Switch Valuation Period [●]
 - Automatic Final Payout Switch [●]
 - Final Payout Switch Value [●]
- 38. Instalment Amount:** [Applicable/Not Applicable]
- (If not applicable, delete the following subparagraphs)*
- (a) Instalment Date(s): [●]
 - (b) Instalment Amount(s) for each Note and, where applicable, method of calculation of such amount(s): €[●] per Note of €[●] Specified Denomination
- 39. Early Redemption Amount:**
- (a) Early Redemption Amount(s) for each Note payable on redemption for tax reasons (Condition 6.6), for Illegality (Condition 6.11) or upon Event of Default (Condition 9): [●]
 - (b) Redemption for tax reasons on dates other than Coupon Payment Dates: [●]
 - (c) [Automatic] Early Redemption Amount(s) (for reasons other than those referred to in (a) above) for each Note: [In accordance with the Conditions]/[The Automatic Early Redemption Amount shall be calculated in accordance with the Automatic Early Redemption Payout: [●] (*Insert formula, relevant values and other related provisions from the Supplemental*)]

Payout Terms)

(d) Market Value Less Expenses: /[Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

40. Form of the Notes:

(a) Form of the Notes: Dematerialised Notes [bearer/
[fully][administered] registered (au
porteur/au nominatif pur/au nominatif
administré)]

(b) Registration Agent: [Applicable/Not Applicable]

(If applicable, provide the name and contact details) (Note that a Registration Agent only needs to be appointed for fully registered (au nominatif pur) dematerialised Notes)

41. Financial Centres relating to payment dates for the purposes of Condition 7.4:

[Not Applicable/Specify.] *(Note that this point refers to the date and place for payment and not interest period end dates)*

42. Provisions relating to Partly Paid Notes: amount of each payment including the Issue Price and the date on which each payment must be made and the consequences, if any, of payment default, including the right of the Issuer to withhold the Notes and related interest thereon due to delay in payment:

[Not Applicable/Specify]

43. Provisions relating to Redemption by Instalment Notes

[Not Applicable/Specify]

(a) Amount of each instalment: [●]

(b) Date on which each payment is to be made: [●]

44. Noteholder representation ("Masse") (Condition 11):

The names and contact details of the titular Representative of the Masse are:

[●]

The names and contact details of the alternate Representative of the Masse are:

[●]

The Representative of the Masse [shall receive a fee of €[●] per year for performing his functions/shall not receive any fee for performing his functions.]

45. **Possibility to request identification information of the Noteholders pursuant to Article L. 228-2 of the French Code de commerce** [Not Applicable]/[Applicable]

46. **The aggregate principal amount of Notes issued has been converted into Euros at a rate of [●], producing the sum of [●] (only for Notes denominated in currencies other than Euros):** [●]/[Not Applicable]

[PURPOSE OF THE FINAL TERMS

These Final Terms comprise the final terms required for issue [and admission to trading on [*specify the relevant regulated market*] of the Notes described herein] pursuant to the €5,000,000,000 Euro Medium Term Note Programme of Banque Palatine.]

RESPONSIBILITY

[*Surname and first name of the individual responsible*] accepts responsibility for the information contained in these Final Terms. [[(Third party information)] has been extracted from (*specify source*). [*Surname and first name of the individual responsible*] confirms that such information has been accurately reproduced and that, so far as [*surname and first name of the individual responsible*] 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.]¹²

Signed for and on behalf of Banque Palatine:

By: _____

Duly authorised

¹² To be included if information is derived from a third party, for example, an index or its components, an underlying or the issuer of an underlying pursuant to Annex XII of European Regulation n°809/2004 as amended.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing: [Euronext Paris/other (*Specify*)/None]
- (b) (i) Admission to trading: [Application has been made by (or on behalf of) the Issuer for the Notes to be admitted to trading on [*specify the relevant regulated market*] as from [●].] [Application may be made by (or on behalf of) the Issuer for the Notes to be admitted to trading on [Euronext Paris]/[*specify another relevant regulated market*] as from [●].]/[Not Applicable]
- (ii) Regulated Markets or equivalent markets on which, to the Issuer's knowledge, Notes of the same category as the Notes to be admitted to trading have already been admitted to trading: [The Existing Notes are admitted to trading on [●]/Not Applicable] (*Where documenting a fungible issue need to indicate that the Existing Notes are already admitted to trading.*)
- (c) Estimated total expenses relating to admission to trading: [[●]/Not Applicable]

2. RATINGS

- Ratings: [The Notes being issued have been rated:
- [S&P: [●]]
- [Moody's: [●]]
- [Fitch: [●]]
- [[Other]: [●]]
- [Each of these rating agencies is established in the European Union and is registered under Regulation (EC) no. 1060/2009 of 16 September 2009, as amended (the "**CRA Regulation**") and is included in the list of registered rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>), in accordance with the CRA Regulation.]

3. [NOTIFICATION

The *Autorité des marchés financiers*, which is the competent authority in France for the purposes of the Prospectus Directive, has been requested to provide / The *Autorité des marchés financiers*, which is the competent authority in France for the purposes of the Prospectus Directive, has provided (*include the first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*) the [*include the name of the competent authority of the host Member State*] with a certificate of approval certifying that the Base Prospectus has been prepared in accordance with the Prospectus Directive.]

4. [THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST¹³

If any advisers are mentioned in these Final Terms, specify the capacity in which they have acted.

Specify any other information referred to in the Final Terms which has been the subject of an audit or review by the statutory auditors and on which the statutory auditors have issued a report. Insert the report or, if the relevant competent authority so permits, a summary of the report.

Where a statement or report attributed to a person as an expert is included in these Final Terms in respect of the Issuer or the Notes, provide such person's name, business address, qualifications and material interest if any in the Issuer. If the statement or report has been produced at the Issuer's request, include a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part in respect of the Issuer or the Notes.

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Issuer shall identify the source(s) of the information.]

5. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

The purpose of this section is to describe any interest, including any conflicting interest, that is material to the issue, detailing the persons involved and the nature of the interest. This may be satisfied by the inclusion of the following statement: "Unless otherwise indicated in the section "Subscription and sale", as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue or offering of the Notes".[(When adding any other information, consideration should be given as to whether such information would constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)]]

6. [USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for [its general corporate purposes/specify any other reasons].]

¹³ Note that certain regulatory authorities may require this information to be inserted even where the nominal value of the Notes is equal to or greater than €100,000.

7. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (a) Reasons for the offer: [●]
- (Refer to the section "Use of Funds" of the Base Prospectus - if the reasons for the offer are other than to finance the Issuer's business, the reasons must be specified)*
- (b) Estimated net proceeds: *(If the proceeds of the issue are to be used for more than one purpose, the estimated net proceeds must be split in accordance with the proposed uses and presented in decreasing order of priority. If the Issuer is aware that the estimated net proceeds will not be sufficient to finance all proposed uses, the amount and source of additional funding must be specified.)*
- (c) Estimated total expenses: [Expenses to be borne by the investor are estimated to be [●].]/[Not applicable, no expenses shall be borne by the investor.]
- [N.B.: If the Notes are derivative instruments to which Annex XII of the Prospectus Directive implementing Regulation applies, the information referred to in (i) above must be mentioned if the reasons for the offer are not only the making of profit and/or hedging certain risks, and if these reasons are specified in (i) above, it is also necessary to disclose the net proceeds and total expenses in (ii) and (iii) above.]*

8. [Fixed Rate Notes only – YIELD

- Yield: [●]
- The yield is calculated on the Issue Date by reference to the Issue Price. This is not an indication of future yield.]
- [(Applicable only in the case of offers of the Notes to the public in France) Yield spread of [●] % compared to equivalent duration French treasury bonds (Obligations Assimilables du Trésor).]*

9. [Floating Rate Notes only – INFORMATION ON FLOATING RATE NOTES

- Historic Interest Rates: Details of historic [EURIBOR/EONIA/LIBOR/CMS Rate/TEC10] may be obtained from [•].]

10. [Notes linked to a Benchmark only - **BENCHMARK**

[Not Applicable]/[Amounts payable under the Notes will be calculated by reference to [*specify the applicable benchmark*] which is provided by [•]. As at [•], [•] [*appears/does not appear*] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]

11. [Underlying Linked Notes only – **PERFORMANCE OF THE UNDERLYING (INDEX/ FORMULA/ OTHER VARIABLE) EXPLANATION OF ITS EFFECT ON THE VALUE OF THE INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION RELATING TO THE UNDERLYING**

Details of past and future performance and volatility of (*specify the Underlying*) may be obtained from (*Specify source*).]

