

Base Prospectus

SGA SOCIETE GENERALE ACCEPTANCE N.V.

SOCIETE GENERALE EFFEKTEN GMBH

Securitised Derivatives Programme

Irrevocably and unconditionally guaranteed by

SOCIETE GENERALE

Under the programme described herein (the **Programme**), each of SGA Societe Generale Acceptance N.V. and Societe Generale Effekten GmbH (each an **Issuer** and, together, the **Issuers**) may from time to time issue warrants (**Warrants**), certificates (**Certificates**) or other similar instruments (together **Securitised Derivatives** or **SDs**) of any kind including, but not limited to, SDs relating to an index, a share, global depositary receipts, credit risk, a debt instrument, a securitised derivative, a currency or currency exchange rate, a commodity or commodity futures contract, an interest rate, a fund, a static or dynamic basket thereof or any combination thereof.

This Base Prospectus supersedes the previous Base Prospectus dated 27 April 2012 prepared in connection with the Programme. Any SDs issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This Base Prospectus does not affect any SDs already in issue.

Each issue of SDs will be issued upon the terms and conditions set out herein (the **Terms and Conditions**) as amended and/or supplemented by the final terms (the **Final Terms**). The applicable Final Terms will constitute the final terms of the issue of the SDs to which they relate and may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the Terms and Conditions evidence the supplementation, replacement or modification of the Terms and Conditions. As specified in the applicable Final Terms, SDs issued under the Programme will entitle the holder thereof either to receive a cash amount from the relevant Issuer calculated in accordance with the Terms and Conditions and/or to receive delivery of specified securities or other asset(s) on such terms as are set out in the Terms and Conditions, all as set forth in the Terms and Conditions. Each Final Terms should be read in conjunction with this Base Prospectus and any supplement to the Base Prospectus and together with this Base Prospectus as so supplemented shall form one document.

Application has been made to the Financial Services Authority (the **UK Listing Authority**) in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **FSMA**) for SDs issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such SDs to be admitted to trading on the London Stock Exchange's regulated market.

The applicable Final Terms with respect to SDs which are to be listed on the London Stock Exchange will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of such SDs. The Programme provides that SDs may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between an Issuer and that the relevant Dealer and an Issuer may also issue unlisted SDs and/or SDs not admitted to trading on any market, all as specified in the applicable Final Terms.

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

Each Final Terms will set forth certain information including (if applicable) the designation, the aggregate number and type of SDs, the date of issue, the issue price, the exercise price, the cash settlement amount, the entitlement, the exercise date or dates and the settlement date. Each Final Terms will state whether the SDs are intended for purchase only by a limited number of investors (**Specialist Investors**) who are particularly knowledgeable in investment matters (such SDs, **Specialist SDs**) or whether the SDs are intended for purchase by investors, all or some of whom may not be Specialist Investors (such SDs, **Retail SDs**).

Any person (an **Investor**) intending to acquire or acquiring any securities from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in section 102B of FSMA, the relevant Issuer may be responsible to the Investor for the Base Prospectus under section 90 of FSMA, only if such Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the relevant Issuer. If the Offeror is not authorised by an Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents it should take legal advice.

SDs CAN BE VOLATILE INSTRUMENTS. ACCORDINGLY, PROSPECTIVE PURCHASERS OF THE SDs SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE INSTRUMENTS AND MUST BE FULLY PREPARED TO SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT IN THE SDs (SEE RISK FACTORS HEREIN).

Arranger and Dealer for the Programme

Societe Generale

Dated 25 June 2012

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**).

Each Issuer and the Guarantor (as defined below) (the **Responsible Persons**) accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the eighth paragraph on the first page of this Base Prospectus.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus (and, therefore, acting in association with the Issuers) in connection with an offer of SDs are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITISED DERIVATIVES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE SECURITISED DERIVATIVES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUERS WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITISED DERIVATIVES AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUERS HAVE NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

If at any time during the duration of the Programme there is a significant change affecting any matter contained in this Base Prospectus whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers and the Guarantor and the rights attaching to the SDs, the Issuers shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the SDs and shall supply to each Manager such number of copies of such supplement hereto as such Manager may reasonably request.

Upon exercise or redemption, holders of Physical Delivery SDs will, in order to receive the relevant assets comprising the entitlement upon exercise or redemption, be required, or deemed, as the case may be, to make a certification in respect of certain laws of the United States of America.

The SDs shall be held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001 (SI2001/3755), including any modification or re-enactment thereof for the time being in force (the **Regulations**). The SDs are participating securities for the purposes of the Regulations. Title to the SDs is recorded on the relevant Operator register of corporate securities (as defined in the Regulations) and the relevant "Operator" (as such term is used in the Regulations) is Euroclear UK & Ireland Limited (formerly CRESTCo. Limited) or any additional or alternative operator from time to time approved by the Issuers, the

Guarantor and the Agent (as defined in the Terms and Conditions) in relation to the SDs and in accordance with the Regulations.

Societe Generale (the **Guarantor**) has, under a guarantee dated 25 June 2012 (the **Guarantee**), irrevocably and unconditionally guaranteed the due and punctual settlement in full of all obligations due and owing by the Issuers under all the SDs issued by it from time to time on or after 25 June 2012 (see *Form of Guarantee*).

The SDs, the Guarantee and any securities to be issued or delivered on the exercise or redemption of the SDs have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state of the United States. The SDs and the Guarantee are being sold only outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act. Accordingly, the Warrants may not be exercised and the SDs, the Guarantee and any securities to be issued or delivered on exercise or redemption of the SDs may not be offered or sold to any person in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act). Furthermore, trading in the SDs has not been approved by the United States Commodity Futures Trading Commission and neither the Guarantor nor the Issuers have been or will be registered as a commodity pool operator under the rules promulgated under the United States Commodity Exchange Act of 1936, as amended, and no U.S. person may at any time trade or maintain a position in the SDs.

Neither Issuer has registered or intends to register as an "investment company" under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**).

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE (IRS) CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING US FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Notwithstanding anything to the contrary contained herein, each holder and beneficial owner of the SDs (and each employee, representative, or other agent of each holder and beneficial owner of the SDs) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described herein and all materials of any kind that are provided to the holder or beneficial owner of the SDs relating to such tax treatment and tax structure (as such terms are defined in U.S. Treasury Regulation Section 1.6011-4). This authorisation of tax disclosure is retroactively effective to the commencement of discussions with holders or beneficial owners of the SDs regarding the transactions contemplated herein.

Definitive SDs will not be issued. A copy of each Final Terms will be deposited with Computershare Investor Services PLC (the **Agent**). All transactions (including transfers of SDs) in the open market or otherwise must be effected through an account at the Operator (which is located in the United Kingdom) subject to and in accordance with the rules and procedures for the time being of the Operator. Title will pass upon registration of the transfer in the Operator register of corporate securities.

This Base Prospectus is to be read in conjunction with supplements to the Base Prospectus (if any) and all the documents which are deemed to be incorporated herein by reference (see *Documents Incorporated by Reference*).

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of an Issuer or any of the Managers (as defined in *Purchase and Sale*) to subscribe for or purchase, any of the SDs and may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Base Prospectus and the offering of the SDs in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuers and the Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of SDs and the distribution of this Base Prospectus, see *Purchase and Sale* below. Additional restrictions applying to any Issue of SDs will be set forth in the applicable Final Terms.

This Base Prospectus prepared in connection with the SDs has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

No person is authorised to give any information or to make any representation except as contained in this Base Prospectus and such information or representation must not be relied upon as having been authorised by or on behalf of the Issuers, the Guarantor, or the Managers. The delivery of this Base Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

Each prospective purchaser of SDs must ensure that the complexity and risks inherent in the SDs are suitable for its investment objectives.

This Base Prospectus (taken together with the applicable Final Terms) cannot disclose all of the risks related to the SDs. No person should deal in the SDs unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective purchaser of SDs should consider carefully whether the SDs are suitable for them in the light of their circumstances and financial position.

Prospective purchasers of SDs should consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the SDs for them as an investment.

As used herein, references to "U.S.\$", "\$", "USD", "Dollars" and "U.S. dollars" are to the lawful currency of the United States of America, to "GBP" and "£" are to the lawful currency of the United Kingdom, to "Swiss Francs" and "CHF" are to the lawful currency of Switzerland, to "DKK" or "Danish Krone" are to the lawful currency of the Kingdom of Denmark, to "HKD" or "Hong Kong Dollars" are to the lawful currency of Hong Kong, to "JPY" or "Japanese Yen" are to the lawful currency of Japan, to "SEK" or "Swedish Krona" are to the lawful currency of the Kingdom of Sweden and to "€", "EUR" and "euro" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended. The References to any other currencies will be as defined in the applicable Final Terms.

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SUMMARY OF THE PROGRAMME

This Summary must be read as an introduction to this Base Prospectus and any decision to invest in any SDs should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the relevant Issuer (the **Responsible Person**) in any such Member State in respect 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. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the claimant may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in *Terms and Conditions of the Securitised Derivatives* shall have the same meanings in this summary.

Issuers:

SGA Societe Generale Acceptance N.V.

SGA Societe Generale Acceptance N.V. was incorporated on 7 October 1986 for an unlimited duration as a limited liability company under the laws of Curaçao, formerly the Netherlands Antilles.

SGA Societe Generale Acceptance N.V.'s head office is located at Pietermaai 15, Willemstad, Curaçao and it is registered in the Commercial Register of the Chamber of Commerce and Industry at Curaçao under registration number 45500 (0).

Pursuant to article 2 of its Articles of Incorporation, the purpose and object of SGA Societe Generale Acceptance N.V. is:

- to invest its funds in securities, such as shares and other certificates of participation, and bonds and in other interest-bearing debentures under whatever name and in whatever form;
- to borrow money and to issue notes, bonds, debentures, warrants and any kind of debt instruments therefor, with any type of underlying, including without limitation, a share in a company, any other equity or non-equity security, an index, a currency, a currency exchange rate, an interest rate, a dividend, a credit risk, a fund unit, a share of an investment company, a term deposit, a life insurance contract, a loan, a commodity, a futures contract, an underlying unallocated precious metal, a unit linked feature (accounting unit), or any other factor, a basket thereof or any combination thereof, all subject to any applicable law and regulation;
- as well as to lend money - within the group to which SGA Societe Generale Acceptance N.V. belongs - and to provide security in any form on behalf of third parties; and
- to issue securities granting entitlement to Societe Generale's

shares, by any one of the companies of which Societe Generale holds, directly or indirectly, more than half of the capital stock, it being stipulated that these securities could also give entitlement to existing Societe Generale's shares.

SGA Societe Generale Acceptance N.V. has no subsidiaries.

SGA Societe Generale Acceptance N.V. is a 100 per cent. owned subsidiary of Societe Generale and is a fully consolidated company.

Societe Generale Effekten GmbH

Societe Generale Effekten GmbH has its registered office in Frankfurt am Main and is registered in the commercial register of the Frankfurt am Main local court (*Amtsgericht Frankfurt am Main*) under number HRB 32283. Societe Generale Effekten GmbH came into existence after LT Industriebeteiligungs-Gesellschaft mbH, which was founded on 3 March 1977 for an unlimited duration, was renamed by a resolution of the shareholders on 5 October 1990. Societe Generale Effekten GmbH was founded as a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) under German law.

Societe Generale Effekten GmbH's business address is Neue Mainzer Strasse 46-50, 60311 Frankfurt am Main, Germany.

Societe Generale Effekten GmbH's corporate object, as stated in Article 2 of its articles of association, is the issuance and sale of securities and all related activities, with the exception of those requiring a banking license. Societe Generale Effekten GmbH does not engage in banking activities as defined by the German Banking Act (*Kreditwesengesetz* or **KWG**). Societe Generale Effekten GmbH is a financial entity (*Finanzunternehmen*) as defined in Sec. 1 (3) Sentence 1 No.5 of the KWG.

Societe Generale Effekten GmbH issues, and invests in, securities, mainly warrants and certificates, and engages in related activities.

Societe Generale Effekten GmbH is a wholly-owned subsidiary of Societe Generale, Paris.

References herein to the **Issuer** are references to the relevant Issuer in respect of (and only to the extent of) the SDs issued by it and such references specifically exclude any other Issuer.

Guarantor:

Societe Generale

Summary description of the Guarantor:

Societe Generale is a public limited liability company (*société anonyme*) established under French law incorporated by deed approved by Decree on 4 May 1864, and is approved as a bank.

The duration of Societe Generale, previously fixed at 50 years with effect from 1 January 1899, was then extended by 99 years with effect

from 1 January 1949.

Under the legislative and regulatory provisions relating to credit institutions, notably the articles of the French Monetary and Financial Code that apply to them, Societe Generale is subject to the commercial laws, in particular articles L. 210-1 *et seq.* of the French Commercial Code as well as its current by-laws. Societe Generale is registered in the "Registre du Commerce et des Sociétés" of Paris under number RCS Paris 552 120 222.

Societe Generale's registered office is at 29, boulevard Haussmann, Paris, 75009. In accordance with current legislative and regulatory provisions, it may be transferred to any other location.

The purpose of Societe Generale, under the conditions determined by the laws and regulations applicable to credit institutions, is to carry out with individuals or corporate entities, in France or abroad:

- all banking transactions;
- all transactions related to banking operations, including, in particular, investment related services or allied services as provided by Articles L. 321-1 and L. 321-2 of the French Monetary and Financial Code; and
- all acquisitions of interests in other companies.

Societe Generale may also, on a regular basis, as defined in the conditions set by the French Financial and Banking Regulation Committee, engage in all transactions other than those mentioned above, including in particular insurance brokerage.

Generally, Societe Generale may carry out, on its own behalf, on behalf of third parties or jointly, all financial, commercial, industrial or agricultural personality or realty transactions, directly or indirectly related to the above-mentioned activities or likely to facilitate the accomplishment of such activities.

Risk Factors:

There are certain factors that may affect each Issuer's and the Guarantor's ability to fulfil its obligations with respect to SDs issued under the Programme. These are set out under *Risk Factors* below and include the creditworthiness of the relevant Issuer and the Guarantor (including their respective credit ratings, if applicable), general operational risks, conflicts of interest, the risk that hedging and trading activity by the relevant Issuer, the Guarantor or any of their affiliates may affect the value of the SDs and risks associated with the lack of independence of the Guarantor and the Issuers. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with SDs issued under the Programme.

Description:	Programme for the issuance of Securitised Derivatives, including warrants, certificates and other similar instruments
Arranger:	Societe Generale
Dealers:	Societe Generale and any other Dealers appointed in accordance with the Programme Agreement
Certain Restrictions:	Each issue of SDs in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
Agent:	Computershare Investor Services PLC
Calculation Agent:	Societe Generale
Distribution:	SDs may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies and Redenomination:	The Settlement Currency of the SDs, and the denomination of Certificates, may be, subject to any applicable legal or regulatory restrictions, any currency agreed between an Issuer and the relevant Dealer. Certain SDs may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 19.
Expiry/Maturity:	The SDs will have such exercise periods, expiry dates or maturities as may be agreed between an Issuer and the relevant Dealer, subject to such limits as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to such Issuer or the relevant Settlement Currency. Certain SDs may be open-ended and in such circumstances will only be redeemed or expire, as applicable, on the occurrence of designated events which will be specified in the applicable Final Terms.
Issue Price:	SDs may be issued at any issue price.
Form of the SDs:	<p>The SDs shall be held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755), including any modification or re-enactment thereof for the time being in force (the Regulations). The SDs are participating securities for the purposes of the Regulations. Title to the SDs is recorded on the relevant Operator register of corporate securities.</p> <p>The Swedish SDs shall be issued in registered dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om kontoföring av finansiella instrument</i>) as amended and the rules and regulations of Euroclear Sweden AB.</p> <p>The Finnish SDs shall be issued in registered dematerialised and</p>

uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fi. Laki arvo-osuusjärjestelmästä* 826/1991, as amended), the Finnish Act on Book-Entry Accounts (*Fi. Laki arvo-osuustileistä* 827/1991, as amended) and the rules and regulations of Euroclear Finland Ltd.

Type of SDs:

The SDs may (without limitation):

- relate to an index, a share, a global depositary receipt, the creditworthiness of a corporate or other entity, a debt instrument, a securitised derivative, a currency or currency exchange rate, a commodity or commodity futures contract, an interest rate, a fund, a static or dynamic basket thereof or any combination thereof;
- be (i) American or European style, call or put, warrants subject to automatic or manual exercise or (ii) certificates; and
- be subject to cash and/or physical settlement (with a possible Issuer option to vary such settlement),

as indicated in the applicable Final Terms.

Payments or deliveries on exercise or redemption of the SDs or in respect of any interim payments under the SDs will be calculated by reference (by formulae or otherwise) to the values or prices (or change thereof) of the elements described above and/or to such other factors as an Issuer and the relevant Dealer may agree and as indicated in the applicable Final Terms.

Issuer option to vary terms:

The applicable Final Terms will indicate whether the applicable Issuer has a discretion to vary any terms of the SDs, including the exercise periods, expiry dates, maturities or form of settlement.

Denomination:

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

In the case of Warrants, such minimum denomination shall not apply as long as such Warrants give the right to acquire any transferable securities (other than securities issued by the relevant Issuer or an entity belonging to the group of the relevant Issuer) or to receive a

cash amount, as a consequence of their being converted or the rights conferred by them being exercised.

Expenses and Taxation:

A holder of SDs (a **Holder**) shall pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, sale commissions, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the issue, transfer, redemption or exercise of SDs, and/or the delivery or transfer of the Entitlement, Physical Delivery Amount or Alternative Physical Delivery Amount, if any, pursuant to the terms of such SDs.

Status of the SDs:

The SDs constitute direct, unconditional, unsubordinated and unsecured contractual obligations of the applicable Issuer and shall at all times rank *pari passu* and without preference among themselves. The payment obligations of the relevant Issuer under the SDs (save for certain obligations preferred by mandatory provisions of statutory law) shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of such Issuer from time to time outstanding.

Guarantee:

The SDs will be unconditionally and irrevocably guaranteed by the Guarantor up to a maximum aggregate nominal amount of €2,000,000,000 in respect of SDs that are certificates and up to a maximum aggregate warrant amount (being the product of the number of warrants issued and their issue price) of €75,000,000,000 in respect of SDs that are warrants. The obligation of the Guarantor under such Guarantee constitutes a direct, unsecured and general obligation of the Guarantor and ranks and will rank equally with all its other existing and future unsecured obligations including those in respect of deposits but excluding any debts for the time being preferred by law and any subordinated obligations.