This section must include sources from which information on past and future performance of the relevant Underlying and volatility may be obtained. Where the underlying is an index, provide the name and description of the index, whether it is compiled by the Issuer, and, if not, the source from which information on the index may be obtained. Include any other information relating to the underlying required under paragraph 4.2 of Annex XII of European Regulation no. 809/2004 as amended.

[(When completing this paragraph, consideration should be given as to whether such information would constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

12. [Derivative Instruments only – **YIELD ON DERIVATIVE INSTRUMENTS AND INFORMATION RELATING TO THE UNDERLYING**¹⁴

YIELD ON DERIVATIVE INSTRUMENTS

Yield on the derivative instruments: [Describe arrangements concerning proceeds of financial instruments.]

Date of payment or delivery: [●]

Calculation method: [●]

INFORMATION RELATING TO THE UNDERLYING

Strike price or final reference price of the underlying: [●]

- specify the sources from which information on past and future performance of the underlying [●]

¹⁴ For derivative instruments to which Annex XII of European Regulation n°809/2004 as amended applies, please instead complete paragraphs 12 and 13 below: explanation of the effect on the value of the investment, yield on derivative instruments and information relating to the underlying.

and volatility may be obtained:

- where the underlying is a security: [Applicable/Not Applicable]

Name of issuer of the security: [●]

ISIN Code (international securities identification number) or any other code: [●]

- where the underlying is an index: [Applicable/Not Applicable]

name of the index and description if compiled by the Issuer. If the index is not compiled by the Issuer, the source from which information on the index may be obtained: [●]

- where the underlying is an interest rate: [Applicable/Not Applicable]

description of the interest rate: [●]

- other: [Applicable/Not Applicable]

where the underlying does not fall in any of the above categories, the Final Terms must contain equivalent information: [●]

- where the underlying is a basket of underlying instruments: [Applicable/Not Applicable]

Weighting assigned to each item in the basket: [●]

OTHER

Name and address of the Calculation Agent: [●]

POST-ISSUANCE INFORMATION ON THE UNDERLYING

The Issuer shall not provide any post-issuance information, unless required under applicable laws or regulations.

[If post-issuance information must be provided, specify which information shall be provided and where it may be obtained.]

13. OPERATIONAL INFORMATION

ISIN Code:	[●]
LEI:	EJ3P8B7HPQFKAH6YME79
Common Code:	[●]
Depositories:	[●]
(a) Euroclear France acting as Central Depository:	[Yes/No]
(b) Common Depository for Euroclear Bank and Clearstream Banking S.A.:	[Yes/No]
Any clearing system(s) other than Euroclear Bank and Clearstream Banking S.A. and relevant identification numbers:	[Not Applicable/ <i>provide name(s), number(s) and address(es)</i>]
Delivery:	Delivery [against/free of payment]
Name(s) and address(es) of initial Paying Agents appointed for the Notes:	[Banque Palatine 42, rue d'Anjou 75008 Paris]
Name(s) and address(es) of additional Paying Agents appointed for the Notes (if any):	[●]

14. DISTRIBUTION

If syndicated, names [and addresses] of Syndicate Members and underwriting commitments:	[Not Applicable/ <i>provide the names [and where the specified denomination is less than €100,000, the addresses and main terms of the agreements entered into (including quotas) and, where applicable, the fraction of the issue not underwritten] of the Dealers and [specify the Lead Manager]]]</i>
(a) Date of underwriting agreement:	[Not Applicable/ <i>(If the specified denomination is less than €100,000, specify the date)</i>]
(b) Name and address of entities that have agreed to act as authorised intermediaries on the secondary market by providing bid/ask liquidity and description of the main terms of their undertaking:	[Not Applicable/ <i>Name(s), address(es) and description</i>]

(c) Stabilisation Manager(s) (if any):	[Not Applicable/ <i>specify name(s)</i>]
If non-syndicated, name and address of Dealer:	[Not Applicable/ <i>specify name</i>]
Total commissions and concessions:	[Not Applicable/ <i>If the specified denomination is less than €100,000, specify the amounts</i>]
Non-Exempt Offer	[Not Applicable]/[An offer of Notes may be made by [the Dealer/ Syndicate Members] [and (specify if applicable)] other than pursuant to Article 3(2) of the Prospectus Directive in (<i>Specify the relevant Member State– which must be a jurisdiction where the Prospectus and any supplements thereto have been passported</i>) (the " Public Offer Jurisdiction(s) ") during the period from [●] to [●] (<i>Specify the dates</i>) (the " Offer Period "). For more details, see paragraph 13 of Part B below.
Prohibition of Sales to EEA Retail Investors:	[Not Applicable/Applicable] <i>(If the Notes do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor)</i>
U.S. selling restrictions:	[The Issuer is Category 2 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended.]

15. [Offers to the public - TERMS AND CONDITIONS OF THE OFFER

Amount of the Offer	[●] (if the amount is not fixed, describe the arrangements and deadline by which the definitive amount shall be made public)
Offer Period:	[Specify] to [Specify] (This period must run from the date of publication of the Final Terms to a specified date or wording such as the "Issue Date" or "date falling [specify] Business Days thereafter"). Describe, where applicable, any changes that may be made to such period)
Offer Price:	[The Issuer is offering the Notes to the Dealer(s) at an Initial Offer Price of [specify] less total commission of [specify]. OR (where the price has not been fixed as of the date of the Final Terms) The Offer Price for the Notes shall be determined by the Issuer and [the Dealer(s)] on or around [specify], in accordance with prevailing market conditions, including [supply and demand for the Notes and other similar securities] [and] [the applicable market price for [insert relevant benchmark security, if any].]
Conditions to which the offer is subject:	[The offer of the Notes is subject to their issuance [and any additional terms specified in the Financial Intermediaries' general conditions, as notified to investors by such Financial Intermediaries]]
Description of application procedure:	[Not Applicable/Specify]
Details of the minimum and/or maximum subscription amounts:	[Not Applicable/Specify]
Description of option to reduce subscriptions and arrangements for reimbursement of excess amounts paid by subscribers:	[Not Applicable/Specify]
Details of method and time limits for payment for and delivery of Notes:	[The Notes shall be issued on the Issue Date against payment to the Issuer of the net subscription proceeds. Investors shall be notified by the relevant Financial Intermediary of the Notes allotted to them and the related settlement terms.]

Manner and date of publication of the results of the offer: [Not Applicable/*Specify*]

Procedure for exercise of any pre-emption rights, negotiability of subscription rights and treatment of unexercised subscription rights: [Not Applicable/*Specify*]

Categories of potential investors to which the Notes are offered and if one or more Tranches are reserved for certain countries: [●]

Procedure for notifying subscribers of their allotments and indication whether dealing may commence prior to notification: [Not Applicable/*Specify*]

Amount of all expenses and taxes specifically charged to the subscriber or purchaser: [*Specify*]

16. PLACEMENT AND UNDERWRITING¹⁵

Consent of the Issuer to use the Base Prospectus during the Offer Period: [Not Applicable/Applicable for any Authorised Offeror specified below]

Authorised Offeror(s) in the various countries where the Notes are being offered: [Not Applicable/Name(s) and address(es) of the financial intermediaries appointed by the Issuer to act as Authorised Offeror(s)/Any Financial Intermediary that satisfies the conditions specified below under the heading "Conditions attached to the Issuer's consent to use the Base Prospectus"]

Conditions attached to the Issuer's consent to use the Base Prospectus: [Not Applicable/Where the Issuer has given general permission to any financial intermediary to use the Base Prospectus, specify any additional condition or any condition replacing that specified on page [●] of the Base Prospectus or specified as "See conditions specified in the Base Prospectus". Where the Authorised Offeror is appointed hereunder, specify any applicable conditions.]

Name(s) and address(es) of entities with overall responsibility for coordinating the issue and the various parties and, to the extent [●]

¹⁵ Required for derivative instruments to which Annex XII of European Regulation n°809/2004 as amended applies and for issues of Notes with a specified denomination of less than €100,000.

such information is known to the Issuer or the distributor, the relevant dealers in the countries where the Notes are being offered:

Entities that have agreed to underwrite the Notes and those that have agreed to place (but not underwrite) the Notes under a subscription agreement. If the entire issue has not been underwritten, specify the proportion not underwritten: [●]

ANNEX – ISSUE SPECIFIC SUMMARY

[Issue specific summary to be inserted]

DESCRIPTION OF THE ISSUER

The description of the Issuer below has been prepared on the basis of the 2017 Financial Report of the Issuer and the financial information is in line with the content of such 2017 Financial Report.

History and evolution of the Issuer

The Issuer is a bank established in 1920 under the name of Banque Vernes.