Listing and admission to trading:

Application has been made to the UK Listing Authority for SDs issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such SDs to be admitted to trading on the London Stock Exchange's regulated market.

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

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

Governing Law:

The SDs and any non-contractual obligations arising out of or in connection with the SDs will be governed by, and construed in accordance with, English law.

Other provisions: The terms of the SDs will not contain negative pledge or cross default provisions. The SDs will not be rated.

Selling Restrictions: There are restrictions on the offer, sale and transfer of the SDs in the United States, the European Economic Area (including the United Kingdom, France, Sweden and Finland) and Curaçao and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of SDs.

RISK FACTORS

Prospective purchasers of SDs should carefully consider the following information in conjunction with the other information contained in this Base Prospectus, the 2012 Registration Document (for Risk Factors see 196-239) and the First Update to the 2012 Registration Document (for Risk Factors see 38-42; Annex 1) incorporated by reference herein and any Final Terms before purchasing SDs.

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under SDs issued under the Programme. Most of these factors are contingencies which may or may not occur and neither of the Issuers nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

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

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in SDs issued under the Programme, but the inability of the relevant Issuer or the Guarantor to pay amounts or deliver assets on or in connection with any SDs may occur for other reasons which may not be considered significant risks by such Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

RISK WARNING: INVESTORS IN SECURITISED DERIVATIVES CONSTITUTING DERIVATIVE SECURITIES UNDER REGULATION EC/809/2004 MAY LOSE THE VALUE OF THEIR ENTIRE INVESTMENT OR PART OF IT.

Factors that may affect an Issuer's or the Guarantor's ability to fulfil its obligations under the SDs issued under the Programme or under the Guarantee, respectively

Creditworthiness of the Issuers and Guarantor

The SDs constitute general and unsecured contractual obligations of the Issuer listed in the applicable Final Terms and of no other person, and the Guarantee constitutes general and unsecured contractual obligations of the Guarantor and of no other person, which will rank equally with all other unsecured contractual obligations of the applicable Issuer and the Guarantor, respectively, and behind preferred liabilities, including those mandatorily preferred by law. Each Issuer issues a large number of financial instruments, including the SDs, on a global basis and, at any given time, the financial instruments outstanding may be substantial. An investor purchasing SDs is relying upon the creditworthiness of the relevant Issuer and, as the case may be, the Guarantor and no other person and where the SDs relate to securities, such investor has no rights against the company that has issued such securities, and where the SDs relate to an index, such investor has no rights against the sponsor of such index and where the SDs relate to a fund, such investor has no rights against the manager of such fund. Further, an investment in the SDs is not an investment in the underlying assets and such investor will have no rights (unless expressly provided) in relation to voting rights or other entitlements (including any dividend or other distributions).

In accordance with their articles of incorporation, the Issuers were established for the purpose of issuing securities and do not engage in any other independent operating activities. The registered share capital of SGA Societe Generale Acceptable N.V. amounts to USD 560,000 and the registered share capital of Societe Generale Effekten GmbH amounts to EUR 25,564.59. By acquiring SDs issued by either of the Issuers,

Holder are exposed to a higher credit risk than when purchasing securities issued by an issuer with greater capital resources.

In the event of insolvency, an investment in the SDs, except those which are guaranteed, may lead to a complete loss of the amount invested. Neither Issuer is a member of a deposit guarantee fund or similar assurance system that would fully or partially cover the claims of investors in the event of insolvency of the Issuer.

In addition to the insolvency risk of the Issuers, Holders are also particularly exposed to the insolvency risk of the parties with whom the Issuers conclude derivative transactions to hedge their obligations under the SDs. It should be noted that the Issuers only conclude such hedging transactions with affiliated companies which leads to a "cluster" risk not present for an issuer with a more diversified range of potential counterparties. There is a risk that the insolvency of companies affiliated to the Issuers could directly trigger the insolvency of the Issuers.

Risks associated with the lack of independence of the Issuers and Guarantor

Societe Generale will act as the Guarantor of the SDs issued by the Issuers and as provider of hedging instruments to the Issuers. As a result, investors will be exposed not only to the credit risk of the Guarantor but also operational risks arising from the lack of independence of the Guarantor in assuming its duties and obligations as the Guarantor and provider of the hedging instruments. The operational risks arising from such lack of independence are in part reduced by the fact that different divisions within the Guarantor will be responsible for implementing the Guarantee and providing the hedging instruments and that each division is run as a separate operational unit, segregated by Chinese walls (information barriers) and run by different management teams. Whilst compliance procedures require effective segregation of duties and responsibilities between the relevant divisions within the Guarantor, the possibility of conflicts of interest arising cannot be wholly eliminated.

Conflicts of interest

The Guarantor provides a full array of capital market products and advisory services worldwide including the issuance of "structured" securities where interest and/or principal is/are linked to the performance of underlying assets. In addition, each of the Issuers issue "structured" securities where interest and/or principal is/are linked to the performance of underlyings. The Issuers and the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the underlying assets. Such activities and information may cause consequences adverse to the Holders. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuers, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the underlying assets or the companies to which they relate. The Issuers, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the SDs or the effect that such activities may directly or indirectly have on any SD.

Hedging and trading activity by the Calculation Agent and its affiliates could potentially affect the value of the SDs.

In the ordinary course of their business, whether or not they will engage in any secondary market making activities, the Issuers, the Guarantor and/or any of their affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlyings and/or the

assets included in the Entitlement or related derivatives. In addition, in connection with the offering of the SDs, the Issuers, the Guarantor and/or their affiliates may enter into one or more hedging transactions with respect to the Underlyings and/or the assets included in the Entitlement or related derivatives. In connection with such hedging or any market-making activities or with respect to proprietary or other trading activities by the Issuers, the Guarantor and/or the Guarantor and its consolidated subsidiaries (the **Group**), the Issuers, the Guarantor and/or their affiliates may enter into transactions in the assets included in the Entitlement or related derivatives which may affect the market price, liquidity or value of the SDs and which could be deemed to be adverse to the interests of the relevant Holders.

In addition, in the case of Dynamic Basket SDs, there may be a conflict between the respective interests of the relevant Issuer, Societe Generale as Calculation Agent, the Weighting Manager (either Societe Generale or a third party) and the Holder of the Dynamic Basket SDs as each party is liable to take investments positions that are different or even contrary to the weighting position of the relevant dynamic basket.

The above situations may result in consequences which may be adverse to an investor's investment. The Issuers and the Guarantor assume no responsibility whatsoever for such consequences and their impact on such investor's investment.

U.S. Foreign Account Tax Compliance Withholding

The Issuers, the Guarantor and other financial institutions through which payments on the SDs are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made on or after 31 December 2016 in respect of (i) any SDs characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after 31 December 2012 or are materially modified after that date and (ii) any SDs which are treated as equity (or which do not have a fixed term) for U.S. federal tax purposes, whenever issued, pursuant to Sections 1471 through to 1474 of the U.S. Foreign Account Tax Compliance Act (**FATCA**) or similar law implementing an intergovernmental approach to FATCA. This withholding tax may be triggered if (i) an Issuer is a foreign financial institution (**FFI**) (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service (**IRS**) to provide certain information on its account holders (making the Issuer a **Participating FFI**), (ii) an Issuer has a positive "passthru payment percentage" (as determined under FATCA), and (iii)(a) an investor does not provide information sufficient for the Participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of such Participating FFI, or (b) any FFI that is an investor or through which payment on such SDs is made is not a Participating FFI.

The application of FATCA to interest, principal or other amounts paid with respect to the SDs is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the SDs, neither of the applicable Issuer nor the Guarantor nor any paying agent nor any other person would, pursuant to the conditions of the SDs, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected. Holders of SDs should consult their own tax advisers on how these rules may apply to payments they receive under the SDs.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations and official guidance that is subject to change. The application of FATCA to SDs issued on or after 31 December 2012 (or whenever issued, in the case of SDs treated as equity for U.S. federal tax purposes) may be addressed in the relevant Final Terms or a Supplement to the Base Prospectus, as applicable.

Legislation Affecting Dividend Equivalent Payments

The United States Hiring Incentives to Restore Employment Act (the **HIRE Act**) treats a "dividend equivalent" payment as a dividend from sources within the United States. Under the HIRE Act, unless reduced by an applicable tax treaty with the United States, such payments generally would be subject to U.S. withholding tax. A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in the preceding clauses (i) and (ii). Beginning 1 January 2013, a dividend equivalent payment includes a payment made pursuant to any notional principal contract that falls into one of the seven categories specified by the IRS unless otherwise exempted by the IRS. Where the securities reference an interest in a fixed basket of securities or an index, such fixed basket or index will be treated as a single security. Where the securities reference an interest in a basket of securities or an index that may provide for the payment of dividends from sources within the United States, absent final guidance from the IRS, it is uncertain whether the IRS would determine that payments under the securities are substantially similar to a dividend. If the IRS determines that a payment is substantially similar to a dividend, it may be subject to U.S. withholding tax, unless reduced by an applicable tax treaty. If withholding is so required, the Issuers will not be required to pay any additional amounts with respect to amounts so withheld.

Factors which may be material for the purposes of assessing the market risks associated with SDs issued under the Programme

SDs involve a high degree of risk, which may include, among others, interest rate, foreign exchange, correlation, time value and political risks. Prospective purchasers of SDs should recognise that their SDs may expire or mature worthless. Purchasers should be prepared to sustain a total loss of the purchase price of their SDs. This risk reflects the nature of SDs as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires or matures (except to the extent of any minimum expiration or maturity value). See *Certain Factors Affecting the Value and Trading Price of SDs* below. Prospective purchasers of SDs should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant SDs and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such SDs in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant SDs and the particular reference index (or basket of indices), share (or basket of shares), global depositary receipt (or basket of global depositary receipts), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), interest rate (or basket of interest rates), fund (or basket of funds), reference entity (or basket of reference entities) or other basis of reference to which the value of the relevant SDs may relate, as specified in the applicable Final Terms (together, the **Reference**).

The risk of the loss of some or all of the purchase price of SDs upon expiration or redemption means that, in order to recover and realise a return upon his or her investment, a purchaser of SDs must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference. Assuming all other factors are held constant, the more a SD is "out-of-the-money" and the shorter the remaining term of a SD to expiration or maturity, the greater the risk that purchasers of such SDs will lose all or part of their investment. With respect to Certificates or European-style Warrants, the only means through which a Holder can realise value from a SD prior to its Exercise Date or Maturity Date, is to sell it at its then market price in an available secondary market. See *Possible Illiquidity of the Secondary Market* below.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index SDs. Fluctuations in the price of the relevant share or basket of shares will affect the value of Share SDs. Fluctuations in the price of the relevant global depositary receipt or basket of global depositary receipts will affect the value of GDR SDs. Fluctuations in the price or yield of the relevant debt instrument or basket of debt instruments will affect the value of Debt Instrument SDs. Fluctuations in the rates of exchange between the relevant currencies will affect the value of Currency SDs. Also, due to the character of the particular market on which a debt instrument is traded, the absence of last sale information and the limited availability of quotations for such debt instrument may make it difficult for many investors to obtain timely, accurate data for the price or yield of such debt instrument. Fluctuations in the value of the relevant commodity or basket of commodities will affect the value of Commodity SDs. Fluctuations in the relevant interest rate or basket of interest rates will affect the value of Interest Rate SDs. Fluctuations in the price or net asset value of the relevant fund (or basket of funds) will affect the value of Fund SDs. Purchasers of SDs risk losing some or all of their investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

SDs are unsecured Obligations

The SDs represent general contractual obligations of the relevant Issuer and are not secured by any property of such Issuer. The SDs rank equally among themselves and, save for such exceptions as may be provided by any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative or judicial authority or power (**Applicable Law**), *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer but excluding any debts for the time being preferred by Applicable Law and any subordinated obligation.

Claims Against the Underlying

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

The Issuers may issue several issues of SDs relating to various reference indices, shares, global depositary receipts, debt instruments, currencies, commodities, interest rates, funds, or other bases of reference which may be specified in the applicable Final Terms. However, no assurance can be given that the Issuers will issue any SDs other than the SDs to which a particular Final Terms relates. At any given time, the number of SDs outstanding may be substantial. SDs provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. In general, certain of the risks associated with the SDs are similar to those generally applicable to other options or warrants of private corporate issuers. Options or warrants on equities or debt securities are priced primarily on the basis of the value of underlying securities whilst currency and commodity SDs are priced primarily on the basis of present and expected values of the reference currency (or basket of currencies) or commodity (or basket of commodities) specified in the applicable Final Terms.

Certain Factors Affecting the Value and Trading Price of SDs

Either (a) the Cash Settlement Amount, Redemption Amount or other amount due on maturity or exercise, as the case may be (in the case of Cash Settled SDs) or (b) the difference in the value of the Entitlement or Physical Delivery Amount and any Exercise Price (in the case of Physical Delivery SDs) (the **Physical Settlement Value**) at any time prior to expiration or redemption is typically expected to be less than the

trading price of such SDs at that time. The difference between the trading price and the Cash Settlement Amount or Redemption Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the "time value" of the SDs. The "time value" of the SDs will depend partly upon the length of the period remaining to expiration or redemption and expectations concerning the value of the Reference. SDs offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the SDs varies with the price level of the Reference, as well as by a number of other interrelated factors, including those specified herein.

Before purchasing, exercising or selling SDs, Holders should carefully consider, among other things, (i) the trading price of the SDs, (ii) the value and volatility of the Reference, (iii) the time remaining to expiration or redemption, (iv) in the case of Cash Settled SDs, the probable range of Cash Settlement Amounts or Redemption Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the Reference, and (viii) any related transaction costs.

A SD's purchase price may not reflect its inherent value

Prospective purchaser of SDs should be aware that the purchase price of a SD does not necessarily reflect its inherent value. Any difference between the inherent value of a SD and its purchase price may be due to various factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid to the various parties involved in structuring and/or distributing the SDs. For further information prospective investors should refer to the party from whom they are purchasing the SDs. Prospective investors may also wish to seek an independent valuation of a SD prior to purchasing such SD.

The Return to Holders May Be Less than the Value of an Investment in the SDs

Each Holder may receive a Cash Settlement Amount (or Credit Event Payment Amount in place thereof), Physical Delivery Amount, Alternative Physical Delivery Amount and/or physical delivery of the Entitlement the aggregate value of which may be less than the value of the Holder's investment in the relevant SDs. In certain circumstances Holders may lose some or the entire value of their investment.

Certain Considerations Regarding Hedging

Prospective purchasers intending to purchase SDs to hedge against the market risk associated with investing in a Reference, should recognise the complexities of utilising SDs in this manner. For example, the value of the SDs may not exactly correlate with the value of the Reference. Due to fluctuating supply and demand for the SDs, there is no assurance that their value will correlate with movements of the Reference. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant asset, reference basis or basket.

Risk of Leveraged Exposure

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

Effect of Credit Rating downgrade

The value of the SDs is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the relevant Issuer and/or the Guarantor. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of such Issuer by standard statistical rating services. A downgrade in the rating, accorded to outstanding debt securities of the applicable Issuer and/or the Guarantor by one of these rating agencies, could result in a reduction in the trading value of the SDs.

Time Lag

Unless otherwise specified in the Final Terms, in the case of any exercise of Warrants, there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount or other amount (in the case of Cash Settled SDs) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount or other amount will be specified in the Terms and Conditions as completed by the applicable Final Terms. In addition to such delay, further delay for Warrants may result from a delay in exercise arising from any daily maximum exercise limitation, or for any SD from the occurrence of a market disruption event (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of currency warrants. The applicable Cash Settlement Amount or other amount for Cash Settled SDs may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount or other amount of the relevant SDs and may result in such Cash Settlement Amount or other amount being zero.

The Secondary Market Generally

SDs may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their SDs 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 SDs that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of SDs generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of SDs.

In addition, Holders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to certain of the SDs which may be issued hereunder. Such lack of liquidity may result in investors suffering losses on the SDs in secondary resales even if there is no decline in the performance of the SDs, any underlying or reference, or the assets of the Issuers and/or the Guarantor. Neither the Issuers nor the Guarantor can predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the SDs and instruments similar to the SDs at that time.

Possible Illiquidity of the SDs in the Secondary Market

It is not possible to predict the price at which SDs will trade in the secondary market or whether such market will be liquid or illiquid. The Issuers may, but are not obliged to, list SDs on a stock exchange. Also, to the extent SDs of a particular issue are exercised or redeemed, the number of SDs of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining SDs of such issue. A decrease in the liquidity of an issue of SDs may cause, in turn, an increase in the volatility associated with the price of such SDs.

The Issuers (or another entity appointed by the Issuers) may, but are not obliged to, at any time purchase SDs at any price in the open market or by tender or private treaty. Any SDs so purchased may be held or resold or surrendered for cancellation. The Issuers (or another entity appointed by the Issuers) may, but are not obliged to, be a market maker for an issue of SDs. Whether or not the Issuers or such other entity acts as a market-maker for an issue of SDs, the secondary market for such SDs may be limited. To the extent that an issue of SDs becomes illiquid, an investor may have to exercise or wait until redemption of such SDs to realise value. Under normal conditions Societe Generale will endeavour to provide, directly or indirectly, a market-making service in relation to SDs issued by the Group. Such arrangements may be temporarily or indefinitely curtailed as a result of, *inter alia*, technical problems within companies of the Group or the London Stock Exchange or data vendors or telecommunications carriers, or in the event of pending announcements by or difficulties in procuring information on underlying companies, or in the event that securitised derivatives (including certificates and warrants) may at Societe Generale's sole discretion be considered valueless, or in the event that Societe Generale at its sole discretion should cease to make securitised derivatives (including certificates and warrants) available for sale.

Market Disruption

Where applicable, the Calculation Agent may determine that a Market Disruption Event (as defined in the Terms and Conditions) has occurred or exists at a relevant time. Any such determination may have an effect on the value of the SDs and/or may delay settlement in respect of the SDs.

Settlement Risk

Following the exercise or Maturity of Physical Delivery SDs, unless otherwise indicated in the applicable Final Terms, the Calculation Agent may determine that a Settlement Disruption Event has occurred and is subsisting. Any such determination may affect the value of the SDs and/or may delay settlement and/or lead to cash settlement rather than physical settlement in respect of the SDs. Settlement Disruption Event (applicable to Physical Delivery SDs only) is described in greater detail in the Terms and Conditions and/or the applicable Final Terms.

If so indicated in the applicable Final Terms, the Issuer has an option to vary settlement in respect of the SDs. If exercised by the Issuer, this option will lead to Physical Delivery SDs being cash settled or Cash Settled SDs being physically settled. Exercise of such option may affect the value of the SDs.

Illegality and Cancellation of SDs

If an Issuer determines that the performance of its obligations under the SDs has become illegal in whole or in part for any reason, such Issuer may cancel the SDs. SDs may become unlawful for any number of reasons including, without limitation, a change in, or in the interpretation of, applicable law or as a result of invalid corporate authorisations. An Issuer may also cancel the SDs upon the occurrence of certain adjustment events as set out in the Terms and Conditions as amended in accordance with the applicable Final Terms. If an Issuer so cancels the SDs then such Issuer will (in the case of an illegality and if and to the extent permitted by applicable law), pay an amount to each Holder determined by reference to the value of the SDs taking into account the relevant illegality or adjustment event, as the case may be. Such amount may be zero.

Substitution or Adjustment Provisions

An adjustment of the terms of the SDs as provided in the Terms and Conditions as amended in accordance with the applicable Final Terms may result in a change in the quantity, composition and/or identity of the underlying assets or basis of reference to which the relevant SDs relate and may affect the value of the SDs.

Limitations on Exercise of Warrants

If so indicated in the Terms and Conditions as amended in accordance with the applicable Final Terms, the number of Warrants exercisable by any Holder on any date (other than the final exercise date) will be limited to the maximum number specified in the applicable Final Terms. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number, a Holder will not be able to exercise on such date all Warrants that such holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants (if so stated in the applicable Final Terms) being selected at the discretion of the relevant Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Minimum Exercise Amount

If so indicated in the applicable Final Terms, a Holder must tender a specified number of Warrants at any one time in order to exercise. Therefore, Holders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount or other amount due on exercise (in the case of Cash Settled SDs) or the Physical Settlement Value (in the case of Physical Delivery SDs) of such Warrants.

Early Trigger Redemption/Termination

In respect of certain issues where so specified in the applicable Final Terms, the SDs may be redeemed or terminated (as applicable) early in the event that the outstanding nominal amount of Certificates or (as applicable) the number of Warrants falls below 10 per cent. of the initial nominal amount or, as the case may be, number of such SDs or such other level (expressed as a percentage) stipulated in the applicable Final Terms. In such event the relevant Issuer will have the option to redeem or terminate (as applicable) any outstanding SDs early upon the giving of notice. The relevant Issuer may also have the option to terminate the SDs early upon the occurrence of certain events relating to the underlying(s) of the SDs or to the hedging arrangements with respect to the SDs. This could lead to investors receiving an amount at redemption or (as applicable) termination earlier than had been anticipated in circumstances over which the Holders have no control and may affect the value of their investment.

Meetings of Holders

The Terms and Conditions of the SDs contain provisions for calling meetings of Holders in order to consider matters affecting their general interests. These provisions permit certain specified majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

Taxation

Potential purchasers and sellers of SDs should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the SDs are the subject of an agreement to transfer, are transferred and/or any asset(s) are delivered.

Change of Law

The Terms and Conditions of the SDs are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to an administrative practice or change to English law, as applicable, after the date of this Base Prospectus.

Certain Considerations Associated with Basket SDs Generally

Where the SDs reference a basket of underlyings, whether in the form of Dynamic Basket SDs or otherwise, the Holders are exposed to the performance of each of the basket constituents. See, as applicable, risk factors "Certain Considerations Associated with Index SDs", "Certain Considerations Associated with Share SDs and GDR SDs", "Certain Considerations Associated with Commodity SDs", "Certain Considerations Associated with Credit Linked SDs", "Certain Considerations Associated with Currency SDs", "Certain Considerations Associated with Fund SDs", "Certain Considerations Associated with SDs linked to Securitised Derivatives" and "Certain Considerations Associated with SDs Linked to Emerging Markets".

Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation do not necessarily determine future rates of correlation. In this regard Holders should be aware that, though basket constituents may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general economic downturn or other economic or political event. Where the basket constituents are subject to a high degree of correlation, any movement in the performance of the basket constituents will have an exaggerated effect on the overall performance of the SDs.

Holders must be aware that even in the case of a positive performance of one or more basket constituents, the performance of the basket as a whole may be negative if the performance of the other basket constituents is negative to a greater extent, subject to the terms and conditions of the relevant SDs. The performance of a basket that affords proportionately greater weighting to certain basket constituents by reference to others will generally, subject to the terms and conditions of the relevant SDs, be more greatly affected by changes in the value of any such particular basket constituent included therein than a basket that gives relatively equal weighting to each basket constituent.

The performance of a basket that includes a smaller number of basket constituents will generally, subject to the terms and conditions of the relevant SDs, be more greatly affected by changes in the value of any particular basket constituent included therein than a basket that includes a greater number of basket constituents.

Where the SDs grant an Issuer or the Calculation Agent the right, in certain circumstances, to effect changes to the relative weightings of the basket constituents, Holders should be aware that the SDs may, as a result of any such changes being effected, perform differently from the way in which such SDs would have performed if the initial proportions of the basket constituents had been maintained. Accordingly, this may have an adverse effect on the value of the SDs.

Product Specific Risk Factors

Certain Considerations Associated with Index SDs

An investment in Index SDs will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Index SDs, Holders will receive an amount (if any) determined by reference to the value of the underlying index/indices. Such underlying index may be a well known and widely published index or an index which may not be widely published or available. The index may reference, *inter alia*, equities, bonds, commodities, currency exchange rates, interest rates, other indices, or other constituents or it may be a property index referencing certain property price data which will be subject to market price fluctuations. A property index may include valuations only and not actual transactions and the property data sources used to compile the index may be subject to change, which may adversely affect the return on the SDs.

Depending upon the calculation methodology of an index, where the performance of an index is taken into account in order to calculate payments due under the Index SDs the payment of income distributed by such index constituents (such as dividends for an index that has stocks as constituents) may not be reflected as the index may be calculated by reference to the prices of the index constituents without taking into consideration the value of any income paid on those index constituents. Therefore, the yield to maturity of Index SDs may not be the same as the yield that would be produced if such index constituents were purchased and held for a similar period.

Index SDs are subject to risks that correspond to their constituents including, without limitation, the risk that the general level of such constituents may decline. The following is a list of some of the significant risks associated with an index:

- historical performance of the index does not indicate 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 SDs;
- where the index comprises constituents such as equities, bonds, commodities, currency exchange rates, interest rates, other indices, or is a property index, the level of the relevant constituents of such index will be influenced by political, economic, financial, market and other factors. It is impossible to predict what effect these factors will have on the level of the index and, in turn, the return on the SDs; and
- where the correlation of index constituents indicates the level of interdependence among the individual index constituents with respect to their performance. If, for example, all of the index constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation do not necessarily determine future rates of correlation. In this regard Holders should be aware that, though index constituents may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general economic downturn or other economic or political event. Where the index constituents are subject to a high degree of correlation, any movement in the performance of the index constituents will have an exaggerated effect on the overall performance of the SDs. Holders must be aware that even in the case of a positive performance of one or more index constituents, the performance of the basket as a whole may be negative if the performance of the other index constituents is negative to a greater extent, subject to the terms and conditions of the relevant SDs. The performance of an index that affords proportionately greater weighting to certain index constituents by reference to others will generally, subject to the terms and conditions of the relevant SDs, be more greatly affected by changes in the value of any such particular index constituent included therein than an index that gives relatively equal weighting to each index constituent. The

performance of an index that includes a smaller number of index constituents will generally, subject to the terms and conditions of the relevant SDs, be more greatly affected by changes in the value of any particular index constituent included therein than an index that includes a greater number of index constituents.

The policies of the sponsor of an index (including a sponsor that is affiliated with Societe Generale) concerning additions, deletions and substitutions of the index constituents and the manner in which the index sponsor takes account of certain changes affecting such index constituents 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 SDs.

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 Cash Settlement Amount payable to Holders. Such fees may be paid to index sponsors that are affiliates of Societe Generale.

Certain Considerations Associated with Share SDs and GDR SDs

An investment in Share SDs and GDR SDs will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Share SDs or GDR SDs, Holders will receive an amount (if any) determined by reference to the value of the share(s) or global depositary receipt(s) (as applicable) and/or the physical delivery of a given number of share(s) or global depositary receipt(s) (as applicable). Accordingly, an investment in Share SDs and GDR SDs may bear similar market risks to a direct or indirect equity investment and investors should take advice accordingly.

In the case of Share SDs and GDR SDs, no issuer of the underlying shares or of the underlying global depositary receipts (being the depositary of the deposited share to which the global depositary receipt relates) will have participated in the preparation of the relevant Final Terms or in establishing the terms of the SDs, and none of the Issuers, the Guarantor or any Manager or Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares or issuer of global depositary receipts contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the share or global depositary receipt will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares or issuer of global depositary receipts could affect the trading price of the share or global depositary receipt and therefore the trading price of the SDs.

Except as provided in the Terms and Conditions of the SDs, Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares or global depositary receipts to which such SDs relate.

Certain Considerations Associated with Commodity SDs

An investment in Commodity SDs will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Commodity SDs, Holders will receive an amount (if any) determined by reference to the value of the commodity, commodity index, commodities and/or commodity indices. Accordingly, an investment in Commodity SDs may bear similar market risks to a direct commodity investment, and investors should take advice accordingly.

Certain Considerations Associated with Credit Linked SDs

Capitalised terms used in this section, but not otherwise defined in this Base Prospectus shall have the meaning given to them in Condition 25 of the Terms and Conditions.

In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring) in relation to a Reference Entity or, with respect to Credit Basket SDs and Tranche SDs, Reference Entities, in each case as specified in the applicable Final Terms, the obligation of the relevant Issuer to pay principal or any cash settlement amount or deliver any entitlement at maturity or expiration, as the case may be, may be replaced by (i) an obligation to pay other amounts which are equal to either certain fixed amount(s) as specified in the applicable Final Terms or amounts calculated by reference to the value of the underlying asset(s) (which may, in each case, be less than the par value of the SDs at the relevant time) and/or (ii) an obligation to deliver the underlying asset(s) or such other asset(s) as may be specified in the applicable Final Terms. In addition, interest-bearing Credit Linked SDs may cease to bear interest on or prior to the date of occurrence of such circumstances.

Accordingly, Holders may be exposed as of the First Credit Event Occurrence Date mentioned in the Final Terms (which may be earlier than the date of their decision to invest in the SDs or the Issue Date) to the full extent of their investment in the Credit Linked SDs to fluctuations in the creditworthiness of the Reference Entities. Their exposure to the Reference Entities may be leveraged by their investment in the SDs compared to a direct investment in the obligations of such Reference Entities.

Increased risk in respect of First-to-Default SDs and Tranche SDs

First-to-Default SDs or Tranche SDs create leveraged exposure to the credit risk of Reference Entities.

Concentration Risk

The concentration of the Reference Entities in any one industry or geographic region would subject the SDs to a greater degree of risk with respect to economic downturns relating to such industry or geographic region.

In respect of Credit Basket SDs, irrespective of the creditworthiness of each Reference Entity, the fewer Reference Entities there are in a Reference Portfolio, the greater is the degree of risk with respect to the occurrence of each Credit Event. In respect of First-to-Default SDs, the more Reference Entities there are in the Reference Portfolio, the greater is the degree of risk.

Discretion to determine if a Credit Event has occurred and to decide whether to give notice or not

The Calculation Agent will determine, in its sole and absolute discretion, the occurrence or not of a Credit Event in respect of any of the Reference Entities, provided certain other conditions described in Condition 25 are satisfied. Such determination by the Calculation Agent, which is under no obligation to act in the interest of the Holders, will (in the absence of manifest error) be final and binding on the Holders. Moreover, the Calculation Agent has sole and absolute discretion to decide whether to give notice or not that a Credit Event has occurred with respect to any Reference Entity. A Holder may disagree with Publicly Available Information contained in the Credit Event Notice delivered by or on behalf of the relevant Issuer to the Relevant Clearing System for the Holders' information, but will nevertheless be bound by that determination under the terms of the SDs.

Valuation and settlement in case of Credit Event

Under the terms of the SDs, where Societe Generale acts as Calculation Agent, it may, for the purposes of determining the Credit Event Payment Amount under the Quotation Dealers Method or the Physical Delivery Amount following one or more Credit Event(s), select obligations with the lowest price of any obligations which meet the relevant criteria. In making such selection, the Calculation Agent will not be liable to account to the Holders, or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from such selection.

Under the SDs, the Final Value is one of the factors in the determination of the redemption amount of the SDs at their Maturity Date or the amount due on the relevant Exercise Date. The terms of the Credit Linked SDs provide that the Calculation Agent will, depending on the election mentioned in the Final Terms, determine the Final Value either by obtaining quotations from Quotation Dealers in respect of Selected Obligation(s) or by reference to Transaction Auction Settlement Terms (unless no Auction Final Price is available following any relevant Transaction Auction Settlement Terms in which case the Calculation Agent will determine the Final Value in respect of Selected Obligation(s) by obtaining quotations from Quotation Dealers). In this regard, investors should note that: (i) the Final Value as determined by reference to Transaction Auction Settlement Terms may differ from the Final Value determined otherwise and a lower Final Value will typically reduce the amount payable to Holders upon redemption of the SDs; and (ii) the Calculation Agent may have a conflict of interest to the extent that it participates in the establishment of the Transaction Auction Settlement Terms and potentially influences the pricing mechanism.

If Transaction Auction Settlement Terms are not published within a certain period and if it is not possible to obtain quotations from Quotation Dealers for the Selected Obligations within a further period, the Final Value of the Selected Obligations will be deemed to be zero and therefore the Credit Event Payment Amount will be equal to zero. In addition, the above-mentioned periods between Credit Event and valuation may amount to as many as 180 Business Days following the date on which the existence of a Credit Event is established, therefore, settlement, or as the case may be, notice that no amount is due under the Credit Linked SDs, may occur several months after the relevant Credit Event on a date which may be much later than the Scheduled Maturity Date, Scheduled Expiration Date or Exercise Date, as applicable, of the SDs.

Where Quotation Dealer is applicable, factors affecting the Quotations Dealers may have a negative impact on the quotations obtained from Quotation Dealers (which may be lower than the value of the relevant obligations) and may as a result adversely affect the Credit Event Payment Amount. The Credit Event Payment Amount may be equal to zero if it is not possible to obtain quotations from Quotation Dealers for the selected obligations

Deferral of valuation and/or payments

In certain circumstances including but not limited to Unsettled Credit Events or in case of Physical Settlement if the Calculation Agent determines that the Specified Deliverable Obligation(s) are Undeliverable Obligation(s), (i) the timing of valuation of the SDs may be deferred and as a result the amount of principal, interest and/or other amounts payable to the Holders may be adversely affected and (ii) payment of principal, interest and/or other amounts due to the Holders may be deferred without compensation to the Holders.

Adjustment – Early termination

Investors should be aware that unless otherwise specified in the Final Terms, an issue of Credit Linked SDs includes provisions to the effect that:

- (i) following the occurrence of certain events affecting any Reference Entity(ies) or any Hedge Positions entered into or to be entered into by the relevant Issuer or any of its affiliates (as more fully described in Condition 25 of the Terms and Conditions), the Calculation Agent may determine, in good faith, the appropriate adjustment(s), if any, to be made to any of the Conditions and/or the applicable Final Terms to account for that event and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the Cash Settlement Amount, the value and liquidity of the affected Credit Linked SDs; or
- (ii) following the occurrence of certain events affecting the Hedge Positions entered into or to be entered into by the relevant Issuer or any of its affiliates (as more fully described Condition 25 of the Terms and Conditions), such Issuer may redeem or terminate (as applicable) the SDs at their Fair Market Value. Following such redemption or termination (as applicable), an investor may not be able to reinvest the redemption proceeds on equivalent terms.

Conflicts of interest

The Holders are informed that the Issuers and the Dealer may from time to time hold Obligations of the Reference Entities. The rights and obligations of an Issuer under the SDs or any loss suffered by the Holders under the SDs are both irrespective of whether an Issuer has a credit exposure to a Reference Entity or has suffered any loss in relation to a Reference Entity.

Societe Generale and its affiliates may, at the date at any time, be in possession of information in relation to any Reference Entity or Reference Obligation that is or may be material in the context of the issue of the SDs and that may not be publicly available or known to the other. There is no obligation on Societe Generale and its affiliates to disclose to the Holders or any other party any such relationship or information whether before or after the Issue Date.

Credit Rating

Holders should be aware that credit ratings do not constitute a guarantee of the quality of the SDs or the Reference Entity(ies). The rating assigned to the SDs by the rating agencies, if any, is based on the Reference Entity(ies)'s current financial condition (or, as the case may be, the Reference Entity(ies)'s long term unsubordinated debt rating) and reflects only the rating agencies' opinions. In respect of the Reference Entity(ies), rating agencies do not evaluate the risks of fluctuation in market value but attempt to assess the likelihood of principal and/or interest payments being made. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning agency. Nevertheless, the rating agencies may fail to make timely changes in credit ratings in response to subsequent events so that a Reference Entity(ies)'s current financial condition may be better or worse than a rating indicates. Accordingly a credit rating may not fully reflect the true risks under the SDs.

Certain Considerations Associated with Currency SDs

An investment in Currency SDs will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Currency SDs, Holders will receive an amount (if any) determined by reference to the value of the currency/currencies and/or the physical delivery of a given amount of a currency or currencies. Accordingly, an investment in Currency SDs may bear similar market risks to a direct currency investment, and investors should take advice accordingly.

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency SDs. Furthermore, investors who intend to convert gains or losses from the exercise, redemption

or sale of Currency SDs into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Where the calculation of any Cash Settlement Amount or Redemption Amount involves a currency conversion (for example between the currency of an underlying share to which the value of the SDs may relate and the Settlement Currency) fluctuations in the relevant exchange rate will directly affect the value of the relevant SDs. Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency, regardless of other market forces. Purchasers of Currency SDs risk losing their entire investment if exchange rates of the relevant currency do not move in the anticipated direction.

If additional warrants or options relating to particular non-U.S. currencies or particular currency indices are subsequently issued, the supply of warrants and options relating to such non-U.S. currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the SDs and such other warrants and options trade in the secondary market to decline significantly.