The main steps of the history of the Issuer were the following:

1971	Banque Vernes merges with the Banque Commerciale de Paris. Following this merger, the Issuer takes the new name of Banque Vernes et Commerciale de Paris.
1982	The Issuer is nationalized and joins the Suez group.
1987	The French state privatizes Compagnie Financière de Suez. The Istituto Bancario San Paolo Di Torino takes a stake of 49% of 100% of the Issuer.
1989	The Issuer changes its name to Banque Sanpaolo.
1990	The Issuer merges with the Banque Française Commerciale, allowing it to expand its branch network.
1996	In 1996, the Issuer acquires the network of the Bank Veuve Morin-Pons with branches in Lyon, Strasbourg and Paris.
2003	Caisse Nationale des Caisses d'Epargne acquires a 60% stake in the Issuer, the remaining 40% being held by the Sanpaolo IMI Group.
2005	The Issuer changes its name to "Banque Palatine".
2008	Caisse Nationale des Caisses d'Epargne holds 100% of the Issuer. In December, the Issuer acquires certain banking activities of Crédit Foncier and carries out a capital increase at the end of which the Crédit Foncier becomes a shareholder with 8.33% of the Issuer.
2009	BPCE, the central body within the meaning of the Banking Act is created by law 2009-715. In 2010, it becomes a shareholder with 91.67% of the Issuer alongside Crédit Foncier.
2012	BPCE holds 100% of the Issuer.

Company name of the Issuer

The company name of the Issuer is "Banque Palatine". Its head office is 42 rue d'Anjou, Paris (75008), France.

Place and registration number of the Issuer

The Issuer is registered with the Paris' trade and companies register (*Registre du commerce et des sociétés*) under number 542 104 245.

Date of incorporation and duration of the Issuer

The Issuer was originally created the 1st January 1920 for 15 years to end the 31 December 1934. The Issuer's duration was extended once 15 years until the 31st December 1949. It was extended again for 99 years until 31 December 1948. The fiscal year of the Issuer starts the 1st January until 31 December of each year.

Legal form

The Issuer is a *société anonyme à conseil d'administration* (limited liability company with a Board of directors).

Share capital

The share capital of the Issuer amounts 538,802,680 Euros. The share capital is divided into 26,940,134 shares of 20 euros each, fully paid up.

Applicable law to the Issuer's activities

The Issuer is subject to the provisions of the French *Code de commerce* related to commercial companies and subject to the provisions of the French *Code monétaire et financier* related to the credit institutions.

Issuer's business purpose

Pursuant to Article 2 of Issuer's by laws, the Issuer's business purpose is, in any country:

- the operations as provided by the monetary and commercial code and namely, any banking and related operations; any investment services and related services;
- on an ancillary basis, the performance of any brokering operation and the supply of insurance brokerage as well as real estate and business transactions;
- and more generally, any operations or capital investment in any commercial, industrial, agricultural, movable or immovable companies as authorised by law and having directly or indirectly a link with banking activities.

Commercial banking

Corporate market

In 2018, within an economic context that was both dynamic and that had contrasts, the development of commercial activity in the medium-sized company market took place through the following three main components:

- the conquest of the core target - businesses with more than €15 million in revenue - continued at a sustained pace with 315 new customer relationships in 2018. Thus, from 2013 to 2018, the number of core target business customers increased 32%, from 1,988 to 2,632;
- with its full range of financing solutions, Banque Palatine continues to support medium-sized businesses. Loans outstanding to business customers grew by 3.6% to €7,359 million. Income from financing was dynamic in all types of loans (equipment, real estate, acquisition and LBO). It was €1,973 million, *i.e.* a level comparable to 2017, confirming the desire to support companies in their development and their investments; Banque Palatine also confirmed its position in arranging financial solutions (structured loans, LBO, EuroPP, real estate, financing of senior executives) with 32 transactions arranged, generating fee income of more than €100,000, for a total of €9,249 million.

- loans to companies based on their balance sheet resources remained relatively stable at €10,118 million, reflecting the strategy of adjustment of liabilities in the context of negative interest rates.

Growth in activity in the corporate market rests on a personalised approach to its customers, through national network of 30 agencies spread out over 6 regions (Greater West, Southern Mediterranean, Eastern Centre, Western Paris, Paris Centre and Eastern Paris) and its expertise, which make it possible, together with the specialised business lines of Groupe BPCE to offer a tailored and complete range of products and services.

The following significant events took place in 2018:

- Banque Palatine strengthened its position as a leading player in the property administrators market, with close to 1,500 customers, in particular by offering them solutions to facilitate implementation of the new ALUR law (*loi n° 2014-366 du 24 mars 2014 pour l'accès au logement et un urbanisme rénové*) on access to housing;
- a significant contribution to loan production from real estate professionals, particularly in the market of investors, historic customers of Banque Palatine, with the increase in generation and co-generation of loans and more generally the growth in commissions, which were close to €4 million;
- the development of the large accounts department which supported more than 150 groups, providing a vehicle for Banque Palatine to showcase its expertise in this crucial segment, working closely with its specialist business lines;
- continuing the development of the audio-visual cinema subsidiary created 8 years ago, which reached the level of net banking income of €6 million. Banque Palatine draws in particular on its ability to bring together various players in the sector (production companies, directors) by drawing on synergies within Groupe BPCE, a long-standing financial backer of cinema and the audio-visual industries;
- sustained support of the corporate finance division which generated nearly €11 million in fee income, as compared with €10 million in 2017. The syndication platform was ramped up with an increase in the amount invested, standing at €708 million in 2018 (compared with €409 million in 2017);
- the volume of documentary credits for 2017 was surpassed for a total of €1,211 million issued in 2018 (+15%). In 2018, in order to intensify its international development, Banque Palatine created three new desks, following the example of the Italian desk, which cover Belgium, Germany and Luxembourg.
- regarding the dealing room, a customer desk was still very active with 155 new direct entrants in 2018, which Banque Palatine supported primarily on topics of hedging risks and interest rates.

In addition, Banque Palatine intensified its partnerships with specialised financing lines of Natixis: Natixis Lease, Natixis Factor, Natixis Garanties, and Natixis Interépargne.

Finally, a partnership agreement was signed with BPI France to support and finance businesses in their digital transformation.

Private banking market

The development of business activity with its core private banking customers composed of company senior executives and wealth management customers grew in accordance with ambitious targets set for the year.

Thus, the conquest of private banking customers with more than €50,000 in assets at the start of the relationship achieved a record of 1,354 new accounts, up 9% compared with 2017. The conquest thus grew by 2.5 times in 5 years.

The development of financial and balance sheet resources continues, despite the downturn in the financial markets, with total savings deposits of €4,529 million at the end of 2018, an increase of 1.7%. The net inflow was +€202 million compared to -€14 million in 2017.

Outstanding real estate loans increased by 6% and amounted to €1.56 billion at end-2018.

The development of commercial activity in the private customer market is based on the following:

- a national network of 34 branches dedicated to these customers;
- its specialist business lines consisting of private bankers, wealth management specialists and experts in financing for company senior executives (capital transactions for businesses and capital incentive plans for senior executives), put their skills and know-how to work in support of the network;
- a subsidiary dedicated to protected adult customers, with 4 locations in France (Paris, Nice, Lyon and Toulouse);
- an extensive range of savings, investment and loan products, supported by the skills and know-how of:
 - Banque Palatine (Palatine Asset Management UCITS, EMTN issues, SOFICA, real estate, individual and student financing, asset advances and financing of senior executives);
 - Groupe BPCE (SCPI Ciloger offer, Natixis Luxembourg partnership, real estate offer in property and income tax planning iSelection/Crédit Foncier, Natixis payment services);
 - external partners (tax planning, UCITS, SCPI real estate funds, life insurance, Girardin products, real estate).

The private banking market continued to improve our customer experience by relying on digital platforms: digitisation of the client path for investment counselling, launch of multi-currency pre-paid card in partnership with the fintech company Paytop, pursuit of digitisation of client life insurance services in order to reduce handling delays and facilitate the life of our customers.

Finally, the quality of service, especially customer relationships, is the strength of Banque Palatine's private banking offering. Many training sessions were held to provide our private banking customers with the best possible advice, as well as training our advisors to provide excellent customer service.

Financial activities

Fiscal year 2018 was again marked by an unfavourable interest rate context.

In this environment, Banque Palatine invested €372 million over the year in Eurozone sovereign bonds during the first half.

At the end of 2018, the value of the portfolio stood at €1,655 million. This portfolio's objective is to constitute the liquidity reserve of the Liquidity Coverage Ratio ("**LCR**").

As this portfolio is eligible to be posted as collateral against central bank financing, these securities represent a secure source of funding for Banque Palatine.

Banque Palatine's financial strategy is in line with the regulatory ratios set by the Group. The LCR remained above 100% throughout 2018.