Certain Considerations Associated with Fund SDs

An investment in Fund SDs will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Fund SDs, Holders will receive an amount (if any) determined by reference to the value of the fund shares (including funds shares in exchange traded funds) or units and/or the physical delivery of a given number of fund shares or units. Accordingly, an investment in Fund SDs may bear similar market risks to a direct fund investment, and investors should take advice accordingly.

Where an Issuer issues Fund SDs linked to one or more Funds, including Hedge Funds, the relevant SDs reflect the performance of such fund(s). Funds may trade and invest in a broad range of investments such as debt and equity, commodities and foreign exchange and may enter into derivative transactions, including, without limitation, futures and options. Funds may often be illiquid and may only be traded on a monthly, quarterly or even less frequent basis. The trading strategies of Funds are often opaque. Funds, as well as the markets and instruments in which they invest, are often not subject to review by governmental authorities, self-regulatory organisations or other supervisory authorities.

For all the above reasons, investing directly or indirectly in Funds is generally considered to be risky. If the underlying Fund does not perform sufficiently well, the value of the SD will fall, and may in certain circumstances be zero.

Certain Considerations Associated with SDs linked to Securitised Derivatives

An Issuer may issue SDs where the amount payable on exercise or redemption is linked to securitised derivatives that are indexed on an Underlying or on a basket of Underlyings. The same risks factors should be considered for such SDs as those for the SDs that constitute the underlying.

Certain Considerations Associated with SDs Linked to Emerging Markets

An Issuer may issue SDs where the amount payable on exercise or redemption or the interest payable is linked to Underlyings which consist of (i) securities, funds or indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, (ii) securities which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Prospective investors should note that additional risks may be associated with investment in such SDs, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status,

interpretation and application of laws including, but not limited to, those relating to expropriation, nationalisation and confiscation. SDs traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

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

Certain Considerations Associated with Dynamic Basket SDs

Neither the relevant Issuer, the Guarantor, the Weighting Manager nor the Calculation Agent gives any assurance as to the performance of the Dynamic Basket SDs.

Certain SDs are referenced on a basket whereby the contents of such basket are dynamic as opposed to static. This means that the relative weightings of the basket constituents may be unilaterally modified by the applicable Issuer or the Calculation Agent, as the case may be, during the life of the SDs and, in limited circumstances more fully set out in the terms and conditions of the SDs, on a discretionary basis. In relation to certain SDs, the decision to make such modifications will be made on the basis of a recommendation of the Weighting Manager or after prior consultation with such Weighting Manager upon the terms of the weighting arrangements as summarised in an annex to the applicable Final Terms. The relevant Issuer or the Calculation Agent, as the case may be, has in certain limited circumstances referred to above, the discretion as to whether or not to accept any such recommendation to modify the basket weightings. The implementation of any such recommendations as well as the omission to implement them may have an adverse affect on the value of the SDs.

The Holders should be aware that basket constituents contained in such a dynamic basket upon which SDs are referenced are subject to changes in their relative weightings during the life of the SDs and that the initial proportions in which the relevant basket constituents are comprised with respect to each other are unlikely to be maintained throughout the life of the SDs. Basket constituents may also be replaced by other constituents of the same type as the initial basket constituents. This may affect the value of the SDs. The Holders should be aware that the Weighting Manager's recommendation and the Calculation Agent's decision will be based on their own commercial models and expertise which will not necessarily be commercially beneficial to the Holders depending upon the specific market circumstances at the time. Failure by the Weighting Manager to provide a timely recommendation or by the Calculation Agent or the relevant Issuer to make a timely allocation decision or replacement decision, as the case may be, for whatever reason may affect the value of the SDs.

The performance of the SDs depends on the ability and services of the Weighting Manager and/or of the Calculation Agent when acting as Weighting Manager. Holders should be aware that the performance of the SDs will depend to a considerable extent on the ability of the Weighting Manager and/or of the Calculation Agent when acting as Weighting Manager to provide the optimal weighting and/or replacement recommendations throughout the life of the SDs. The performance of the SDs will depend, in part, on the ability of the Weighting Manager and/or of the Calculation Agent when acting as Weighting Manager to provide a competent, attentive and efficient service on the terms of the Weighting Management Arrangements, as well as on the ability of the applicable Issuer and of the Calculation Agent to implement the recommendations of the Weighting Manager. Holders should make their own independent appraisal of the ability, services and overall competence of the Weighting Manager and should not rely exclusively on the applicable Issuer or Societe Generale in making this assessment.

There can be no assurance that the Weighting Manager will be able to provide such services or indeed be able to avoid negative performance. Neither the Issuers, Societe Generale as Guarantor or as Calculation Agent under the SDs are in a position to protect the Holders against fraud, negligence or misrepresentation on the part of the unaffiliated Weighting Manager. Holders should understand that they could be materially adversely affected by any such factors.

In the ordinary course of its business, whether or not it will engage in any secondary market making activities, the Weighting Manager or any of its affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the basket constituents and/or the Entitlement or related derivatives. Such transactions effected by the Weighting Manager and/or its affiliates may affect the market price, liquidity or value of the Dynamic Basket SDs and could be deemed to be adverse to the interests of the relevant Holders. Such situations may result in consequences which may be adverse to an investor's investment.

Pursuant to the Weighting Management Arrangement, the Weighting Manager may receive remuneration (in the form of fees and/or commissions) which may adversely affect the value of the Dynamic Basket SDs.

If the Weighting Manager ceases to provide its services in respect of the Dynamic Basket SDs, it is not certain that the Calculation Agent will be able to find and appoint a replacement weighting manager of similar experience and standing as the outgoing Weighting Manager, nor is it certain as to how long it might take to appoint a replacement. This may result in the proportions in which the relevant basket constituents SDs remaining static which may have an adverse affect on the value of the SDs or, as the case may be, result in the early termination of the affected Dynamic Basket SDs.

In this regard Holders should be aware that in the event of the Weighting Manager ceasing to carry out its services under the Weighting Management Arrangements by way of resignation or otherwise, the applicable Issuer will have the option to redeem or terminate (as applicable) the relevant Dynamic Basket SDs upon notice as provided in the terms and conditions of the relevant SDs. Should such redemption occur, the redemption and/or termination amount may be less than Holders would otherwise have received if this occurs and, consequently, the value of the Dynamic Basket SDs may be adversely affected.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been approved by the UK Listing Authority or filed with it shall be incorporated in, and to form part of, this Base Prospectus:

Documents incorporated by reference in relation to Societe Generale:

- (a) pages 223 to 344 of the English version of the 2011 *Document de référence* of Societe Generale submitted to the Autorité des Marchés Financiers on 4 March 2011 under No D 11-0096 (the **2011 Registration Document**), such pages containing the audited annual consolidated financial statements of Societe Generale for the financial year ended 31 December 2010 and the related notes (at pages 223 to 342) and a free English language translation of the audit report (at pages 343 to 344) (the **2010 Guarantor Financial Information**).

For the avoidance of doubt, any information contained in the 2011 Registration Document, other than the **2010 Guarantor Financial Information**, is not relevant for investors and is not incorporated by reference into this Base Prospectus;

- (b) the English translation of the *document de référence* 2012 of Societe Generale, the French version of which was filed with the Autorité des marchés financiers (hereinafter the **AMF**) on 2 March 2012 under No D 12-0125, except for (i) the inside cover page containing the AMF visa and the related textbox, (ii) the statement of the person responsible for the registration document and the annual financial report made by Mr. Frédéric Oudéa, Chairman and Chief Executive Officer of Societe Generale, page 444 and (iii) the cross reference table, pages 448-449 ((i), (ii) and (iii) together hereinafter, the **2012 Excluded Sections**, and the English version of the *document de référence* 2012 of Societe Generale without the 2012 Excluded Sections, hereinafter the **2012 Registration Document**).

For the avoidance of doubt, the 2012 Excluded Sections are not relevant for investors and are not incorporated by reference into this Base Prospectus. Any reference to the 2012 Registration Document shall be deemed to exclude the relevant 2012 Excluded Sections;

- (c) the English translation of the first update to the *document de référence* 2012 of Societe Generale, the French version of which was filed with the AMF on 7 May 2012 under No D 12-0125-A01, except for (i) the inside cover page containing the AMF visa and the related textbox, (ii) the statement of the person responsible for updating the registration document made by Mr. Frédéric Oudéa, Chairman and Chief Executive Officer of Societe Generale, page 81 and (iii) the cross reference table, pages 83-84 ((i), (ii) and (iii) together hereinafter, the **2012 First Update Excluded Sections**, and the English version of the first update to the *document de référence* 2012 of Societe Generale without the 2012 First Update Excluded Sections, hereinafter the **First Update to the 2012 Registration Document**).

For the avoidance of doubt, the 2012 First Update Excluded Sections are not relevant for investors and are not incorporated by reference into this Base Prospectus. Any reference to the First Update to the 2012 Registration Document shall be deemed to exclude the 2012 First Update Excluded Sections;

Documents incorporated by reference in relation to SGA Societe Generale Acceptance N.V.:

- (d) the English version of the audited annual financial statements for the financial years ended 31 December 2010 and 31 December 2011 of SGA Societe Generale Acceptance N.V. and the related notes and audit reports for each such year;

Documents incorporated by references in relation to Societe Generale Effekten GmbH

- (e) the English version of the audited annual financial statements for the financial years ended 31 December 2010 and 31 December 2011 of Societe Generale Effekten GmbH and the related notes and audit reports for each such year; and

Previous terms and conditions incorporated by reference:

- (f) (i) the terms and conditions of the SDs contained on pages 49 to 92 of the base prospectus dated 27 April 2012, (ii) the terms and conditions of the SDs contained on pages 40 to 75 of the base prospectus dated 28 April 2011, (iii) the terms and conditions of the SDs contained on pages 45 to 80 of the reference document dated 27 April 2010, (iv) the terms and conditions of the SDs contained on pages 43 to 78 of the reference document dated 2 September 2009, (v) the terms and conditions of the SDs contained on pages 40 to 75 of the reference document dated 2 September 2008, (vi) the terms and conditions of the SDs contained on pages 37 to 72 of the reference document dated 4 September 2007 and (vii) the terms and conditions of the SDs contained on pages 33 to 67 of the reference document dated 25 August 2006.

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

The documents incorporated by reference in paragraphs (a) to (d) above are direct English translations of the original French version of such documents. In the event of discrepancy between the original French version and the English translation of the documents incorporated by reference in this Base Prospectus, the French version shall prevail.

The documents incorporated by reference in paragraph (e) above are direct English translations of the original German version of such documents. In the event of discrepancy between the original German version and the English translation of the documents incorporated by reference in this Base Prospectus, the German version shall prevail.

Copies of documents incorporated by reference in this Base Prospectus can be obtained, without charge, from the specified offices of the Issuer, of Societe Generale, London Branch and of the Agent (as defined below), in each case at the address given at the end of this Base Prospectus.

Any documents incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not be incorporated in or form part of this Base Prospectus for the purposes of the Prospectus Directive.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

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

ADDITIONAL INFORMATION

Societe Generale group is rated A2 by Moody's, A+ by Fitch and A by Standard & Poor's.

Each of these credit rating agencies is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 (as amended by Regulation (EU) No. 513/2011, the **CRA Regulation**). As such they are included in the list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation. Such list is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

CROSS-REFERENCE LIST FOR SOCIETE GENERALE

Annex XI of the European Regulation 809/2004/EC of 29 April 2004		2011 Registration Document	2012 Registration Document	First Update to the 2012 Registration Document
3	RISK FACTORS			
3.1	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	N/A	196-239	38-42; Appendix 1
4	INFORMATION ABOUT THE ISSUER			
4.1	<u>History and development of the company</u>	N/A	2; 33	N/A
5	BUSINESS OVERVIEW			
5.1	<u>Principal activities</u>	N/A	6-17; 63-66	3
5.1.3	Principal markets	N/A	359-362	N/A

Annex XI of the European Regulation 809/2004/EC of 29 April 2004		2011 Registration Document	2012 Registration Document	First Update to the 2012 Registration Document
6	ORGANISATIONAL STRUCTURE			
6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	N/A	3; 38-39	N/A
6.2	Whether the issuer is dependent on other entities within the group.	N/A	3	N/A
7	TREND INFORMATION			
7.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.	N/A	68	N/A
8	PROFIT FORECASTS OR ESTIMATES			
9	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT			
9.1	Names, business addresses and functions in the Issuer of the members of the administrative, management, and supervisory bodies, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer.	N/A	76-89	5
9.2	Administrative, Management, and Supervisory bodies conflicts of interests.	N/A	90	N/A

Annex XI of the European Regulation 809/2004/EC of 29 April 2004		2011 Registration Document	2012 Registration Document	First Update to the 2012 Registration Document
10	MAJOR SHAREHOLDERS			
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	N/A	26-29; 34	N/A
11	FINANCIAL, INFORMATION CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES OF THE ISSUER			
11.1	Historical financial information	223-342	246-362; 365-425	N/A
	(a) Balance Sheet	223	246-247	N/A
	(b) Income Statement	225	248	N/A
	(c) Cash Flow Statement	229	253	N/A
	(d) Accounting policies and explanatory notes	230-250	254-362	N/A
11.2	Financial statements	223-342; 345-415	246-362; 365-425	N/A
11.3	Auditing of the historical annual financial information	343-344; 416-417	363-364; 426-427	N/A
11.4	Age of latest financial information	223	246; 365	N/A
11.5	Interim Financial Information	N/A	N/A	44-71
11.6	Legal and arbitration proceedings	N/A	235-237	N/A

Annex XI of the European Regulation 809/2004/EC of 29 April 2004		2011 Registration Document	2012 Registration Document	First Update to the 2012 Registration Document
18	MAJOR SHAREHOLDERS			
18.1	Shareholders owning more than 5% of capital or voting rights	N/A	29	N/A
18.2	Different voting rights held by the major shareholders	N/A	29; 34	N/A
21	ADDITIONAL INFORMATION			
21.1	Share capital	N/A	26-35	4

CROSS-REFERENCES RELATING TO FINANCIAL STATEMENTS OF

SGA SOCIETE GENERALE ACCEPTANCE N.V.

SGA Societe Generale Acceptance N.V. audited annual financial statements for the period from 1 January 2011 to 30 December 2011 prepared in accordance with IFRS and related notes and audit report	Pages 1 to 26
Balance Sheet relating to the above	Page 7
Income Statement relating to the above	Page 9
Cash-flow Statement relating to the above	Page 10
Notes relating to the above	Pages 17 to 26
Accounting principles relating to the above	Pages 12 to 15
Free English translation of the audit report relating to the above	Pages 2 to 3
SGA Societe Generale Acceptance N.V. audited annual financial statements for the financial year ended 31 December 2010 prepared in accordance with IFRS and related notes and audit report	Pages 1 to 24
Balance Sheet relating to the above	Page 4
Income Statement relating to the above	Page 6
Cash-flow Statement relating to the above	Page 7
Notes relating to the above	Pages 13 to 22
Accounting principles relating to the above	Pages 9 to 12
Free English translation of the audit report relating to the above	Pages 1 to 2

**CROSS-REFERENCES RELATING TO FINANCIAL STATEMENTS OF
SOCIETE GENERALE EFFEKTEN GMBH**

Societe Generale Effekten GmbH audited annual financial statements for the period from 1 January 2011 to 31 December 2011 prepared in accordance with the accounting regulations of the German Commercial Code (<i>Handelsgesetzbuch</i>) and the supplementary provisions of the German Limited Liability Companies Act, in compliance with German accepted accounting principles	
Balance Sheet relating to the above	Page 25
Income Statement relating to the above	Page 26
Cash-flow Statement relating to the above	Page 34
Notes relating to the above	Pages 27 to 33
Accounting principles relating to the above	Page 27 to 28
Audit Opinion relating to the above	Pages 36 to 37
Societe Generale Effekten GmbH audited annual financial statements for the financial year ended 31 December 2010 prepared in accordance with the accounting regulations of the German Commercial Code (<i>Handelsgesetzbuch</i>) and the supplementary provisions of the German Limited Liability Companies Act, in compliance with German accepted accounting principles	
Balance Sheet relating to the above	Page 25
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[SGA SOCIETE GENERALE ACCEPTANCE N.V.] / [SOCIETE GENERALE EFFEKTEN GMBH]

FORM OF FINAL TERMS

IN RESPECT OF

[] [WARRANTS/CERTIFICATES] ON [] (the SDs)
ISSUED UNDER THE SECURITISED DERIVATIVES PROGRAMME

THE SECURITISED DERIVATIVES DOCUMENTED HEREIN ARE INTENDED FOR PURCHASE BY [A LIMITED NUMBER OF/INVESTORS, ALL OR SOME OF WHOM MAY OR MAY NOT BE] INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS.*

PART A – CONTRACTUAL TERMS

The Final Terms relating to each issue of SDs may contain (without limitation) such of the following information as is applicable in respect of such SDs. Any information that is not applicable will be deleted along with any italic notes.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 25 June 2012 as supplemented by any supplement to the Base Prospectus (the **Base Prospectus**), which constitutes a Base Prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the final terms of the SDs described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the SDs is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus, and any supplement to the Base Prospectus, is available for viewing during normal business hours at the registered office of the Issuer and the specified office of the Agent.

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

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

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] which are incorporated by reference in the Base Prospectus dated 25 June 2012 and are attached hereto. This document constitutes the final terms of the SDs described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 25 June 2012, as supplemented, which constitutes a Base Prospectus for the purposes of the Prospectus Directive. Full information on the Issuer, the Guarantor and the offer of the SDs is only available on the basis of the combination of these Final Terms, the Base Prospectus dated 25 June 2012, as supplemented. Copies of such Base Prospectus are available for viewing during normal business hours at the registered office of the Issuer and the specified office of the Agent.]

[The SDs, the Guarantee and any securities to be issued or delivered on the exercise or redemption of the SDs have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state of the United States. The SDs and the Guarantee are being

* First option for Specialist SDs.

sold only outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act. Accordingly, the Warrants may not be exercised and the SDs, the Guarantee and any securities to be issued or delivered on exercise or redemption of the SDs may not be offered or sold to any person in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act). Furthermore, trading in the SDs has not been approved by the United States Commodity Futures Trading Commission and neither the Guarantor or the Issuer has been or will be registered as a commodity pool operator under the rules promulgated under the United States Commodity Exchange Act of 1936, as amended, and no U.S. person may at any time trade or maintain a position in the SDs.]

The Issuer has not registered and does not intend to register as an "investment company" under the United States Investment Company Act of 1940, as amended.

References herein to numbered Conditions are to the terms and conditions of the SDs (the **Conditions**) and words and expressions defined in the Conditions shall bear the same meaning in these Final Terms, save as where otherwise provided.

Subject as provided below, the Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. The information relating to the [Share] [GDR] [Index] [Debt Instrument] [Currency] [Commodity] [Fund] [Reference Entity and Reference Obligation] contained herein has been accurately reproduced from information published by [Reuters] [Bloomberg] [Markit] [and the Sponsor (as defined below)]. So far as the Issuer is aware [and/or the Guarantor] is able to ascertain from information published by [Reuters] [Bloomberg] [Markit] [and the Sponsor] no facts have been omitted which would render the reproduced information misleading.

[If applicable, insert disclaimer language in respect of the Shares, GDRs, Index, Debt Instruments, Currencies, Commodities, Fund, Reference Entity or Reference Obligation or other asset or reference basis for the SDs.]

[If no specific Sponsor available, insert the general disclaimer below for Index SDs.]

[The SDs are not in any way sponsored, endorsed or promoted by the Sponsor[s]. The Sponsor[s] do[es] not make any warranty or representation whatsoever, express or implied, either as to the results to be obtained as to the use of [the/any] Index or the figure as which [the/any] Index stands at any particular day or otherwise. The [Index is/Indices are] compiled and calculated solely by the Sponsor[s]. However, the Sponsor[s] will not be liable to any person for any error in [the/any] Index and the Sponsor shall not be under any obligation to advise any person, including a purchaser or vendor of the SDs, of any error therein.

In addition, the [Sponsor gives/Sponsors give] no assurance regarding any modification or change in any methodology used in calculating [the/any] Index and are under no obligation to continue the calculation, publication and dissemination of [the/any] Index.]

(Complete as applicable, distinguishing between Series where relevant; Italics denote directions for completing the Final Terms)

MAIN PROVISIONS

1. Issuer: [SGA Societe Generale Acceptance N.V.] / [Societe Generale Effekten GmbH]

2. Type of Securitised Derivatives: *Specify* [Specialist/Retail] [Single/Basket/Dynamic Basket] [Index/Share/GDR/Debt Instrument/Credit Linked /Currency/Commodity/Interest Rate/Fund/Securitised Derivative] [Cash Settled/[or (subject to Item 44 below)]/Physical Delivery] [Certificates/[European/American/open ended SDs] Style [Put/Call Warrants] [*specify other or variant*]]

3. Number of Warrants/Aggregate Nominal Amount of Certificates: [*Total number/amount*] [divided into: [*specify number/amount*]]

4. Specified Denomination: [[*Specify single denomination*]/Not applicable] (*Certificates*)

[In respect of Credit Linked Certificates:

(in relation to each Certificate, and subject to Condition 25 of the Conditions, the **Nominal Amount**)]

5. Consolidation: [Not applicable/The SDs are to be consolidated and form a single Series with the [*Insert title*] issued on [*Insert date*]]

6. Issue Date
- 6.1 Issue Date [and, if any, Interest Commencement Date]: [*specify xx month year*]
- 6.2 [Interest Commencement Date (if different from the Issue Date)]: []/[Not applicable]

7. Issue Price: [*Specify currency amount*] per SD

8. Determination Date (Certificates)/Expiration Date (European Style Warrants)/Exercise Period (American Style Warrants): [*specify xx month year*] or (if such date is not a Business Day) the immediately [preceding/succeeding] Business Day] (*European Style Warrants*)

[in respect of Credit Linked Warrants:

[specify Scheduled Expiration Date] (such date being the **Scheduled Expiration Date**), subject to the provisions of Item 14 below and

Condition 25.]

[From (and including) [xx month year] to (and including) [xx month year] and the [Expiration Date] shall be the last Business Day of such period] (*For American Style Warrants*)

[From (but excluding) [xx month year] to (but excluding) the Expiration Date (as set out at Item 20 below)] (*For American Style Warrants which are also open ended Warrants*)

[As set out in the Conditions] (*For Cash Settled Certificates*)

[As set out in Item 20 below] (*For open ended Certificates*)

[[*specify xx month year*] or such earlier/The] date (being [xx month year] in any year from and including [xx month year] specified by the Issuer on [] months' notice to the Holders, provided that if [any] such date is not a Business Day, the [Expiration Date] shall be the immediately [preceding/succeeding] Business Day)
[*Not applicable*] [*Specify*]

9. Settlement Date
(Warrants)/Maturity Date
(Certificates):

[As set out in the Conditions] (*For Warrants*)

[*specify xx month year*] or (if such date is not a Business Day) the immediately [preceding/succeeding] Business Day [, subject in each case to adjustment in accordance with the Conditions]] (*For Cash Settled Certificates other than open ended Certificates*)

[*in respect of Credit Linked Certificates:*

[*specify Scheduled Maturity Date*] (such date being the **Scheduled Maturity Date**), subject to the provisions of Item 14 below and Condition 25.]

[*Specify*]

10. Settlement Currency:

[] (*Specify currency for payment of any cash amounts to Holders*)

UNDERLYING

11. **Index Securitised
Derivatives:**

[Not applicable/Applicable] (*delete subparagraphs if not applicable*)

11.1 Index/Indices:

[] [*Specify any components in the Basket*] [*For a Dynamic Basket specify the initial basket components*]

11.2 Sponsor(s):

[*(Specify the sponsor(s) responsible for calculating and/or publishing any Index/Indices)*]

11.3 Exchange(s):

[*Specify the exchange on which any component securities are traded*] [In respect of each of the component [stocks] of the Index,

the principal stock exchange on which such [stocks] are principally traded, as determined by the Calculation Agent][†]

- 11.4 Related Exchange(s): *[Specify the organised exchange(s) on which futures/options contracts relating to the Index/Indices are traded]*
- 11.5 Reference Page(s): For information purposes only, details of the Index can be found *[Specify]*
- 11.6 Actual Maturity Date: *[Not applicable/The actual maturity date of the futures and/or options contracts relating to the Underlying and traded on the Related Exchange falling in the month of the [Expiration/Determination] Date.] (For Index SDs)*
- 11.7 Actual Maturity Value: *[Not applicable/The official clearing value of the futures and/or options contracts relating to the Index and traded on the Related Exchange maturing on the Actual Maturity Date.] (For Index SDs)*
- 11.8 Adjustments in case of events relating to Index/Indices: *[As set out in Condition 22] [Substitution shall not be applicable]*
- 11.9 Other provisions: *[Not applicable/[Specify]/see Annex] [References to "Exchange(s)" are deleted from the definition of Index Trading Day][‡]*
12. **Share Securitised Derivatives and GDR Securitised Derivatives** *[Not applicable/Applicable] (delete subparagraphs if not applicable)*
- 12.1 Share Company(ies): *[Insert name(s)]*
- 12.2 [Deposited] Share(s): *[Ordinary share of the Share Company/(Specify other)] [(Specify ISIN or other Securities Code)] (Deposited Share(s) only applicable if SDs are GDR SDs)*
- 12.3 GDR(s): *[Not applicable/Insert name(s) and details of GDR including the Depositary and the parity between the GDR and the Deposited Share] (only applicable if SDs are GDR SDs)*
- 12.4 Exchange(s): *London Stock Exchange/[Specify other exchange on which Share(s) are quoted. For GDR SDs, specify the exchange on which both the GDR(s) and the Deposited Share(s) are quoted]*
- 12.5 Related Exchange(s): *[Specify the organised exchange(s) on which futures/options contracts relating to the Share(s) are traded. For GDR SDs, specify the organised exchange(s) on which futures/options contracts relating to both the GDR(s) and the Deposited Share(s) are traded]*
- 12.6 Reference page(s)/code(s): *[Not applicable]*

[†] Consider inserting for multi-exchange indices.

[‡] Consider inserting for multi-exchange indices.

12.7	Inter-Bank Offered Rate:	[LIBOR GBP/LIBOR USD/[<i>specify other IBOR rate for Discounting Method</i>]]
12.8	Adjustments in case of events relating to Shares or GDRs:	[As set out in Condition 23] [Substitution shall not be applicable]
12.9	Other provisions:	[Not applicable/[Specify]/see Annex [I / II]]
13.	Debt Instrument Securitised Derivatives	[Not applicable/Applicable] (<i>delete subparagraphs if not applicable</i>)
13.1	Debt Instrument(s):	[Not applicable/[Specify (<i>including any ISIN or other Securities Code</i>)]]
13.2	Further details on Debt Instrument(s):	[Not applicable/[Specify (<i>including issuer name</i>)]/see Annex [I / II]]
13.3	Adjustments in case of events relating to Debt Instruments:	[As set out in Condition 24] [Substitution shall not be applicable]
13.4	Other provisions:	[Not applicable/[Specify]/see Annex [I / II]]
14.	Credit Linked SDs provisions	[Applicable] [Not Applicable] [See Annex III]
14.1	Type of Credit Linked SDs:	[Single Name SDs] [First-to-Default SDs] [Credit Basket SDs] [Tranche SDs] [<i>Specify other</i>] [See Annex III] [NB: <i>First-To-Default SDs are also referred to as FTD SDs</i>]
14.2	First Credit Event Occurrence Date:	[] [See Annex III]
14.3	Settlement Type:	[American] [European] [See Annex III]
14.4	Settlement Method:	[Cash Settlement] (<i>or but ONLY for Single Name SDs and FTD SDs</i>) [Physical Settlement] [See Annex III] [In relation to Warrants only: Alternative Physical Settlement is [Applicable/Not Applicable]] (<i>Only where Cash Settlement applies</i>)
14.5	Long/Short Exposure:	[Short Warrants] [Long Warrants] (<i>Warrants only</i>) [Not Applicable] (<i>For Certificates</i>)
14.6	Reference Entity(ies):	[See Annex III]

[insert name(s)] [Specify if Sovereign]

[For Credit Basket SDs (which by definition include Tranche SDs) and FTD SDs: The Reference Entities comprised in the Reference Portfolio as described in Annex III hereto]

14.7 Transaction Type: [See Annex III]

[For Single Name SDs: As specified in Annex III hereto]

[For Credit Basket SDs (which by definition include Tranche SDs) and FTD SDs: For each Reference Entity comprised in the Reference Portfolio, as specified in Annex III hereto]

14.8 Warrant Notional Amount: [Not Applicable] [Specify a Warrant Notional Amount in respect of each Warrant]

14.9 Multiple Successor(s): [See Annex III]

[For Single Name SDs: Applicable]

[For Credit Basket SDs (which by definition include Tranche SDs) and FTD SDs: Not relevant. Condition 25.2(e) "Multiple Successors" of the Terms and Conditions does not apply to the SDs]

14.10 Reference Obligation(s): [See Annex III]

CUSIP/ISIN: [] [None]

[For Credit Basket SDs (which by definition include Tranche SDs) and FTD SDs: For each Reference Entity comprised in the Reference Portfolio, the Reference Obligation(s) specified in Annex III hereto]

14.11 Calculation Agent responsible for calculating the redemption amount: [Not Applicable] [Specify name and address]

14.12 All Guarantees: [See Annex III]

[For Single Name SDs: As specified in Annex III hereto]

[For Credit Basket SDs (which by definition include Tranche SDs) and FTD SDs: For each Reference Entity comprised in the Reference Portfolio, as specified in Annex III hereto]

14.13 Credit Events: [See Annex III]

[For Single Name SDs: The Credit Events specified in Annex III hereto]

[For Credit Basket SDs (which by definition include Tranche SDs)

and FTD SDs: For each Reference Entity comprised in the Reference Portfolio, the Credit Event(s) specified in Annex III hereto]

14.14 Notice of Publicly Available Information

[See Annex III]

[For Single Name SDs: As specified in Annex III hereto]

[For Credit Basket SDs (which by definition include Tranche SDs) and FTD SDs: For each Reference Entity comprised in the Reference Portfolio, as specified in Annex III hereto]

14.15 Obligation(s):

Obligation Category:

[See Annex III]

[For Single Name SDs: The Obligation Category specified in Annex III hereto]

[For Credit Basket SDs (which by definition include Tranche SDs) and FTD SDs: For each Reference Obligation comprised in the Reference Portfolio, the Obligation Category specified in Annex III hereto]

Obligation Characteristics:

[See Annex III]

[For Single Name SDs: The Obligation Characteristics specified in Annex III hereto]

[For Credit Basket SDs (which by definition include Tranche SDs) and FTD SDs: For each Reference Obligation comprised in the Reference Portfolio, the Obligation Characteristics specified in Annex III hereto]

14.16 Accrual of Interest upon Credit Event:

[See Annex III]

[No Accrued Interest upon Credit Event]

[Accrued Interest upon Credit Event]

[Guaranteed Coupon]

(NB: Guaranteed Coupon only where settlement is European Settlement)

[If no coupon: Not relevant. The SDs do not bear interest.]

14.17 Terms relating to Settlement:

14.18 Final Value:

[See Annex III]

[Fixed Recovery: [] per cent.] [Floating Recovery with [Auction Method] [Quotation Dealers Method]]

[If Physical Settlement: Not Applicable]

14.19	[Deliverable/Selected] Obligation(s):	[If Cash Settlement and Fixed Recovery: Not Applicable] [See Annex III]
		If not applicable, delete the subparagraphs “[Deliverable/Selected] Obligation Category” and “[Deliverable/Selected] Obligation Characteristics”
	[Deliverable/Selected] Obligation Category:	[See Annex III]
		[For Single Name SDs: The [Deliverable/Selected] Obligation Category specified in Annex III hereto]
		[For Credit Basket SDs (which by definition include Tranche SDs): For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Category specified in Annex III hereto]
		[For FTD SDs: For each Reference Entity comprised in the Reference Portfolio, the [Deliverable] [Selected] Obligation Category specified in Annex III hereto]
	[Deliverable/Selected] Obligation Characteristics:	[See Annex III]
		[For Single Name SDs: The [Deliverable/Selected] Obligation Characteristics specified in Annex III hereto]
		[For Credit Basket SDs (which by definition include Tranche SDs): For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Characteristics specified in Annex III hereto]
		[For FTD SDs: For each Reference Entity comprised in the Reference Portfolio, the [Deliverable] [Selected] Obligation Characteristics specified in Annex III hereto]
14.20	First to Default:	[Applicable] [Not Applicable] [See Annex III]
14.21	Provisions relating to Credit Basket SDs:	[Applicable] [Not Applicable] [See Annex III]
		[If not applicable, delete the remaining subparagraphs (a) to (f) of this subparagraph (xvii)]
	[(a) Reference Portfolio Notional Amount:	[See Annex III] [] [equal to the product of (i) $P/(M-N+1)$ and (ii) the Aggregate Nominal Amount or Aggregate Warrant Notional Amount (as applicable), if N-to-M-to-Default is specified as Applicable]
	(b) Reference Entity Notional Amount:	[See Annex III]
		[For each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount]

- (c) Reference Price: [See Annex III]
[[] per cent.]
- (d) Reference Entity [See Annex III]
Weighting: [For Each Reference Entity: []/ the amount specified as such in Annex III hereto]
- (e) Provisions relating to Tranche SDs: [See Annex III] [Applicable] [Not Applicable]
If not applicable, delete the remaining subparagraphs (1), (2) and (3) of this subparagraph (e)
- [(1) N-to-M-to-Default: [See Annex III] [Applicable] [Not Applicable]
[If not applicable delete the three lines below:
N = []
M = []
P = [number of Reference Entities within the Reference Portfolio]
- (2) Tranche Notional Amount: [See Annex III]
[[] (NB: *The Tranche Notional Amount should be equal to [portfolio size * (detachment point- attachment point)]*)
[equal to the Aggregate Nominal Amount or Aggregate Warrant Notional Amount, as applicable, if N-to-M-to-Default is specified as Applicable]
- (3) Tranche Subordination Amount: [See Annex III]
[] *[equal to the product of (i) the Aggregate Nominal Amount or Aggregate Warrant Notional Amount, as applicable, and (ii) (N-1)/(M-N+1), if N-to-M-to-Default is specified as Applicable]*
- (f) Interest Recovery: [See Annex III]
[Delete this subparagraph (f) UNLESS (1) the SDs are Credit Basket SDs with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent. or with a Floating Interest Recovery or (2) the SDs are Tranche SDs where N-to-M-to-Default is specified as Not Applicable and with a Fixed Interest Recovery or (3) the SDs are Tranche SDs where N-to-M-to-Default is specified as Applicable and with Floating Interest Recovery with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent.]
[Fixed Interest Recovery with an Interest Recovery Rate of [specify]

per cent.] [Floating Interest Recovery]]

14.22 Provisions relating to other Credit Linked SDs: [See Annex III] [] [Not Applicable]

If not applicable, delete subparagraphs (xviii) (a) and (b)

[(a) Interest Calculation Amount: [See Annex III] []

(b) Calculation of Credit Event Payment Amount: [See Annex III] []]

14.23 Such other additional terms or provisions as may be required: [See Annex III] [] [Not Applicable]

14.24 Credit Business Days: [*Specify*]

15. Currency Securitised Derivatives

15.1 Applicable Exchange Rate(s): [] [*Specify details of any Components in the Basket*]

15.2 Substitute Applicable Exchange Rate(s): [As set out in the Conditions/*specify other*]]

15.3 Reference Page(s): [See *Applicable Exchange Rate(s)* above[§]/*specify*]]

15.4 Other provisions: [Not applicable/*Specify*]/see Annex]

16. **Commodity Securitised Derivatives** [Not applicable/ Applicable] (*delete subparagraphs if not applicable*)

16.1 Commodity(ies)/Commodity Futures Contract(s): [*Specify details*]

16.2 Quotation Provider: [*Specify relevant market authority or price provider which gives quotation of the Commodity or Commodity Futures Contract*]

16.3 Adjustments in case of events relating to Commodity(ies)/Commodity Futures Contract(s): [As set out in Condition 27] [Substitution shall not be applicable]

16.4 Other provisions: [Not applicable/*Specify*]/see Annex]

17. **Interest Rate Securitised Derivatives** [Not applicable/Applicable] (*delete subparagraphs if not applicable*)

[§] Page reference may be imbedded in definition of Index.