Thus, Banque Palatine's financing is assured by customer deposits thanks to a complete range of investment products. The ratio of loans to customer deposits was close to 100% at the end of the year. Banque Palatine therefore has a substantial customer deposit base giving it significant scope for commercial development.

Banque Palatine maintained its targets for balance sheet management, limiting its liquidity and rate risks:

- managing short- and medium-long-term liquidity is first and foremost aimed at ensuring the refinancing of Banque Palatine while guaranteeing attractive loan terms for its customers;
- the second objective is the strict control of interest-rate risk on the balance sheet. This approach allows Banque Palatine to manage changes in yields caused by interest rate movements. Through its careful management of its balance sheet, Banque Palatine is well-prepared for any future changes in interest rates. The residual gap measuring global interest-rate risk is now negative, which means Banque Palatine's balance sheet is favourably exposed to any rise in rates.

Investments

The Issuer has not made substantial investment since the last published financial statements and is not expecting to invest in matters for which its board of management has already taken firm commitment.

Ownership structure

BPCE holds 99.999% of the share capital.

Guarantee mechanism

In accordance with Articles L. 511-31 and L. 512-107, 6° of the French *Code monétaire et financier*, the guarantee and solidarity mechanism aims to safeguard the liquidity and capital adequacy of the Group and BPCE's affiliates, and to organise financial support within the Banque Populaire and Caisse d'Épargne networks.

BPCE is tasked with taking all requisite measures to guarantee the capital adequacy of the Group and each of the networks. This includes implementing the appropriate internal financing mechanisms within the Group and establishing a mutual guarantee fund common to both networks, for which it determines the operating rules, the conditions for the provision of financial support to the existing funds of the two networks, as well as the contributions from affiliates to the fund's initial capital endowment and reconstitution.

BPCE manages the Banque Populaire Network Fund and the Caisse d'Épargne Network Fund and sets up the Mutual Guarantee Fund.

The Banque Populaire Network Fund was endowed with a €450 million deposit by the Banques Populaires that was recorded by BPCE as a ten-year term account renewable in perpetuity.

The Caisse d'Épargne Network Fund consists of a €450 million deposit made by the Caisses d'Épargne that was recorded by BPCE as a ten-year term account renewable in perpetuity.

The Mutual Guarantee Fund was formed through deposits made by the Banque Populaire banks and the Caisse d'Épargne banks. These deposits were booked by BPCE in the form of ten-year term accounts renewable in perpetuity. The deposits by network amounted to €181 million at 31

December 2018.

The total amount of deposits made with BPCE in the Banque Populaire Network Fund, the Caisse d'Épargne Network Fund and the Mutual Guarantee Fund may be no lower than 0.15% and may not exceed 0.3% of the Group's total risk-weighted assets.

When deposits are recorded in the institutions' individual accounts under the guarantee and solidarity system, an item of an equivalent amount is recorded under a dedicated capital heading.

The mutual guarantee companies (*sociétés de caution mutuelle*), the sole corporate purpose of which is to guarantee loans issued by Banque Populaire banks, are covered by the liquidity and capital adequacy guarantee of the Banque Populaire banks with which they are jointly licensed in accordance with Article R. 515-1 of the French *Code monétaire et financier*.

The liquidity and capital adequacy of the Caisse de Crédit Maritime Mutuel banks are guaranteed in respect of each individual Caisse by the Banque Populaire bank that is its core shareholder and provider of technical and operational support to the Caisse.

The liquidity and capital adequacy of the local savings companies are secured at the level of each individual local savings company by the Caisse d'Épargne in which the relevant local savings company is a shareholder.

BPCE's Management Board holds all the requisite powers to use the financial resources of the various contributors immediately and in the agreed order pursuant to prior authorisations given to BPCE by the contributors.

Management Committee

The Issuer is managed by a Management Committee, which works under the control of a Board of Directors.

Composition, organization and functioning of the Management Committee

The Management Committee is composed of a Chief Executive Officer and two Deputy Chief Executive Officers, appointed by the Board of Directors. The number of Deputy Chief Executive Officers may not exceed five. The Chief Executive Officer is appointed for a term of 5 years.

The Management Committee meets as often as Banque Palatine's interests, laws and regulations require and on average every week. Meetings are convened by the CEO and take place at the registered office or at any other location stated in the notice of meeting. Minutes of meetings mentioning the names of present and absent members are recorded.

The Management Committee is vested with the broadest powers with regard to third parties to act in all circumstances on behalf of Banque Palatine, within the limits of the corporate purpose, subject to the powers expressly granted by law, the Board of Directors and shareholders' meetings.

Members of Management Committee

Pierre-Yves DREAN, CEO

Patrick IBRY, Deputy CEO

Bertrand DUBUS, Deputy CEO

As part of their duties, the persons above named as members of the Management Committee are domiciled under their function at the headquarters of the Issuer.

Corporate governance

The AFEP-MEDEF corporate governance code for listed companies, updated in June 2018 and including recommendations related to the remuneration of senior executives, is the one to which Banque Palatine refers in this report: (<http://www.afep.com/en/publications-en/le-code-afep-medef-revise-de-2018/>).

Only certain provisions that are not applicable to Banque Palatine have been set aside, since its share capital is held in its entirety by BPCE. Accordingly, the following points are not included:

- the proportion of independent members of the Board of Directors and its committees:

Banque Palatine is a wholly owned subsidiary of BPCE. BPCE wanted the composition of the Board of Directors to allow assurance of representation of the shareholder (chairmanship and a representative) as well as representation of the senior executives of the Banque Populaire and Caisse d'Épargne banks. With respect to the position of Banque Palatine within Groupe BPCE, the shareholder did not consider designation of independent members to be necessary;

- staggered reappointments to the Board of Directors:

in view of the ownership of Banque Palatine noted above, it is not necessary to stagger the renewal of appointments;

- ownership of a significant number of Banque Palatine shares by the Directors:

this provision is unfounded, in view of the shareholder profile of Banque Palatine.

Implementation of the principle of balanced gender representation within the Board of Directors and its committees has been fully met. At 31 December 2018, the percentage of female directors on the Board of Directors was 62.5%. The composition of the Board of Directors respects the Copé Zimmermann law (*loi n° 2011-103 du 27 janvier 2011 relative à la représentation équilibrée des femmes et des hommes au sein des conseils d'administration et de surveillance et à l'égalité professionnelle*).

Two Directors were elected by employees – one representing managerial-level employees and the other representing technical and supervisory-grade staff.

Lastly, pursuant to the Articles of Association adopted on 14 February 2014, each Director may own shares in the Issuer.

Table summarising compliance with AFEP-MEDEF code recommendations

Board of directors: governing body	Recommendations implemented
Board of directors and the market	Recommendations implemented
Separation of the duties of chairman from those of chief executive officer	Recommendations implemented
Board of directors and strategy	Recommendations implemented
Board of directors and general shareholders' meeting	Recommendations implemented
Composition of the board of directors: guidelines	Recommendations implemented
Employee representation	Recommendations implemented
Independent directors	Recommendations not implemented

Board appraisal	Recommendations implemented
Board and committee meetings	Recommendations implemented
Access to director information	Recommendations implemented
Directors' terms in office	Recommendations implemented
Board committees	Recommendations implemented
Audit committee	Recommendations partly implemented (proportion of independent directors not satisfied)
Committee in charge of selection or appointments	Recommendations implemented
Committee responsible for remuneration	Recommendations partly implemented (proportion of independent directors not satisfied)
Number of terms for company directors and directors	Recommendations implemented
Directors' code of conduct	Recommendations implemented
Termination of employment contract for corporate office	Recommendations implemented
Remuneration of corporate officers	Recommendations implemented
Transparency regarding company director remuneration	Recommendations implemented
Implementation of recommendations	Recommendations implemented

Board of directors

Composition and appointments

The Board's composition is governed by Article 10 of the Articles of Association, which stipulates that it shall be composed of Directors elected at the general meeting of shareholders and employee-elected Directors.

Directors elected by the general meeting of shareholders

There are least 6 and no more than 18 of these Directors. They are appointed, reappointed and dismissed in line with the provisions of law and the regulations in force.

They are appointed for a term in office of three years. That said, a Director appointed to replace another Director whose term in office has not yet expired remains in office only for the remainder of his predecessor's term.

As the direct majority shareholder of Banque Palatine, BPCE (the central body of Groupe BPCE) chose to have Group Directors coming from the two networks which are its shareholders included in the Board of Directors of Banque Palatine.

Employee-elected Directors

There are two employee-elected Directors: one is elected by the managerial staff, the other by the employees.

They are elected in line with the provisions of law and the regulations in force. Any seat vacated through death, resignation, dismissal or termination of an employment agreement is filled in line with the provisions of law and the regulations in force.

They are appointed for a term in office of three years.