17.1	Interest Rate(s):	[Not applicable/[Specify]]
17.2	Further details on Interest Rate(s):	[Not applicable/[Specify (including any weightings in a Basket)]/see Annex]
17.3	Other provisions:	[Not applicable/[Specify]/see Annex]
18.	Fund Securitised Derivatives	[Not applicable/Applicable] (<i>delete subparagraphs if not applicable</i>)
18.1	Fund(s):	[Not applicable/[Specify (including any ISIN or other Securities Code)]]
18.2	Further details on Fund(s):	[Not applicable/[Specify (including definition of "Unit")]/see Annex]
18.3	Adjustments in case of events relating to the Fund(s):	[As set out in Condition 28] [Substitution shall not be applicable]
18.4	Other provisions:	[Not applicable/[Specify]/see Annex]
19.	Securitised Derivative Securitized Derivatives	[Not applicable/Applicable] (<i>delete subparagraphs if not applicable</i>)
19.1	Securitized Derivative(s):	[[Specify Title]/see Annex]
19.2	Issuer:	[[Specify]/see Annex]
19.3	Exchange(s):	[Specify the market(s) on which the underlying Securitized Derivative is traded]
19.4	ISIN Code or other Securities Code:	[[Specify]/see Annex]
19.5	Adjustments in case of events relating to the Securitized Derivative(s):	[As set out in Condition 24] [Substitution shall not be applicable]
19.6	Other provisions:	[Not applicable/[Specify]/see Annex]
20.	Additional provisions relating to open ended SDs:	
20.1	Provisions relating to open ended SDs:	[Not applicable/Applicable] (<i>Delete sub-paragraph if not applicable</i>)
20.2	Exercise Date:	[Notwithstanding anything to the contrary in the Conditions, the Business Day on which an Exercise Notice is validly determined in accordance with Condition 5] / [Specify].

- 20.3 Observation Hours: [Specify] / [Not applicable]
- 20.4 Determination Date (Certificates)/Expiration Date (Warrants): [The earliest to occur of (i) the date on which the Warrants are terminated early pursuant to [the Conditions] / [] (Specify condition) and (ii) the date on which a Stop Loss Event occurs.][Specify other]
- 20.5 Early Settlement Date: [Specify]
- 20.6 Early Settlement Price: [Specify] / [Not applicable]
- 20.7 Current Strike Level: [Specify for the relevant type of underlying]
- 20.8 Current Stop Loss Level: [Specify] / [Not applicable]
- 20.9 Stop Loss Event: [A Stop Loss Event is deemed to occur if, at any time, or as the case may be, during the Observation Hours from the Launch Date (inclusive) including in the case of the occurrence of a Market Disruption Event, the Calculation Agent determines that the official price of the relevant underlying has reached the Current Stop Loss Level] [Specify for relevant underlying] [Specify other Stop Loss Event as required]
- 20.10 Launch Date: []
- 20.11 Other: [Specify] / [Not applicable]

INTEREST/COUPON

21. Provisions relating to Fixed Rate SDs: [Not applicable/Applicable] (*delete subparagraphs if not applicable*) (*Certificates only*)
- [In respect of Credit Linked Certificates: Applicable, subject to the provisions of Item 14 above and Condition 25.]
- 21.1 Interest Payment Date(s): [[xx month year] and [the Maturity Date]].
- 21.2 Interest Rate: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- 21.3 Coupon Amount: [Insert Coupon Amount if applicable]
- 21.4 Broken Amount: [Insert particulars of any initial or final broken interest amounts which do not correspond with the Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]
- 21.5 Interest Rate Day Count Fraction: [Actual/365 or Actual/Actual (ISDA)]
- [Actual/365 (Fixed)]
- [Actual/360]

[30/360 (Floating) or 360/360 or Bond Basis]

[30E/360 or Eurobond Basis]

[Actual/Actual ICMA]

- 21.6 Business Day Convention: [Applicable / Not Applicable]
- Adjusted: [Applicable / Not Applicable]
 - Non-Adjusted: [Applicable / Not Applicable]
- 21.7 AAI Determination Date(s): [*Insert day(s) and month(s) on which interest is normally paid (if one, then insert such dates in the alternative in each year) - only to be completed for an issue where Day Count Fraction is Actual/Actual ICMA*]
- 21.8 Other terms relating to the method of calculating interest for Fixed Rate SDs: [Not Applicable/specify]
22. Provisions relating to Floating Rate SDs: [Not applicable/Applicable] (*delete subparagraphs if not applicable*)] (*Certificates only*)
- [*In respect of Credit Linked Certificates: Applicable, subject to the provisions of Item 14 above and Condition 25.*]
- 22.1 Specified Period(s)/Specified Interest Payment Dates: [*Specify*]
- 22.2 Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/ Other (*specify*)]
- 22.3 Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*specify*)]
- 22.4 Interest Period Date(s): [Not Applicable/specify dates]
- 22.5 Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent) [*Specify*]
- 22.6 Screen Rate Determination:
- Relevant Time: [*Specify*]

- Interest Determination Date: *[[Specify] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]*
- Primary Source for Floating Rate: *[Specify relevant screen page or "Reference Banks"]*
- Reference Banks (if Primary Source is "Reference Banks"): *[Condition 6.9 applies / Specify four]*
- Relevant Financial Centre: *[The financial centre most closely connected to the Benchmark - specify if not London]*
- Benchmark: *[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]*
- Representative Amount: *[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]*
- Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
- Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period]*

22.7 ISDA Determination:

- Floating Rate Option: *[Specify]*
- Designated Maturity: *[Specify]*
- Reset Date: *[Specify]*
- ISDA Definitions (if different from those set out in the Conditions): *[Specify]*

22.8 Margin(s): *[+/-][Specify] per cent. per annum*

22.9 Minimum Rate of Interest: *[Specify] per cent. per annum*

22.10 Maximum Rate of Interest: *[Specify] per cent. per annum*

22.11 Day Count Fraction: [Actual/365 or Actual/Actual (ISDA)]
 [Actual/365 (Fixed)]
 [Actual/360]
 [30/360 (Floating) or 360/360 or Bond Basis]
 [30E/360 or Eurobond Basis]
 [Actual/Actual ICMA]

22.12 Rate Multiplier: [Specify]

22.13 Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate SDs, if different from those set out in the Conditions: [Specify] / [Not Applicable]

BASKET

23. Provisions relating to Basket SDs: [Not applicable/Applicable] (*Delete subparagraphs if not applicable*)

23.1 Q: [(*Insert weightings of Basket components or initial weightings of Dynamic Basket components*)]

23.2 Dynamic Basket: [Applicable/Not applicable] (*Delete subparagraphs if not applicable*)

(a) Universe: [Specify for each type of underlying the parameters of the Universe]

(b) Minimum/maximum number of components for each Universe: [Specify]

(c) Weighting Communication Day frequency: [Daily/Weekly/Monthly/Annually/(*specify other*)]

(d) Weighting Manager: [Societe Generale/(*if third party, insert name of third party weighting manager*)]

(e) Options in case of inability of the Weighting Manager to act as such: [The SDs will be terminated at their Fair Market Value]
 [A new Weighting Manager will be appointed] [If a new Weighting Manager cannot be appointed within 90 Business Days, the SDs will be terminated at their Fair Market Value] [Specify other provisions]

(f) Weighting Management Policy: [As set out in the Base Prospectus][*(If different, insert short description of weighting management policy)*](Further details in Annex II hereto)]

23.3 Other Provisions: [Not applicable/*(insert if any)*]

EXERCISE/REDEMPTION AND SETTLEMENT

24. Issuer option to vary settlement: [Applicable/Not applicable] *(if applicable, the sections herein relating to physical delivery and cash settlement must both be completed)* (For Call SDs)

25. Cash Settlement Amount (Warrants)/Redemption Amount (Certificates): [As set out in the Conditions/The Annex hereto applies/*(specify other)*] [Condition 7.8 applies] *(For Physical Delivery SDs** and Cash Settled SDs)*

[[], subject to adjustment in accordance with Condition 25] *(Specify for Credit Linked SDs)*

26. Settlement Price(s): [An amount equal to the Applicable Exchange Rate or the Substitute Applicable Exchange Rate, as the case may be, on the Valuation Date] *(For Single Currency SDs)*

[The official closing price of the [Share][GDR] quoted on the Exchange on the Valuation Date.] *(For Single Share SDs and Single GDR SDs)*

[In respect of each [Share][and][GDR] in the Basket, the official closing price of such [Share][or][GDR] quoted on the Exchange on the Valuation Date multiplied by the relevant Quantity] *(For Basket Share SDs, Basket GDR SDs and Basket Share and GDR SDs)*

[[*insert currency amount*] multiplied by (i) the [closing quotation/daily fixing] of the Index on the [relevant] Valuation Date or (ii) the Actual Maturity Value if the Valuation Date falls on the Actual Maturity Date] *(Single Index SDs)*

[The Commodity [Futures Contract/spot] price on the Valuation Date.] *(For Single Commodity SDs)*

[*Specify other*] [Not applicable]

27. Termination or adjustments in the case of increased cost of hedging: [As set out in Condition 7.11][Not applicable]

28. Trigger Early Expiration Option [Applicable/Not applicable] *(Delete subparagraphs if not applicable)*
[*specify percentage*] [as set out in the Conditions][Fair Market

** See fallback provisions in Condition 7.7 and (if applicable) Issuer option to vary settlement.

- Value][*specify*]
- (a) Outstanding Amount
Trigger Level:
- (b) Early Trigger Level
Redemption Amount
(*Certificates*)/Early Trigger
Level Termination Amount
(*Warrants*):
29. Notional Amount: []
30. Parity: [*Specify number for use in calculation of Cash Settlement Amount/Redemption Amount*]
31. Valuation Date(s): [As per the Conditions/*specify*]
32. Conversion Rate: [Not applicable/*specify*]
33. Substitute Conversion Rate: [Not applicable/As set out in the Conditions/*specify other*]
34. Entitlement: [Not applicable/*Specify quantity of relevant asset(s) which Holder entitled to receive on the Settlement Date, including any reference to Parity*] (*For Cash Settled SDs with Issuer option to vary settlement and Physical Delivery SDs*)
- [*Where Alternative Physical Settlement is applicable, specify the method for calculating the **Entitlement Market Value** including (but not limited to) details in respect of any valuation timing*]
35. Evidence of Entitlement: [Not applicable/Applicable] (*For Cash Settled SDs with Issuer option to vary settlement and Physical Delivery SDs*)
36. Delivery of Entitlement: [*Specify method of delivery*] (*For Cash Settled SDs with Issuer option to vary settlement and Physical Delivery SDs*)
37. Reference Period: [Not applicable/*specify*] (*For corridor SDs*)
38. Reference Range: [Not applicable/*specify*] (*For corridor SDs*)
39. **Exercise provisions applicable to Warrants** [Not applicable/ Applicable] (*delete subparagraphs if not applicable*)
- 39.1 Exercise: [Manual/Automatic] Exercise (*Automatic Exercise mandatory for London-listed Cash Settled Retail SDs and open ended SDs*)
- 39.2 Exercise Price: [Not applicable] / [Current Strike Level] (*For open ended SDs*) /*specify*]

- 39.3 Minimum Exercise Number: [[Not applicable]/[] (the Conditions provide that SDs may only be exercised in integral multiples of the Minimum Exercise Number)
- 39.4 Maximum Exercise Number: [Not applicable] [] (*For American Style Warrants*)
40. **Provisions applicable to Certificates** [Not applicable/Applicable] (*delete subparagraphs if not applicable*)
- Further provisions: [*Insert any further provisions specifically applicable to Certificates*]

GENERAL PROVISIONS

41. Business Day Centre: [Not applicable/(*Specify*)]
42. Trading Day: [As set out in the Conditions/(*specify other*)]
43. Date of Board of Directors approval: [*specify day month year*] [*insert date for issuances by SGA Societe Generale Acceptance N.V.*] [Not applicable] [*for issuances by Societe Generale Effekten GmbH*]
44. Minimum Trading Number: [One/(*specify*)] SD[s] (*this applies to integral multiples thereafter*)
45. Additional selling restrictions: [Not applicable/TEFRA C/(*specify*)]
46. Indicative last trading day: [*Specify date for information purposes only – usually Exercise/Determination Date*]
47. Distribution: Distribution on a [non-]syndicated basis [*insert Manager names and (where required) addresses and underwriting commitments (or of third party underwriters or 'best efforts' placers) and date of any underwriting agreement if syndicated*]
48. Modifications to the Conditions, other terms or special conditions: [Not Applicable/The provisions of the Annex hereto apply/(*specify other*)]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of securitised derivatives described herein pursuant to the Securitised Derivatives Programme of [SGA Societe Generale Acceptance N.V.] / [Societe Generale Effekten GmbH].]

[RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Final Terms. [[] has been extracted from []. The Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading].]

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: [London/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the SDs to be admitted to trading on [] with effect from [xx month year/the Issue Date].] (*Where documenting a fungible issue need to indicate that original SDs are already admitted to trading*)

2. RATINGS

Ratings:

[Not applicable][The SDs to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [*insert the legal name of the relevant credit rating agency entity*] is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation. [As such [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for

registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation [[EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [OR:] although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

3. **[NOTIFICATION [AND AUTHORISATION]**

[Not applicable]

[The Issuer and the Guarantor have authorised the use of this Final Terms and the Base Prospectus dated 25 June 2012 by the Manager[s] and [*include names and addresses of other financial intermediaries involved in the offer*] (the **Distributors** and, together with the Manager[s], the **Financial Intermediaries**) in connection with offers of the SDs to the public in [the United Kingdom and [*insert jurisdictions into which the Base Prospectus has been passported*]] for the period set out in paragraph 9 below.]

The UK Listing Authority [has been requested to provide/has provided] the [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

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

[Save for any fees payable to the Manager(s) [or the Weighting Manager (*for Dynamic Basket SDs only*)], so far as the Issuer is aware, no person involved in the issue of the SDs has an interest material to the offer. (*Amend as appropriate if there are other interests*)]

(*For Dynamic Baskets SDs only*) [The Issuer or its affiliates may pay the Weighting Manager [an annual remuneration of up to [] per cent. of the amount of the SDs held by the Holders] [and] [a remuneration of up to [] per cent. of the commission rate] [(such remuneration as further described in Annex II hereto)]. Further information in respect of the above remuneration may be provided to investors upon request. If, under the Markets in Financial Instruments Directive 2004/39/EC (MiFID) and/or any other laws and regulations, the Weighting Manager is required to disclose to the Holders any remuneration that Societe Generale or its affiliates pays to, or receives from, the Weighting Manager in respect of the SDs, the Weighting Manager shall be responsible for compliance with such laws and regulations.].

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

[Not applicable]

- (a) [Reasons for the offer: []
(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]
- (b) Estimated net proceeds: []
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (c) Estimated total expenses: [] *[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses"]*

[(a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and where this is the case disclosure of net proceeds and total expenses at (b) and (c) above are also required.]

6. YIELD *(For fixed rate certificates only)*

[Not applicable]

Indication of yield: []

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

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. HISTORIC INTEREST RATES *(For floating rate certificates only)*

[Not applicable]

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

8. PERFORMANCE OF UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE UNDERLYING]

(a) [INDEX/BASKET OF INDICES] *(For Index SDs only)*

[Not applicable]

[Need to include details of where past and future performance and volatility of the [index/basket of indices] can be obtained, the relevant weighting of each index within a basket of indices and where pricing information is available]. [Need to include a clear and

comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include the name of [the/each] index, the name of [the/each] index sponsor and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.]

- (b) [SHARE/GDR/BASKET OF SHARES/BASKET OF GDRs/ BASKET OF SHARES and GDRs]] (For Share SDs and GDR SDs only)

[Not applicable]

[Need to include details of the name of [the/each] share company and [the/each] depositary company, any security identification number of the shares and global depositary receipts, where pricing information about the shares and global depositary receipts is available, the relevant weighting of each share and/or global depositary receipt within a basket of shares and/or global depositary receipts (if relevant) and where past and future performance and volatility of the [share/global depositary receipt/basket of shares and/or global depositary receipts] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

- (c) DEBT INSTRUMENT/BASKET OF DEBT INSTRUMENTS] (For Debt SDs only)

[Not applicable]

[Need to include details of the name of the issuer, the ISIN (International Securities Identification Number) of the debt instrument(s), the relevant weighting of each debt instrument in a basket of debt instruments (if relevant) and where pricing information on the debt instrument(s) can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

- (d) REFERENCE ENTITY AND REFERENCE OBLIGATION / BASKET OF REFERENCE REFERENCE ENTITIES / OBLIGATIONS (For Credit Linked SDs only)

[Not applicable]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

- (e) [RATE[S] OF EXCHANGE/CURRENCIES/BASKET OF CURRENCIES], (For Currency SDs only)

[Not applicable]

[Need to include details of [the/each] currency, where past and future performance and volatility of the [rate(s)/currencies] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

- (f) [COMMODITY/BASKET OF COMMODITIES]] (Commodity SDs only)

[Not applicable]

[Need to include details of [the/each] commodity, where pricing information about [the/each] commodity is available, the relevant weighting of each commodity within a basket of commodities and where past and future performance and volatility of [the commodity/basket of commodities] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

- (g) [SECURITISED DERIVATIVE/BASKET OF SECURITISED DERIVATIVES]
(Securitized Derivative SDs only)

[Not applicable]

[Need to include details of the name of the issuer, the ISIN (International Securities Identification Number) of the securitised derivative(s), the relevant weighting of each securitised derivative in a basket of securitised derivatives (if relevant) and where pricing information on the securitised derivative(s) can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

- (h) [DYNAMIC BASKET] (For Dynamic Basket SDs only)

[Not applicable]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlyings, the weighting management policy and changes in the weightings of the underlyings, and the circumstances when the risks are most evident.]

9. [PUBLIC OFFERS]	[Not applicable/Applicable][If not applicable delete subparagraphs] ^{††}
Offer Period:	[] to [] <i>(Should be from the date of publication of the Final Terms to a specified date or a formula such as "the Issue Date" or the date which falls [] Business Days "thereafter".)</i>
Offer Price:	[] per cent.
Conditions to which the offer is subject:	[Offers of the SDs are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Financial Intermediaries, notified to investors by such relevant Financial Intermediaries]/Insert other relevant conditions).]
[Description of the application process:	<i>Not applicable unless full application process is being followed in relation to the issue.]</i>

^{††} Applicable to all retail offers [where an offer to the public is made before the Issue Date]. Insert all pertinent information and "not applicable" when not relevant.