However, in the event of death, resignation, dismissal or termination of employment contract, the

term in office of an employee-elected Director comes to an end when the normal term in office of the other employee-elected Directors ends.

In any event, the period for which a Director is appointed may not exceed the remaining term in office through to the date on which his employment agreement ends as a result of retirement or for any other reason.

Provisions common to both categories of director

Directors may be reappointed unless they have reached the age limit of 70 years.

On an exceptional and transitional basis, the age limit has been set at 72 years for members of the first Board of Directors designated following the amendment on 14 February 2014 of the Articles of Association introducing the switch to a unitary Board of Directors.

A Director's duties end at the close of the ordinary general meeting of the shareholders convened to consider the financial statements for the previous financial year that is held during the year in which such Director's term expires, unless he resigns, is dismissed or dies.

Directors

At 31 December 2018, the Board of Directors had eight Directors who were appointed by shareholders until the end of the general meeting convened to approve the financial statements for the financial year ending on 31 December 2019 and two employee-elected Directors, whose appointment began on 16 May 2017 and ends on the determination by the Board of Directors of the results of the employee elections to be held in 2020, all of whom have French nationality:

Christine Fabresse, 54

BPCE

Member of the Management Committee and Chief Executive Officer in charge of Retail banking and Insurance

BANQUE PALATINE

Chairman of the Board of Directors, Chairman of the Appointments Committee, Chairman of the Remuneration Committee, Member of the Audit Committee, Member of the Risk Committee

CREDIT FONCIER DE FRANCE

Director

NATIXIS INVESTMENT MANAGERS

Permanent representative of BPCE, Director

BANQUE CENTRALE POPULAIRE (BCP)

Permanent representative of BPCE Maroc, Director

Maurice Bourrigaud, 60

BANQUE POPULAIRE GRAND OUEST (BPGO) Chief Executive Officer

BANQUE PALATINE

Director, Member of the Audit Committee,

	Member of the Risk Committee
ATLANTIQUE MUR REGIONS	Permanent representative of BPGO, Member of Supervisory Board
BANQUE POPULAIRE DEVELOPPEMENT	Representing Ouest Croissance, Director
i-BP	Permanent representative of BPGO, Director
OUEST GESTION D'ACTIFS	Permanent representative of BPGO, Director
OUEST CROISSANCE	Chairman
OUEST CROISSANCE GESTION	Member of the Supervisory Board
OUEST INGENIERIE FINANCIERE	Permanent representative of BPGO, Director
GC2I	Manager
FONDATION D'ENTREPRISE BPO	Director

Sylvie Garcelon, 53

CASDEN BANQUE POPULAIRE	Chief Executive Officer
BANQUE PALATINE	Director, member of the Audit Committee, member of the Risk Committee
BPCE	Non-voting Director since 20 December 2018
FONDATION BANQUE POPULAIRE	Director
NATIXIS	Director, member of the Audit Committee
CENTRE NATIONAL DE RECHERCHE SCIENTIFIQUE	Director

Bruno Goré, 53

CAISSE D'EPARGNE DE NORMANDIE	Chief Executive Officer
BANQUE PALATINE	Director
CEN INNOVATION	Chairman
ERILIA	Permanent representative of CEN, Director
FEDERATION DES CAISSES D'EPARGNE	Permanent representative of CEN, Director
FONDS CAISSE D'EPARGNE NORMANDIE POUR L'INITIATIVE SOLIDAIRE	Permanent representative of CEN, Chairman

GIE IT CE	Permanent representative of CEN, Director
HABITAT EN REGION	Permanent representative of CEN, Director
OSTRUM	Director
SAEML ZENITH DE CAEN	Non-voting Director

Sylvia Grandel, 44

BANQUE PALATINE	Director representing employees
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Bernard Niglio, 69

CAISSE D'EPARGNE ALPES CORSE	PROVENCE	Chairman of the steering and supervisory board
BANQUE PALATINE		Director, Chairman of the Audit Committee, member of the Remuneration Committee, member of the Appointments Committee
FNCE		Member of the bureau
IMF CREASOL		Director
NATIXIS FACTOR		Director
PFIL OEBI MARTIGUES		Director
SLE PROVENCE OUEST		Chairman

Marie Pic-Pâris Allavena, 58

GROUPE EYROLLES	Chief Executive Officer, Director
BANQUE PALATINE	Director, Chairman of the Risk Committee, member of the Appointments Committee, member of the Remuneration Committee
AUFEMININ.COM	Director, Chairman of the Audit Committee
BANQUE POPULAIRE RIVES DE PARIS	Director, Member of the Audit Committee and Chairman of the Risk Committee, Member of the bureau and the Investment Committee, Member of the Remuneration Committee and of the Appointments Committee

Guillemette Valantin, 52

BANQUE PALATINE	Director representing employees
PANDORA	Manager

Stéphanie Clavié, 48

BANQUE PALATINE	Permanent representative of BPCE, Director
FIDOR BANK AG	Director

Christine Meyer-Forrler, 49

CAISSE D'EPARGNE D'ALSACE (CEA)	Member of the Management Board in charge of Corporate and Institutional customers until 23/06/2018
CAISSE D'EPARGNE GRAND EST EUROPE (CEGEE)	Member of the Management Board in charge of Corporate and Institutional customers until 23/06/2018
BANQUE PALATINE	Permanent representative of CEGEE, Director, Member of the Appointments Committee, Member of the Remunerations Committee
ALSACE CREATION	Permanent representative of CEGEE, Director
CE DEVELOPPEMENT	Permanent representative of CEGEE, Director
STAF – SOCIETE TERVILLOISE D'AMENAGEMENT FONCIER	Permanent representative of CEGEE, Director
GIE CE SYNDICATION RISQUE	Permanent representative of CEGEE, Director
SA D'H.L.M. LOGI-EST	Permanent representative of CEGEE, Director

Terms in office

The list of all the offices held by Directors during the 2018 financial year appears in Appendix 2 of the 2018 Financial Report.

Changes to the board during 2018

On 31 July, the Board of Directors noted the resignation of Benoît Mercier and the merger of Caisse d'Epargne d'Alsace with and into Caisse d'Epargne Lorraine Champagne Ardenne. In order to fill the vacancy on the Board of Directors, Bruno Goré and Caisse d'Epargne Grand Est Europe were co-opted the same day to replace the two aforementioned directors.

On 19 November, the Board of Directors noted the resignation of Laurent Roubin from his mandate as Chairman of the Board of Directors and director and co-opted Christine Fabresse as his replacement on a provisional basis. The latter was elected Chairman of the Board of Directors and

automatically became a member of the Audit Committee, the Risk Committee and the Chairman of the Appointments Committee and the Remuneration Committee.

Role of the Board

The Board of Directors, the governing body representing shareholders and employees, determines Banque Palatine's business goals and oversees their implementation. Except for the powers expressly reserved for the general meeting of shareholders and within the restrictions set by the corporate objects, the Board of Directors handles any issue concerning the smooth running of Banque Palatine and settles any matters arising.

In its dealings with third parties, Banque Palatine is bound by the actions of the Board of Directors not covered by Banque Palatine's corporate objects, unless Banque Palatine can prove that the third party knew that the act was ultra vires or could not have been unaware that the act was ultra vires in the light of the circumstances. Publication of the Articles of Association may not constitute proof thereof.

The Chairman and/or the Chief Executive Officer are required to provide each Director with all the documents or information they require to fulfil their duties.

Pursuant to the provisions of law and the regulations in force, the Board of Directors may entrust one or more Directors with any special responsibilities or decide to set up Board Committees. The Board determines the composition and powers of committees, which operate under its authority.

At any time of the year, it conducts any checks and controls it deems appropriate and may request any documents it regards as expedient in fulfilling its duties.

To this end, the Board of Directors:

- meets to prepare the parent-company and consolidated interim and annual financial statements. It reviews the quarterly parent-company and consolidated financial statements prepared by management and hears the Management's report;
- presents to the general meeting its management report on the financial statements for the financial year.

Since the option for the form of a *société anonyme* (French limited liability corporation with a Board of Directors), the Board of Directors on 14 February 2014 opted for the separation of duties of the President and Chief Executive Officer in accordance with Article L. 225-51-1 of the French *Code de commerce*.

The Board of Directors appoints the Chief Executive Officer and, in consultation with the latter, may appoint Executive Vice-Presidents. In addition, it sets the method and amount of the remuneration paid to each senior executive.

It adopts the rules of procedure of the Board of Directors' Committees.

It calls the General Meeting with an agenda that it establishes and that can include, in particular: the appointment or ratification of directors, the appointment of statutory auditors, the renewal of director or statutory auditor appointments, consultation of shareholders on individual remuneration of directors and on the total amount paid to regulated persons.

Agreement whose implementation could result in a change of control

There is not, to the knowledge of the issuer, any agreement to sell or purchase the shares of Banque Palatine. However, if such an agreement existed, it would be signed by BPCE, which

would not be obliged to inform the Issuer.

Publications

The information for investors can be found on the website of Banque Palatine on the following address: www.palatine.fr.

TAXATION

The following is a summary limited to certain tax considerations in France and in Italy relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This summary is based on the laws in force in France as of the date of this Base Prospectus and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to constitute legal advice. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes and should not apply information set out below to other areas including (but not limited to) the legality of transactions involving the Notes.

French Taxation

The description below does not address specific issues which may be relevant for Noteholders of the Notes who concurrently hold shares of the Issuer.

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in certain non-cooperative States or territories (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* ("**Non-Cooperative States**" or a "**Non-Cooperative State**"). If such payments under the Notes are made in certain Non-Cooperative States, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, pursuant to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (**the Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 12.8 per cent. for individuals, (ii) 30 per cent. for corporate or other legal entities (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) or 75 per cent. if paid in certain Non-Cooperative States (subject to the provisions of any applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax provided by Article 125 A III of the French *Code général des impôts* the Deductibility Exclusion, nor the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, will apply in respect of the issue of the Notes if the Issuer can prove that (i) the main purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**") and (ii) in respect of the Deductibility Exclusion that the interest or other assimilated revenues on the relevant Notes relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to official guidelines issued by the French tax authorities and published in the *Bulletin Officiel des Finances Publiques-Impôts* under the references BOI-INT-DG-20-50-20140211, no. 550 and no. 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70 and no.80 and BOI-IR-DOMIC-10-20-20-60-20150320 no. 10, an issue of Notes will benefit from the Exception without the issuer having to provide any proof of the purpose and effect of such issue of the Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State

other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Pursuant to Articles 125 A and 125 D of the French *Code général des impôts* (i.e. where the paying agent (*établissement payeur*) is established in France) and subject to certain limited exceptions, interest and other similar revenues received under the Notes as from 1 January 2018 by individuals who are tax residents in France are subject to a 12.8 per cent. withholding tax. This withholding tax is an advance payment made in respect of the personal income tax of the individual receiving the interest or revenue, which is deductible from his personal income tax liability in respect of the year during which the withholding has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of seventeen point two per cent. (17.2 per cent.) on interest and similar revenues paid by the Issuer under the Notes, to individuals who are tax resident in France.

Republic of Italy

The statements herein regarding taxation summarise the main Italian tax consequences of the purchase, the ownership and the disposal of the Notes. They apply to a Noteholder only if such holder purchases its Notes under the Programme. It is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholder if such holder is subject to special circumstances or if such holder is subject to special treatment under applicable law.

This summary assumes that the Issuer is a resident of France for tax purposes, and that its business will be conducted in the manner outlined in this Base Prospectus. Changes in the Issuer's tax residence, organisational structure or the manner in which it conducts its businesses may invalidate this summary. This summary also assumes that each transaction with respect to Notes is at arm's length.

Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid. With regard to certain innovative or structured financial instruments there is currently neither case law nor comments of the Italian tax authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities and

courts or Italian paying agents may adopt a view different from that outlined below.

Prospective Noteholders are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

This summary does not describe the tax consequences for a Noteholder with respect to Notes that are redeemable in exchange for, or convertible into, shares, or of Physical Delivery Notes, of the exercise, settlement or redemption of such Notes and/or any tax consequences after the moment of exercise, settlement or redemption.

Interest and other proceeds

Notes qualifying as bonds or securities similar to bonds

Legislative Decree No. 239 of 1 April 1996, as amended (the "**Decree 239**"), sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from notes falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident entities.

For this purpose, bonds and securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow any direct or indirect right of participation to the management of the issuer.

Italian resident Noteholders

Where an Italian resident Noteholder who is the beneficial owner of the Notes is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are effectively connected (unless the Noteholder has opted for the application of the asset management regime "*regime del risparmio gestito*"); or
- (b) a non-commercial partnership (with the exception of general partnership, limited partnership and similar entities); or
- (c) a non-commercial private or public institution; or
- (d) an investor exempt from Italian corporate income taxation;

Interest, premium and other payments relating to the Notes are subject to a substitute tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). The *imposta sostitutiva* may not be recovered by the Noteholder as a deduction from the income tax due.

In case the Notes are held by a Noteholder engaged in an entrepreneurial activity and are effectively connected with same entrepreneurial activity, the Interest will be subject to the *imposta sostitutiva* and will be included in the relevant income tax return. As a consequence, the Interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**") stock

exchange agents and other entities identified by the relevant Decrees of the Ministry of Finance (the "**Intermediaries**").

An Intermediary must (i) be (a) resident in Italy, (b) a permanent establishment in Italy of a non-Italian resident financial intermediary or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239 and (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying Interest to a Noteholder. If the Interest is not collected through an Intermediary or any entity paying Interest and therefore no *imposta sostitutiva* is levied, the Italian resident Noteholder listed above will be required to include Interest in their yearly income tax return and subject them to a final substitutive tax at the rate of 26 per cent..

The *imposta sostitutiva* does not apply, *inter alia*, to the following subjects, to the extent that the Notes and the relevant Coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

- (a) Corporate Noteholders – Where an Italian resident Noteholder is a company or a similar commercial entity (including limited partnerships qualified as *società in nome collettivo* or *società in accomandita semplice* and private/public institutions carrying out commercial activities and holding the Notes in connection with this kind of activities) or a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected, Interest accrued on the Notes must be included in: (i) the relevant Noteholder's yearly income tax return and, therefore, subject to general Italian corporate taxation according to the ordinary rules; and (ii) in certain circumstances, depending on the "status" of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities ("IRAP") generally levied at a base rate of 3.9 per cent, which can increase or decrease according to certain circumstances.
- (b) Investment funds – If the Noteholder is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must, however, be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply to income of the Fund derived by unitholders or shareholders through distribution and/or redemption of the units and shares.
- (c) Pension funds – Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005 – the "**Pension Funds**"), interest, premium and other income relating to the Notes, accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax.
- (d) Real estate investment funds – Interest, premium and other income relating to the

Notes and received by Italian real estate funds (complying with the definition as amended pursuant to Law Decree no. 78 of 31 May 2010, converted into Law no. 122 of 30 July 2010) or a SICAF to which the provisions of Law Decree no. 351 of September 2001, as subsequently amended, apply (the "**Real Estate Investment Funds**"), is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Investment Funds.

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if such Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Notes qualifying as atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) are subject to a withholding tax, levied at the rate of 26 per cent.

For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

Interest payments on Notes made to Italian resident Noteholders which are (i) companies or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), and (ii) commercial partnerships, are not subject to the aforementioned withholding tax, but form part of their aggregate income subject to general Italian corporate taxation according to the ordinary rules. In certain cases, such Interest may also be included in the taxable net value of production for IRAP purpose.

Interest payments relating to Notes received by non-Italian resident beneficial owners (not having a permanent establishment in Italy to which the Notes are effectively connected) are generally not subject to tax in Italy provided that, if the Notes are held in Italy, the Non-Resident Noteholder declares itself to be non-Italian resident according to the Italian tax regulations.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Notes.

Capital Gains

Italian Resident Noteholders

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected. Pursuant to Legislative Decree No. 461 of 21 November 1997, as amended, where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a capital gains tax ("*imposta sostitutiva sulle plusvalenze*"), levied at the current rate of 26 per cent., regardless of whether the Notes are held outside of Italy.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

Pursuant to Law Decree no. 66 of 24 April 2014, as converted into law with amendments by Law no. 89 of 23 June 2014 ("**Decree no. 66**"), capital losses may be carried forward to be offset against capital gains of the same nature realized after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realized before 1 January 2012; (ii) 76.92 per cent. of the capital losses realized from 1 January 2012 to 30 June 2014. Should the Notes qualify as atypical securities, based on a very restrictive interpretation, the aforesaid capital gains would be subject to the 26 per cent final withholding tax mentioned under paragraph "Notes qualifying as atypical securities", above.

In respect of the application of *imposta sostitutiva sulle plusvalenze*, taxpayers may opt for one of the three regimes described below.

- (a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva sulle plusvalenze* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity, pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva sulle plusvalenze* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Decree no. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.
- (b) As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva sulle plusvalenze* separately on capital gains realised on each sale or redemption of the Notes (the "*risparmio amministrato*" regime).

Such separate taxation of capital gains is allowed if:

- the Notes are deposited with Italian banks, SIMs or certain authorised financial intermediaries and
- an express election for the *risparmio amministrato* regime is timely made in writing by the relevant Noteholder.

The depository must account for the *imposta sostitutiva sulle plusvalenze* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss.