[Details of the minimum and/or maximum amount of application:	<i>Not applicable unless full application process is being followed in relation to the issue.]</i>
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	<i>Not applicable unless full application process is being followed in relation to the issue.]</i>
Details of the method and time limits for paying up and delivering the SDs:	[The SDs will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Financial Intermediary of their allocations of SDs and the settlement arrangements in respect thereof. <i>(Insert other relevant details)</i>]
[Manner and date in which results of the offer are to be made public:	<i>Not applicable unless full application process is being followed in relation to the issue.]</i>
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	<i>Not applicable unless full application process is being followed in relation to the issue.]</i>
Categories of potential investors to which the SDs are offered:	[Offers may be made by the Financial Intermediaries in [the United Kingdom and <i>[insert jurisdictions into which the Base Prospectus has been passported]</i>] to any person <i>[insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules]</i> . In other European Economic Area countries, offers will only be made by the Financial Intermediaries pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus/ <i>Insert other categories of potential investors</i>).]
[Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	<i>N/A unless full application process is being followed in relation to the issue]</i> [No dealings in the SDs on a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC may take place prior to the Issue Date.]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[]]
[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:]	[None/Provide details]

10. OPERATIONAL INFORMATION

- (a) ISIN Code: []
- (b) SEDOL Code: []
- (c) Any additional or alternative or Operator or clearing system: [Not applicable/*In respect of Swedish SDs: Euroclear Sweden AB/In respect of Finnish SDs: Euroclear Finland Ltd/specify other*]
- (d) Agent and specified office: Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom
- [In respect of Swedish SDs:
Nordea Bank AB
Smålandsgatan 17, A213
SE-105 71
Stockholm
Sweden]*
- [In respect of Finnish SDs:
Nordea Bank Finland Plc
Aleksis Kiven katu 3-5
Helsinki
FI-00020 Nordea
Finland]*
- [specify other]*
- (e) Calculation Agent: [Societe Generale, Paris/*specify other*]]
- (f) Secondary trading: [Societe Generale/*specify other entity*]] has a firm commitment to act as intermediary in secondary trading, providing liquidity through bid and offer rates. *[Insert description of any further main terms of such commitment]*

ANNEX I

[If necessary, insert further details describing the Underlying(s), including details required to comply with the regulations of the stock exchange on which the SDs are to be listed (if any) or any other relevant authority]

ANNEX II

[If necessary, insert key terms of applicable weighting arrangements]

[ANNEX III]

[Annex for Credit Linked SDs]

[For Single Name SDs:

Reference Entity	Transaction Type	Reference Obligation	Reference Price	Status
[•]	[•]	[•]	[•]	[•]

[For FTD SDs:

Reference Portfolio:

Reference Entities	Transaction Type	Reference Obligation	Reference Price	Status
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

[For Basket SDs:

Reference Portfolio:

Reference Entities	Transaction Type	Reference Entity Weighting	Reference Obligation	Reference Price	Status
[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]

For all types of SDs (for Basket SDs or First-to-Default SDs where there is more than one Transaction Type, split the Transaction Type column into the relevant number of columns):

Terms applicable to a Reference Entity are the ones specified in the tables below for the Transaction Type of such Reference Entity as determined in the table above.

In the tables below, "X" means "applicable"

Credit Events	[insert Transaction Type]
Bankruptcy	[X]
Failure to Pay	[X]
Grace Period Extension	[X]
Notice of Publicly Available Information	[X]
Payment Requirement (USD 1,000,000)	[X]
Obligation Default	[X]
Obligation Acceleration	[X]
Repudiation/Moratorium	[X]
Restructuring	[X]

Restructuring Maturity Limitation and Fully Transferable Obligation	[X]
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation	[X]
Multiple Holder Obligation	[X]
Default Requirement (USD 10,000,000)	[X]
All Guarantees	[X]

Obligations Category	<i>[insert Transaction Type]</i>
Payment	[X]
Borrowed Money	[X]
Reference Obligations Only	[X]
Bond	[X]
Loan	[X]
Bond or Loan	[X]

Obligations Characteristics	<i>[insert Transaction Type]</i>
Not Subordinated	[X]
Standard Specified Currency	[X]
Standard Specified Currencies and Domestic Currency	[X]
Not Sovereign Lender	[X]
Not Domestic Currency	[X]
Not Domestic Law	[X]
Listed	[X]
Not Domestic Issuance	[X]

[Deliverable] [Selected] Obligations Category	<i>[insert Transaction Type]</i>
Payment	[X]
Borrowed Money	[X]
Reference Obligations Only	[X]
Bond	[X]
Loan	[X]
Bond or Loan	[X]

[Deliverable] [Selected] Obligations Characteristics	<i>[insert Transaction Type]</i>
Not Subordinated	[X]
Standard Specified Currency	[X]
Standard Specified Currencies and Domestic Currency	[X]
Not Sovereign Lender	[X]
Not Domestic Currency	[X]

[Deliverable] [Selected] Obligations Characteristics	<i>[insert Transaction Type]</i>
Not Domestic Law	[X]
Listed	[X]
Not Domestic Issuance	[X]
Not Contingent	[X]
Assignable Loan	[X]
Consent Required Loan	[X]
Transferable	[X]
Maximum Maturity: 30 Years	[X]
Not Bearer	[X]

TERMS AND CONDITIONS OF THE SECURITISED DERIVATIVES

The following is the text of the Terms and Conditions of the SDs which, as supplemented in the Final Terms will apply to each issue of SDs. The relevant Final Terms in relation to any issue of SDs may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, supplement, replace or modify the Terms and Conditions, for the purposes of such SDs.

The securities described in the applicable Final Terms (such securities being hereinafter referred to as the **Securitised Derivatives** or **SDs**) are issued pursuant to an agency agreement dated 25 June 2012 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) between SGA Societe Generale Acceptance N.V. and Societe Generale Effekten GmbH (each an **Issuer** and, together, the **Issuers**), Societe Generale as guarantor (the **Guarantor**) and Computershare Investor Services PLC as agent (the **Agent**, which expression shall include any additional or successor agent). Societe Generale, Paris as calculation agent (the **Calculation Agent**) shall, pursuant to a calculation agency agreement dated 25 June 2012 (as subsequently amended and/or supplemented and/or restated from time to time) between the Issuers, the Guarantor, the Calculation Agent and the Weighting Manager, undertake the duties of Calculation Agent in respect of the SDs. The expression Calculation Agent shall, in relation to the relevant SDs, include any other specified calculation agent.

No SDs in definitive form will be issued. Each applicable Final Terms will be deposited with the Agent.

References herein to the **Issuer** shall be references to the party specified as such in the applicable Final Terms, as defined below and, in the case of any substitution of the Issuer in accordance with Condition 16, the **Substitute** as defined in Condition 16.

The applicable Final Terms for the SDs supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the SDs.

References herein to the **applicable Final Terms** are to the Final Terms or subsequent Final Terms (in the case of any further securitised derivatives issued pursuant to Condition 15 and forming a single issue with the SDs) delivered by the Issuer to the Agent from time to time.

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

Subject as provided in the deed of guarantee, the obligations of the Issuer with respect to physical delivery (if applicable) and/or payment of amounts payable by the Issuer are guaranteed by the Guarantor pursuant to a deed of Guarantee (the **Guarantee**) dated 25 June 2012 executed by the Guarantor. The original of the Guarantee is held by the Agent on behalf of Holders of SDs (the **Holder**s) at its specified office for the time being.

Copies of the Agency Agreement and the applicable Final Terms may be obtained during normal office hours from the specified office of the Agent, save that if the SDs are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the Agent as to its identity.

The Holders are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the SDs) and as amended in accordance with the applicable Final Terms, which are binding on them.

Words and expressions used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Holders are deemed to have notice of all the provisions of the Base Prospectus dated 25 June 2012, these Terms and Conditions and the applicable Final Terms.

1. General Definitions

Affiliate means, in relation to any entity (the **First Entity**) any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of a majority of the voting power of an entity.

Applicable Exchange Rate(s) means the exchange rate specified in the Final Terms.

Basket means the basket of Underlying(s) specified in the applicable Final Terms.

Basket Value means the sum of the individual Settlement Prices, each being multiplied by Q.

Business Day means (a) a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) (if applicable, as specified in the applicable Final Terms), London and a day (other than a Saturday or Sunday) on which the Operator is open for business and (b) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

Cash Settlement Amount means an amount in the Settlement Currency (a) determined as specified in the applicable Final Terms or if not so specified (b) equal to the excess (if any, converted if necessary on the basis of the Conversion Rate or failing which the Substitute Conversion Rate) of:

- (a) in the case of Call SDs, the Settlement Price or the Basket Value over the Exercise Price (as the case may be); or
- (b) in the case of Put SDs, the Exercise Price over the Settlement Price or the Basket Value (as the case may be); and

then multiplied by the absolute value of any Notional Amount and divided (if applicable) by the Parity.

Conversion Day means a day on which the Conversion Rate or the Substitute Conversion Rate can be ascertained.

Delivery Period means the period of ten Business Days beginning on the later of (i) the Exercise Date or the Maturity Date (as the case may be) and (ii) where Alternative Physical Settlement is applicable, the Final Valuation Notice Receipt Date.

Determination Date means the date so specified in the Final Terms or, if not so specified, the seventh Business Day preceding the Maturity Date.

Disruption Event Valuation Period means the ten Business Day period following the expiry of the Delivery Period.

Dynamic Basket means a Basket with respect to which the relative weighting of the Underlyings may be amended periodically by the Issuer upon a recommendation by the Weighting Manager or after prior consultation with the Weighting Manager pursuant to the terms of either the Calculation Agency Agreement or a weighting management agreement, as the case may be and/or, the Underlyings may be replaced by other basket constituents from the same Universe.

Entitlement has the meaning set out in the applicable Final Terms and includes, as determined by the Calculation Agent, any documents evidencing such Entitlement.

Ex-Right Date means the date on which the security or cash amount (including any interest coupon or dividend), as the case may be, is detached from an Underlying (in the case of Cash Settled SDs) or the relevant asset(s) comprised in the Entitlement (in the case of Physical Delivery SDs).

Exercise Date means (a) in the case of European Style SDs, the Expiration Date or (b) in the case of American Style SDs, the Business Day during the Exercise Period on which an Exercise Notice is validly delivered in accordance with Condition 5.1 or (only where Automatic Exercise applies and if no Exercise Notice is validly delivered) the Expiration Date.

Exercise Notice means a notice as described in Condition 5.4.

Exercise Price means the price specified in the applicable Final Terms.

Fair Market Value means, in respect of any SD or Underlying or other reference element (including indices, shares, global depositary receipts, debt instruments, Reference Obligations, currency exchange rates, commodities, interest rates and funds and securitised derivatives), the fair market value determined by the Calculation Agent on the basis of current market conditions and, if applicable, after deduction of costs incurred by the Issuer in unwinding any existing hedging arrangements.

Finnish SDs means SDs issued in accordance with Condition 2.2(c).

ISDA means the International Swaps and Derivatives Association, Inc or any successor thereto.

Quantity or **Q** means, in relation to a Basket, the percentage(s) or amount(s) specified as such in the applicable Final Terms representing the relative weighting of the Underlyings comprising the Basket, and in relation to a Dynamic Basket, such percentages or amounts as may be amended from time to time by the Issuer either with the prior consultation of the Weighting Manager or upon a periodical recommendation to such effect by the Weighting Manager.

Quotation Provider means the market authority or price provider which gives quotation of the relevant Commodity or Commodity Futures Contract specified in the applicable Final Terms.

Redemption Amount has the meaning specified in the applicable Final Terms; References to Cash Settlement Amount in these Terms and Conditions shall be construed, in respect of Certificates, as references to Redemption Amount.

Reference Range(s) means, in the case of corridor SDs, the range(s) between the limits specified as such in the Final Terms.

Reference Period(s) means in the case of corridor SDs, the period(s) from the date(s) specified in the Final Terms.

Related Exchange(s) means the exchanges specified in the applicable Final Terms or any successor thereto or replacement thereof designated by the Issuer (which replacement shall be notified to the Holders).

Settlement Date means:

- (a) in the case of Cash Settled Warrants, up to six Business Days following the Valuation Date or (in the case of Basket SDs) the last Valuation Date;
- (b) in the case of Physical Delivery Warrants, the first day during the Delivery Period when the Issuer is able to deliver the Entitlement or the Alternative Physical Delivery Amount, as the case may be, to the Holder(s);
- (c) in the case of Cash Settled Certificates, the Maturity Date; or
- (d) such other date as is specified in the applicable Final Terms.

Settlement Disruption Event means, in the context of a physical delivery, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the or some of the relevant asset(s) comprised in the Entitlement using the method specified in the applicable Final Terms.

Settlement Price means the price specified in the applicable Final Terms.

Substitute Conversion Rate means the arithmetic mean, rounded if necessary to the nearest 0.0001 (0.00005 and above being rounded upwards), as determined by the Calculation Agent of the relevant currency spot offered exchange rate quotations in respect of the underlying exchange rate(s) of the Conversion Rate, about two hours after the time at which the underlying exchange rate(s) of the Conversion Rate would ordinarily have been announced, by three first ranking banks of the United Kingdom or the European Economic and Monetary Union (except Societe Generale) selected by the Calculation Agent.

Swedish SDs means SDs issued in accordance with Condition 2.2(b).

Trading Day means, unless otherwise provided in the applicable Final Terms, an Index Trading Day, a Share Trading Day, a GDR Trading Day, Debt Instrument Trading Day, Credit Trading Day, Currency Trading Day, Commodity Trading Day, Interest Rate Trading Day, or Fund Trading Day or Securitised Derivative Trading Day (as the case may be).

Underlying(s) means, unless otherwise provided in the applicable Final Terms, concerning Index SDs, Share SDs, GDR SDs, Debt Instrument SDs, Credit Linked SD, Currency SDs, Commodity SDs, Interest Rate SDs, Fund SDs and Securitised Derivatives SDs respectively, (a) the Index or Indices, (b) the Share(s), (c) the GDR(s), (d) the Debt Instrument(s), (e) the Reference Entity or Reference Entities, (f) the Applicable Exchange Rate(s) or the Substitute Applicable Exchange Rate(s) (as the case may be), (g) the Commodity, Commodities or Commodity Futures Contract(s) (as the case may be), (h) the Interest Rate(s), (i) the Fund(s) and (j) the Securitised Derivatives.

Universe means, in relation to Dynamic Basket SDs, the type of Underlying from which initial components and later replacements are chosen to compose the Dynamic Basket. The characteristics of each Universe will be specified in the applicable Final Terms.

Valuation Date means the first Trading Day in the Valuation Period that (if a Conversion Rate is specified as applicable in the applicable Final Terms) is also a Conversion Day SUBJECT to Condition 7.3.

Valuation Period means, in the case of Warrants, the 20 Business Day period beginning on the Exercise Date and, in the case of Certificates, the four Business Day period beginning on the Determination Date.

Weighting Communication Day means, in relation to Dynamic Basket SDs, the London Business Day in each week, each month, each year or such other period as is specified in the applicable Final Terms on which the Weighting Manager communicates to the Issuer and the Calculation Agent any proposed amendment to the respective weighting of (a **Weighting Communication**), or any proposal to replace (a **Replacement Communication**), the Underlyings comprising the Dynamic Basket in accordance with the Weighting Management Policy.

Weighting Management Policy means the weighting management policy specified in relation to the Weighting Management Services either in the Calculation Agency Agreement (as defined below) or in the applicable weighting management agreement, as the case may be.

Weighting Management Services mean the services relating to weighting management as set out in the calculation agency agreement dated 25 June 2012 (the **Calculation Agency Agreement**) entered into between the Issuer and SG as Calculation Agent and as weighting manager for the purposes of either recommending, or consulting on, amendments to the relative weighting (Q) of the Underlyings comprising the Dynamic Basket on any Weighting Communication Day. SG as Weighting Manager may delegate his duties under the Calculation Agency Agreement through a separate weighting management agreement (a form of which is annexed to the Calculation Agency Agreement) to a third party who will then act as Weighting Manager. The key terms of the Calculation Agency Agreement applicable to Weighting Management Services are summarised in the *Weighting Management of Dynamic Baskets* section below.

Weighting Manager means, in relation to a Dynamic Basket, Societe Generale or the person specified as such in the applicable Final Terms with whom Societe Generale has entered into a weighting management agreement.

2. Type, Title and Transfer

2.1 Type

The SDs are Index SDs, Share SDs, GDR SDs, Debt Instrument SDs, Credit Linked SDs, Currency SDs, Commodity SDs, Interest Rate SDs, Fund SDs or Securitised Derivative SDs and Single or Basket SDs, Cash Settled or Physical Delivery SDs, Certificates, European or American Style Warrants, Put or Call Warrants or any other or further type of securities as may be specified in the applicable Final Terms or any confirmation thereof.

The SDs may be issued for purchase by (a) a limited number of investors only (**Specialist Investors**) who are particularly knowledgeable in investment matters (such SDs, **Specialist SDs**) or

(b) investors all or some of whom may not be Specialist Investors (such SDs, **Retail SDs**) as specified in the applicable Final Terms.

2.2 Title

- (a) The SDs shall be held in registered uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the **Regulations**). The SDs are participating securities for the purposes of the Regulations. Title to the SDs is recorded on the relevant Operator register of corporate securities. The Agent on behalf of the Issuer shall, in relation to the SDs, maintain a record of uncertificated corporate securities in accordance with Euroclear UK & Ireland Limited (formerly CRESTCo. Limited) records (the **Record**) and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules and practices from time to time of the Operator. Subject to this requirement, (a) each person who is for the time being shown in the Record as the holder of a particular number of SDs shall be treated by the Issuer and the Agent as the holder of such number of SDs for all purposes (and the expression **Holder** and related expressions shall be construed accordingly), and (b) neither the Issuer, the Guarantor nor the Agent shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the Agent maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the SDs.

No provisions of these Terms and Conditions amended in accordance with any applicable Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of title to SDs in uncertificated form (ii) the transfer of title to SDs by means of a relevant system or (iii) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Terms and Conditions or the applicable Final Terms, so long as the SDs are participating securities, (A) any SDs which are not for the time being in all respects identical to, or do not for the time being have rights attached thereto identical in all respects to those attached to, other SDs of the same Series shall be deemed to constitute a separate Series of SDs, (B) the Operator register of corporate securities relating to the SDs shall be maintained at all times in the United Kingdom, (C) the SDs may be issued in uncertificated form in accordance with and subject as provided in the Regulations; and (D) for the avoidance of doubt, these Terms and Conditions and the applicable Final Terms with relation to any SDs shall remain applicable notwithstanding that they are not endorsed on any certificate for such SDs.