The depository is also required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realized in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to report the capital gains in the annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

- (c) In the asset management regime (the "*risparmio gestito*" regime), any capital gains realised by

Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return. Pursuant to Decree no. 66, depreciations may be carried forward to be offset against increases in value of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations realised before 1 January 2012; (ii) 76.92 per cent. of the depreciations realised from 1 January 2012 to 30 June 2014.

The aforementioned regimes do not apply to the following subjects:

- (a) Corporate investors (including banks and insurance companies): capital gains on the Notes held by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) are included in their aggregate income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years for IRES purposes.
- (b) Funds: any capital gains realised by a Noteholder that is a Fund on the Notes contribute to determining the annual net accrued result of the same Funds (see under section "*Interest and other proceeds*", paragraph "*Italian resident Noteholders*", letter (b) – *Investment funds* – above).
- (c) Pension Funds – any capital gains realised by a Noteholder that is an Italian Pension Fund on the Notes contribute to determining the annual net accrued result of the same Pension Funds, which is subject to a 20 per cent. substitutive tax (see under section "*Interest and other proceeds*", paragraph "*Italian resident Noteholders*", letter (c) – *Pension funds* – above).
- (d) Real Estate Investment Funds – any capital gains realised by a Noteholder who is an Italian Real Estate Investment Funds on the Notes are generally not taxable at the level of the same Real Estate Investment Funds (see under section "*Interest and other proceeds*", paragraph "*Italian resident Noteholders*", letter (d) – *Real estate investment funds* – above).

Non-Resident Noteholders

Capital gains realised by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the Notes are not subject to tax in Italy, provided that the Notes (i) are traded on regulated markets, or (ii) if not traded on regulated markets, are held outside Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all the relevant conditions are met.

Transfer Taxes

No transfer tax is due on transfer of the Notes. Contracts relating to the transfer of securities are subject to registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration tax at rate of EUR 200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Inheritance and Gift Tax

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of

24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are subject to Italian gift and inheritance tax as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding for each beneficiary, EUR 1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding for each beneficiary, EUR 100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities pursuant to Law no. 104 of February 5, 1992, the tax is levied at the rates mentioned above on the value exceeding, for each beneficiary, EUR 1,500,000.

With respect to notes listed on a regulated market, the value for inheritance and gift purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals, non-profit entities and certain partnerships (*società semplici*, or similar partnerships in accordance with Article 5 of Presidential Decree no. 917 of 22 December 1986) resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

Furthermore, such obligation is not required to comply with respect to Notes deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of income derived from the Notes have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits or bank accounts having an aggregate value not exceeding a EUR 15,000 threshold throughout the year.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed EUR 14,000 for taxpayers other than individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of any financial product or financial instruments (including the Notes).

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy

on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay in its own annual tax declaration an additional tax at a rate 0.2 per cent.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value, or in the event that the face or redemption value cannot be determined, on the purchase value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April, 2005 ("**Decree 84**"). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State or in a dependent or associated territory under the relevant international agreement (currently, Jersey, Guernsey, Isle of Man, Netherlands Antilles, British Virgin Islands, Turks and Caicos, Cayman Islands, Monserrat, Anguilla and Aruba).

Italian qualified paying agents (*i.e.* banks, SIMs, fiduciary companies, SGRs resident for tax purposes in Italy, permanent establishment in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Italian Financial Transaction Tax (IFTT)

Shares and other participating instruments issued by Italian resident companies, as well as depository receipts representing those shares and participating instruments regardless the residence of the relevant issuer (cumulatively referred to as "**In-Scope Shares**"), received by a Noteholder upon physical settlement of the Notes may be subject to a 0.2 per cent. IFTT calculated on the value of the Notes as determined according to Article 4 of Ministerial Decree of 21 February 2013, as amended (the "**IFTT Decree**").

Investors in certain equity-linked notes mainly having as underlying or mainly linked to In-Scope Shares, are subject to IFTT at a rate ranging between EUR 0.01875 and EUR 200 per counterparty, depending on the notional value of the relevant derivative transaction or transferable securities calculated according to Article 9 of the IFTT Decree. IFTT applies upon subscription, negotiation or modification of the derivative transactions or transferable securities. The tax rate may be reduced to a fifth if the transaction is executed on certain qualifying regulated markets or multilateral trading facilities.

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Gemrnay, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). The Commission's proposal has very broad scope and could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is 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 dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016. However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional independent advice in relation to their tax positions.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions, including France, have entered into intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to a date that is two years after final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register, and Notes issued on or prior to the date that is six months after such date of publication in the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

There are no Dealers appointed permanently in respect of the Programme. The Issuer may from time to time appoint one or more dealers in respect of any Tranches of Notes. References in this Base Prospectus to "**Dealers**" are to all persons appointed as a dealer in respect of any Tranches.

The Issuer may appoint, at any time, one or several Dealers with respect to the issue of Notes under the terms of a subscription agreement (the "**Subscription Agreement**"). Subject to the provisions of the Subscription Agreement, the Notes will be offered to the Dealers by the Issuer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer.

The Issuer will pay each relevant Dealer a commission as will be agreed between the Issuer and such Dealer in respect of Notes subscribed by it or whose subscription has been procured by it.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The subscription Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

General

The selling restrictions may be modified by mutual agreement of the Issuer and any Dealer(s), including (but not limited), following a change in applicable law, regulation or Directive. Any such modification will be set out in the Subscription Agreement related to the relevant Tranche or in a supplement to this Base Prospectus.

Each Dealer to be appointed by the Issuer with respect to one or several issue(s) of Notes under the Programme, will be required to represent and agree, with all relevant laws, regulations and directives in each jurisdiction in which it acquires, purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Notes are being offered and sold outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form 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 a United States person except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer to be appointed by the Issuer with respect to one or several issue(s) of Notes under the Programme, will be required to represent and agree that it has not and will not offer, sell or, in the case of Notes in bearer form, deliver, the Notes of any identifiable Tranche, (i) as part of their distribution at any time, or (ii) otherwise until forty (40) days after the completion of the distribution of such Tranche as determined, within the United States or to, or for the account or benefit of, U.S. persons, and it will have

sent to each dealer to which it sells Notes during this period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer reserves the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Base Prospectus by any non-U.S. person outside the United States or to any other person within the United States, other than those persons, if any, retained to advise such non-U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer or any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non-U.S. person, is prohibited.

Any person who purchases or acquires the Notes will be deemed to have represented, warranted and agreed, by accepting delivery of this Base Prospectus or delivery of the Notes, that it is purchasing or acquiring the Notes in compliance with Rule 903 of Regulation S in an offshore transaction, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

United Kingdom

Each Dealer to be appointed by the Issuer with respect to one or several issue(s) of Notes under the Programme, will be required to represent and agree that:

- (i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) 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.

Public Offer Selling Restriction under the Prospectus Directive

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Member State**"), each Dealer to be appointed by the Issuer with respect to one or several issue(s) of Notes under the Programme, will be required to represent

and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) 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 "**Prospectus Directive**" means Directive 2003/71/EC, as amended or superseded.

This EEA selling restriction is in addition to any other selling restrictions set out above or below.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded,

the "**Prospectus Directive**"); and

- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

France

Each Dealer to be appointed by the Issuer with respect to one or several issue(s) of Notes under the Programme, will be required to represent and agree with the following:

(i) Offer to the public in France – it has only made and will only make an offer of Notes to the public in France and it has distributed or caused to be distributed and will distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes in the period (i) beginning (A) when a prospectus in relation to those Notes has been approved by the AMF, on or after the date of its publication or (B) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive, on or after the date of notification of such approval to the AMF and (ii) ending at the latest on the date which is 12 months after the date of approval of such prospectus – all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement Général* of the AMF; or

(ii) Private placement in France – it has not offered or sold and will not offer or sell, directly or indirectly, Notes (in the case of Notes admitted to trading on Euronext Paris, in connection with their initial distribution) to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and such offers, sales and distributions have been and will be made in France only to (i) 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 (ii) qualified investors (*investisseurs qualifiés*) other than individuals – all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and other applicable regulations.

Republic of Italy

(i) Offer to the public in Italy:

Each of the Issuer and each Dealer appointed will be required to represent and guarantee that it will only make an offer of the Notes to the public, as defined under Article 1, paragraph 1, letter (t) of the Legislative Decree no. 58 of 24 February 1998, as amended (the "**Financial Services Act**"), in the Republic of Italy following recognition by the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") of the Base Prospectus approved by the AMF, in accordance with the passporting procedure set forth in the Prospectus Directive, as implemented by Article 98 of the Financial Services Act and Articles 11 and 12 of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the "**Issuers Regulation**").

(ii) Placement in Italy:

Prior to the passporting of a prospectus to CONSOB, pursuant to the Italian securities legislation, the Notes may not, and will not, be offered, sold or delivered, directly or indirectly, in the Republic of Italy in an offer to the public (*offerta al pubblico*), as defined under Article 1, paragraph 1, letter (t) of the Financial Services Act, and copies of this Base Prospectus, of the relevant Final Terms or of any other document relating to the Notes may not, and will not be distributed in the Republic of Italy, unless an exemption applies.

Accordingly, each of the Issuer and each Dealer appointed will be required to represent and agree not to

effect any offering, marketing, solicitation or selling activity of the Notes in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined in Article 34-ter, paragraph 1(b) of the Issuers Regulation; or
- (b) in any other circumstances which are exempted from the rules on offers to the public pursuant to, and in compliance with, the conditions set out in Article 100 of the Financial Services Act and its implementing regulations, including Article 34-ter, first paragraph, of the Issuers Regulation

Subject to the foregoing, each of the Issuer and each Dealer appointed will be required to represent and guarantee, that any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus, the relevant Final Terms or any other document relating to the offer of Notes in the Republic of Italy under (a) or (b) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations, and, in particular shall and will be made:

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, the Issuers Regulation, Consob Regulation no. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 as amended; and
- (ii) in compliance with any other applicable notification requirement and/or limitation which may be, from time to time, imposed by Consob, the Bank of Italy and/or any other Italian authority.

Any investor purchasing Notes in an offer to the public is solely responsible for ensuring that any offer or resale of Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations. Article 100-bis of the Financial Services Act affects the transferability of the Notes in Italy to the extent that the Notes are placed solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following such placing. Should this occur without the publication of a prospectus pursuant to Prospectus Directive in Italy or outside of the application of one of the exemptions referred to above, purchasers of Notes who are acting outside of the course of their business or profession are entitled, under certain conditions, to have such purchase declared void and to claim damages from any authorised intermediary at whose premises the Notes were purchased.

This Base Prospectus, the relevant Final Terms and any other document relating to the Notes and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in the Republic of Italy other than the original addressees of this Base Prospectus may rely on this Base Prospectus, the applicable Final Terms or any other document relating to the offer of Notes.

GENERAL INFORMATION

1. No authorisation procedures are required of the Issuer by French law for the establishment or update of the Programme.
2. To the extent that Notes issued by the Issuer under the Programme may constitute obligations under French law, the issue of such Notes has been authorised by a resolution of the Issuer's *Conseil d'Administration* (Board of Directors) dated 8 February 2019 which has delegated to Pierre-Yves Drean, Chief Executive Officer (*Directeur Général*), Patrick Ibry, Deputy Chief Executive Officer (*Directeur Général Délégué*), Bertrand Dubus, Deputy Chief Executive Officer (*Directeur Général Délégué*), Sylvie Ferrier, Chief Financial Officer (*Directrice des Finances*), Tarek Akrouf, Ingeniering and Trading Director (*Directeur Ingénierie et Trading*), Fawzi Terranti, Securities and Derivatives Trader (*Opérateur Titres et Produits Dérivés*) and Julien Martin, Securities and Derivatives Trader (*Opérateur Titres et Produits Dérivés*) the power to decide issues of obligations and assimilated securities for a maximum aggregate nominal amount of EUR 300,000,000 within a period of one year ending 8 February 2020. There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2018.
3. There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2018.
4. Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during the period of twelve (12) months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.
5. There are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.
6. To the knowledge of the Issuer, there are no potential conflict of interest between the duties toward the Group, members of the Board of Directors and Chief Executive Office, and their private interests.
7. As far as derivatives are concerned within the meaning of Article 15.2 of the European regulation no. 809/2004 as amended, the Final Terms will indicate whether or not the Issuer is willing to release information following the issuance of the underlying. If the Issuer is willing to release such information, the Final Terms will indicate which information are furnished and where such information are available.
8. Application may be made for Notes to be accepted for clearance through Euroclear France (66 rue de la Victoire, 75009 Paris, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg). The appropriate Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
9. The Legal Entity Identifier (LEI) of Banque Palatine is EJ3P8B7HPQFKAH6YME79.
10. PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex et KPMG Audit, 1 cours Valmy, 92923 Paris La Défense Cedex have audited and rendered unqualified

audit reports on the consolidated financial statements of the Issuer for the financial year ended 31 December 2017 and 31 December 2018.

PricewaterhouseCoopers Audit et KPMG Audit belong each to the *Compagnie Régionale des Commissaires aux Comptes of Versailles*.

11. This Base Prospectus and any supplement shall be published on the websites of the AMF (www.amf-france.org) and the Issuer (www.palatine.fr). Documents incorporated by reference into this Base Prospectus shall be published on the Issuer's website (www.palatine.fr). The Final Terms related to Notes traded on a Regulated Market in any Member State of the EEA will be published, so long as such Notes are admitted to trading on any such Regulated Market, on the websites of (a) the AMF (www.amf-france.org) or (b) any relevant administrative authority.
12. In addition, should the Notes be admitted to trading on a Regulated Market other than Euronext Paris, in accordance with the Prospectus Directive, the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (a) the Regulated Market where the Notes have been admitted to trading or (b) the competent authority of the Member State of the EEA where the Notes have been admitted to trading.
13. For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will, when published, be available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s):
 - the by-laws of the Issuer;
 - the 2018 Financial Report and the 2017 Financial Report of the Issuer;
 - any Final Terms relating to Notes admitted to trading on Euronext Paris or any other Regulated Market;
 - a copy of this Base Prospectus together with any supplement to this Base Prospectus; and
 - any reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

The Fiscal Agency Agreement and/or Calculation Agency Agreement, if any, related to the relevant Tranche will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s).

14. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.
15. For each Tranche of Fixed Rate Notes, the yield will be specified in the relevant Final Terms. The yield will be calculated at the time of issue on the basis of the Issue Price. The relevant yield will be calculated as the yield at the Issuance Date on the basis of a redemption of the relevant Notes at maturity and will not be an indication of future yield.
16. There are no Dealers appointed permanently in respect of the Programme. The Issuer may from time to time appoint one or more dealers in respect of any Tranches of Notes. References in this Base Prospectus to "Dealers" are to all persons appointed as a dealer in

respect of any Tranches.

17. In connection with each Tranche, the Dealer or one of the Dealers (as applicable) may act as stabilisation manager (the "**Stabilisation Manager**"). The entity acting as Stabilisation Manager shall be specified in the relevant Final Terms. In connection with any issue, the Stabilisation Manager (or any person acting on its behalf) 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 (or any person acting on its behalf) will undertake stabilisation action. Any stabilisation action may only begin on or after the date on which the terms of the issue have been disclosed to the public and, once begun, may be terminated at any time but must end, at the latest, on the earlier of: (i) thirty (30) days after the issue date and (ii) sixty (60) days after the date of allotment of the Notes. Such stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and regulations.
18. In this Base Prospectus, unless otherwise provided or the context requires otherwise, any reference to "€", "Euro", "EUR" or "euro" is to the lawful currency of the Member States of the European Union which have adopted the single currency introduced in accordance with the Treaty establishing the European Economic Community, any reference to "£", "pounds Sterling" and "Sterling" is to the lawful currency of the United Kingdom, any reference to "\$", "USD", "US dollars" and "American dollars" is to the lawful currency of the United States of America, any reference to "¥", "JPY" and "yen" is to the lawful currency of Japan and any reference to "CHF" and "Swiss francs " is to the lawful currency of Switzerland.
19. Amounts payable on Floating Rate Notes may be calculated by reference to one or more "benchmarks" for the purposes of Regulation (EU) 2016/2011 (the "**Benchmarks Regulation**"). In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation.

RESPONSIBILITY STATEMENT

After having taken all reasonable measures in this regard, I hereby certify that the information contained or incorporated by reference in this Base Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 4 July 2019

Banque Palatine

42, rue d'Anjou
75008 Paris
France

Represented by:

Sylvie Ferrier - *Directrice des Finances*

***Autorité des marchés financiers***

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (AMF), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa no. 19-322 on 4 July 2019. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L. 621-8-1 I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It implies neither approval of the opportunity of the transaction, nor authentication by the AMF of the accounting and financial data set out in it. In accordance with Article 212-32 of the General Regulations of the AMF, every issue or admission of Notes under this Base Prospectus will require the publication of final terms.

Issuer

Banque Palatine

42, rue d'Anjou
75008 Paris
France

Fiscal Agent and Paying Agent

Banque Palatine

42, rue d'Anjou
75008 Paris
France

Auditors to the Issuer

PricewaterhouseCoopers Audit

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92208 Neuilly-sur Seine Cedex
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KPMG Audit

1, cours Valmy
92923 Paris La Défense Cedex
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