As used herein each of "Operator register of corporate securities", "participating securities", "record of uncertificated corporate securities" and "relevant system" is as defined in the Regulations and the relevant "Operator" (as such term is used in the Regulations) is Euroclear UK & Ireland Limited (formerly CRESTCo. Limited) or any additional or alternative operator from time to time approved by the Issuer, the Guarantor and the Agent in relation to the SDs and in accordance with the Regulations. Any reference herein to the Operator shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the Holders.

- (b) Swedish SDs are issued in registered, dematerialised and uncertificated book-entry form issued, cleared and settled by Euroclear Sweden AB in accordance with the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella*

instrument) as amended and the rules and regulations (such rules and regulations, the **Swedish CSD Rules**) applicable to the Swedish CSD (as defined in Condition 2.3).

Holder means the person in whose name an SD is registered in the Register (as defined below) and the reference to a person in whose name an SD is registered shall include also any person duly authorised to act as a nominee (*Sw. förvaltare*) and registered for the SDs. For such purposes, the **Register** means the register maintained by the Swedish CSD on behalf of the Issuer in accordance with the Swedish CSD Rules and, as far as the application of the Conditions is concerned, title to SDs shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined above) of any SDs shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Holder.

With respect to Swedish SDs, references to the "**Operator**" and related expressions shall be to the Swedish CSD or the Swedish Register (as appropriate), references to the "**Regulations**" shall be to the Swedish CSD Rules and references to the "**Agent**" shall be to Nordea Bank AB.

- (c) Finnish SDs are issued in registered, dematerialised and uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fi. Laki arvo-osuusjärjestelmästä* 826/1991, as amended), the Finnish Act on Book-Entry Accounts (*Fi. Laki arvo-osuustileistä* 827/1991, as amended) and all other applicable Finnish laws, regulations and operating procedures applicable to and/or issued by the Finnish central securities depository from time to time (the **Finnish CSD Rules**) designated as the relevant clearing system for the SDs which is Euroclear Finland Ltd (the **Finnish CSD**). No physical global or definitive notes or certificates will be issued in respect of SDs. Payments of principal, interest (if any) or any other amounts under the SDs will be made through the Finnish CSD in accordance with the Finnish CSD Rules.

Holder means the person in whose name an SD is registered in the Register (as defined below) and the reference to a person in whose name an SD is registered shall include also any person duly authorised to act as a nominee and registered for the SDs. For such purposes, the **Register** means the register maintained by the Finnish CSD on behalf of the Issuer in accordance with the Finnish CSD Rules and, as far as the application of the Conditions is concerned, title to SDs shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined above) of any SDs shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Holder.

With respect to Finnish SDs, references to the "**Operator**" and related expressions shall be to the Finnish CSD or the Register (as appropriate), references to the "**Record**" shall be to the Register, references to the "**Regulations**" shall be to the Finnish CSD Rules and references to the "**Agent**" shall be to Nordea Bank Finland Plc.

2.3 Transfer of SDs

- (a) All transactions (including transfers of SDs) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator. Title will pass upon registration of the

transfer in the Operator register of corporate securities. Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 5.

- (b) Title to the Swedish SDs shall pass by transfer between accountholders at the Swedish CSD (as defined below) as evidenced by registration in the register (the **Swedish Register**) maintained by Euroclear Sweden AB, the Swedish central securities depository (Sw. *central värdepappersförvarare*) (the **Swedish CSD**).

The Issuer shall be entitled to obtain information from the Register maintained by the Swedish CSD.

- (c) Title to the Finnish SDs shall pass by transfer between accountholders at the Finnish CSD as evidenced by registration in the Register (the **Finnish Register**) maintained by the Finnish CSD in accordance with the Finnish CSD Rules (except in the case of SDs which are registered in the name of a nominee and are transferred from one account to another account with the same nominee).

Notwithstanding any secrecy obligation, the Issuer and the Agent shall be entitled to obtain information (including information on Holders) from the Register and the Finnish CSD shall be entitled to provide such information to the Issuer and/or the Agent notwithstanding any secrecy obligation.

3. Status of SDs and Guarantee

3.1 Status

The SDs constitute direct, unconditional, unsubordinated and unsecured contractual obligations of the Issuer and shall at all times rank *pari passu* and without preference among themselves. The payment obligations of the Issuer under the SDs (save for certain obligations preferred by mandatory provisions of statutory law) shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

3.2 Guarantee

Pursuant to the Guarantee, the Guarantor has irrevocably and unconditionally guaranteed, as primary obligor and not merely as surety, the due and punctual settlement in full of all obligations due and owing by the Issuer under the SDs issued from time to time, after taking account of any set-off, combination of accounts, netting or similar arrangement from time to time exercisable by the Issuer against any person to whom obligations are from time to time owed, when and as due (whether at maturity, by acceleration or otherwise) up to a maximum aggregate nominal amount of €2,000,000,000 in respect of SDs that are certificates and up to a maximum aggregate warrant amount (being the product of the number of warrants issued and their issue price) of €75,000,000,000 in respect of SDs that are warrants.

4. Purchases

The Issuer may (to the extent permitted by applicable law) at any time purchase SDs at any price in the open market or by tender or private treaty. Any SDs so purchased may be held or resold or surrendered for cancellation.

5. Warrant Exercise Provisions

This provision applies to Warrants only.

5.1 Exercise

(a) European Style SDs

European Style SDs are exercisable on the Expiration Date. The expressions "exercise", "due exercise" and related expressions shall be construed to apply to the exercise of European Style SDs in accordance with this provision.

(b) American Style SDs

American Style SDs shall be exercisable on any Business Day during the Exercise Period.

Any American Style SD with respect to which no Exercise Notice has been delivered in the manner set out below on the last Business Day of the Exercise Period shall become void and the provisions of Condition 5.9 below shall apply except where Automatic Exercise applies.

If any Exercise Notice is received by the Agent after 10.00 a.m. (London time) on any Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the immediately following Business Day, which Business Day shall be the Exercise Date, provided that any such SD in respect of which no Exercise Notice has been delivered in the manner set out in Conditions 5.3 to 5.8 below at or prior to 10.00 a.m. (London time) on the Expiration Date shall become void and the provisions of Condition 5.9 below shall apply except where Automatic Exercise applies in which case the SDs shall be automatically exercised on the Expiration Date as provided in Condition 5.2 below.

5.2 Automatic Exercise

Where a particular Final Terms indicates that Automatic Exercise applies, the SDs shall be automatically exercised by the Agent on behalf of the relevant Holder on the Expiration Date without the Holder needing to deliver an Exercise Notice or take any other step (except as may be specifically provided in the applicable Final Terms).

In the case of Cash Settled SDs, Automatic Exercise is conditional upon the Cash Settlement Amount being greater than zero (other than in the case of Credit Linked SDs where a Credit Event Determination Date has occurred).

Any Automatic Exercise as aforesaid shall be deemed to be made (where appropriate) on the same terms, *mutatis mutandis*, as provided in the Exercise Notice referred to in Condition 5.4.

5.3 Manual Exercise

Where a particular Final Terms indicates that Manual Exercise applies, the SDs are exercisable by delivery of a duly completed Exercise Notice to the Agent by 10.00 a.m. (London time) on the intended Exercise Date.

5.4 Exercise Notice

The Exercise Notice shall:

- (a) specify the number of SDs and the Series of SDs to which the Exercise Notice relates;
- (b) specify details of the Holder's account at the Operator to be debited with the SDs to which the Exercise Notice relates;
- (c) irrevocably instruct and authorise the Agent to instruct the Operator to debit on or prior to the Settlement Date the Holder's account with the SDs to which the Exercise Notice relates;
- (d) certify, *inter alia*, that the beneficial owner of the SDs being exercised is not a U.S. person (as defined in the Exercise Notice);
- (e) include relevant cash account details for payment of the Cash Settlement Amount or any other relevant cash amount;
- (f) in the case of Physical Delivery SDs:
 - (i) irrevocably instruct and authorise the Agent to debit or arrange to debit on or prior to the Settlement Date a specified account of the Holder with the aggregate Exercise Prices in respect of such SDs (together with any Expenses and other amounts payable); and
 - (ii) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with the Operator to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of any event affecting settlement and the Issuer electing to pay the Cash Settlement Amount; and
- (g) authorise the production of the Exercise Notice in any applicable administrative or legal proceedings,

all as may be further provided in the Agency Agreement.

Copies of the form of Exercise Notice may be obtained from the Agent.

5.5 Verification

Upon receipt of an Exercise Notice, the Agent shall verify that the person exercising the SDs specified therein is the holder thereof according to the Record maintained by the Agent.

5.6 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Agent, and shall be conclusive and binding on the Issuer, the Guarantor and the relevant Holder. **Subject as set out below, any Exercise Notice so determined to be incomplete or not in the proper form as provided in Condition 5.4 above shall be null and void.**

If an Exercise Notice is subsequently corrected to the satisfaction of the Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the Agent.

The Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor or the Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

5.7 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the SDs specified and receive any Entitlement in respect of the SDs specified, respectively.

5.8 Exercise Risk

Exercise of the SDs is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor or the Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices.

5.9 Manual Exercise – Failure to deliver an Exercise Notice

In respect of American or European Style SDs, in the event that a Holder does not deliver an Exercise Notice in accordance with this Condition 5 on or prior to 10.00 a.m. (London time) on the Expiration Date, the Issuer shall sell the relevant assets comprised in the Entitlement in respect of such SDs on the open market or otherwise at a price determined by the Issuer, in its sole discretion, to be the fair market value of the relevant assets at the time of such sale less any Expenses or other sums payable and shall credit the proceeds (the **Assessed Value Payment Amount**) to the account of the relevant Holder at the Operator in the same manner as for a Cash Settlement Amount in accordance with Condition 7 as soon as reasonably practicable following the above sale. Upon payment of the Assessed Value Payment Amount as aforesaid, the Issuer's obligations in respect of such SDs shall be discharged and the Guarantor's obligations in respect of such SDs pursuant to the Guarantee shall be discharged.

6. Interest

This Condition applies to Certificates only.

6.1 Definitions

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

AAI Determination Date means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date;

Determination Period means the period from and including an AAI Determination Date in any year to but excluding the next AAI Determination Date;

Effective Date means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates;

Euro zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

Fixed Rate SDs means SDs that are specified in the applicable Final Terms as either (i) bearing interest at a fixed rate or (ii) paying a Coupon Amount on each Interest Payment Date, in each case in accordance with Condition 6.2;

Floating Rate SDs means SDs that are specified in the applicable Final Terms as bearing interest at a floating rate in accordance with Condition 6.3;

Interest Accrual Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

Interest Amount means, in the case of Floating Rate SDs, the amount of interest payable and, in the case of Fixed Rate SDs, means the Coupon Amount (as specified in the relevant Final Terms) or Broken Amount (as specified in the relevant final Terms), as the case may be;

Interest Commencement Date means the Issue Date or such other date as may be specified in the relevant Final Terms;

Interest Determination Date means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling; or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro; or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

Interest Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

Interest Period Date means each Interest Payment Date unless otherwise specified in the relevant Final Terms;

Interest Rate Day Count Fraction means, in respect of the calculation of an amount of interest on any SD for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **Calculation Period**):

- (i) if **Actual/365** or **Actual/Actual ISDA** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non leap year divided by 365);
- (ii) if **Actual/365 (Fixed)** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

- (iii) if **Actual/360** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if **30/360 Floating, 360/360** or **Bond 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 on the basis of a year of 360 days with 12 30 day months (unless (a) the last day of the Calculation Period is the 31st day of a month but 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 that includes that last day shall not be considered to be shortened to a 30 day month, 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 considered to be lengthened to a 30 day month));
- (v) 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 on the basis of a year of 360 days with 12 30 day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month); and
- (vi) if **Actual/Actual ICMA** is specified in the relevant Final Terms,
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it 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 Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period; and (2) the number of Determination Periods in any year; and
 - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period; and (2) the number of Determination Periods normally ending in any year;

ISDA Definitions means the 2006 ISDA Definitions, as published by ISDA, or any successor provisions published by ISDA, unless otherwise specified in the relevant Final Terms;

Page means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Markets 3000 (**Reuters**) and the Bloomberg service) as may be specified in the relevant Final Terms for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate;

Rate of Interest means the rate of interest payable from time to time in respect of any SD and that is either specified in the relevant Final Terms or calculated in accordance with the provisions thereof;

Reference Banks means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over the counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro zone);

Relevant Date in respect of any SD means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made;

Relevant Financial Centre means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR shall be the Euro zone) or, if none is so connected, London;

Relevant Rate means the Benchmark for an amount that is representative for a single transaction in the relevant market at the time of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date;

Relevant Time means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose “local time” means, with respect to Europe and the Euro zone as a Relevant Financial Centre, 11.00 a.m. Brussels time;

Specified Currency means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the SDs are denominated;

Specified Duration means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 6.3(b); and

TARGET System means the Trans European Automated Real time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

Capitalised terms used in this Condition but not otherwise defined herein shall have the meanings specified in the relevant interest provisions annex to the Final Terms.

6.2 Interest on Fixed Rate SDs

Each Fixed Rate SD bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

If **Business Day Convention – Adjusted** is specified in the relevant Final Terms, (a) any Interest Payment Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the specified Business Day Convention (as described below) and (b) the amount of interest payable on such Interest Payment Date will be adjusted accordingly and the provisions of sub-paragraph (iii) below shall apply, mutatis mutandis, as though references to "Floating Rate SDs" were to "Fixed Rate SDs" and references to "Rate of Interest" were to the rate of interest in respect of Fixed Rate SDs.

If **Business Day Convention - Non-Adjusted** is specified in the relevant Final Terms, any Interest Payment Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the applicable Business Day Convention and there will be no corresponding adjustment of the amount of interest payable on such Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Interest Rate Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

6.3 Interest on Floating Rate SDs

(a) Interest Payment Dates

Each Floating Rate SD bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified 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 any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day; (ii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(c) Rate of Interest for Floating Rate SDs

The Rate of Interest in respect of Floating Rate SDs for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate SDs:

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity is a period specified in the relevant Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

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

(B) Screen Rate Determination for Floating Rate SDs:

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, 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:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, 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; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so 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 an amount that is representative for a single transaction in the relevant market at the time of 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 euro, in the Euro zone 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 for a period 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 so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting 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 readjustment 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).

6.4 Zero Coupon SDs

Where an SD the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Fair Market Value of such SD. As from the Maturity Date, any overdue principal of such SD shall bear interest at a rate of interest per annum (expressed as a percentage) equal to the Accrual Yield (or such other rate) specified in the relevant Final Terms. Such interest shall continue to accrue (after as well as before any judgment) until the day on which all sums due in respect of such SD up to that day are received by or on behalf of the Holder of such SD. Such interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed in such incomplete month or on such other basis as may be specified in the relevant Final Terms.

6.5 Accrual of Interest

Interest shall cease to accrue on each SD on the due date for redemption unless payment is improperly withheld or refused, in which event interest shall continue to accrue (after as well as before any judgment) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date.

6.6 Margin, Maximum/Minimum Rates of Interest, Rate Multipliers and Rounding

- (i) If any Margin or Rate Multiplier 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 6.3 above by adding (if a positive number) or subtracting the absolute value (if a negative

number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Final Terms, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) 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.

6.7 Calculations

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

6.8 Determination and Publication of Rates of Interest and Interest Amounts

As soon as practicable after the relevant time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate such rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the SDs for the relevant Interest Accrual Period, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Agent, the relevant Holders and, if the SDs are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority 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 exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6.3(b), the Interest Amounts and the 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. If the SDs become due and payable prior to the relevant Maturity Date in accordance with the Conditions, the accrued interest and the Rate of Interest payable in respect of the SDs shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. 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.

6.9 Calculation Agent and Reference Banks

If Reference Banks is chosen as primary source for Floating Rate SDs in the relevant Final Terms and for so long as any SD is outstanding, or as may be otherwise provided in the relevant Final Terms, the Issuer shall procure 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 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. 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 Interest Accrual Period or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over the counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London 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 aforesaid.

7. Settlement

7.1 Cash Settled SDs

If the SDs are Cash Settled SDs, each SD entitles its holder (upon delivering a valid Exercise Notice in the proper form where Manual Exercise is applicable), to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent, as more fully set out in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount denominated in the Settlement Currency, shall be converted into the Settlement Currency by applying the Conversion Rate or, failing which, the Substitute Conversion Rate, as specified in the applicable Final Terms.

The Issuer shall pay or cause to be paid any outstanding Cash Settlement Amount to the relevant Holder's cash account with the Operator for value on the Settlement Date less any Expenses and other sums payable, such payment to be made in accordance with the rules of the Operator.

The Issuer's obligations in relation to any Cash Settlement Amounts in respect of the SDs will be discharged by payment to, or to the order of, the Operator. Each person shown in the Operator register of corporate securities as being the holder of a particular number of SDs must look solely to the Operator for his share of each such payment so made by the Issuer to, or to the order of, the Operator.

In relation to Credit Linked SDs, the obligation to pay any Cash Settlement Amount will be subject to Condition 25.2(a) or 25.2(b), as applicable.

7.2 Physical Delivery SDs

If the SDs are Physical Delivery SDs or where Alternative Physical Settlement applies, each SD entitles its holder (upon the delivery of a valid Exercise Notice in the proper form where Manual Exercise is applicable) to obtain from the Issuer on the Settlement Date the relevant Entitlement subject to payment of any Exercise Price, Expenses and other sums payable more fully set out in the applicable Final Terms.

SDs exercised at the same time by, or (as the case may be) redeemed at the same time in respect of, a particular Holder shall be aggregated for the purpose of determining the aggregate Entitlement in respect of such Holder. The Issuer shall not deliver fractions of the relevant asset(s) and shall consequently effect a payment in the Settlement Currency to the Holder in respect of such fraction, calculated by the Agent on the basis of the value of the relevant asset(s) on the Settlement Date (as the case may be), provided that such aggregate amount exceeds GBP 10 or the equivalent in the Settlement Currency. The Operator shall be responsible for crediting such amounts (if any) to the account of the relevant Holder(s).

In relation to Credit Linked SDs, the right of any Holder to obtain from the Issuer on the Settlement Date the relevant Entitlement will be subject to Condition 25.2(b).

7.3 Market Disruption Event and No Trading/Conversion Day in Valuation Period – Cash Settled SDs

If, in the case of Cash Settled SDs and in respect of any Underlying, and unless the Calculation Agent determines that this Condition 7.3 may be disappplied without prejudice to the Holders:

- (a) in the opinion of the Calculation Agent, a Market Disruption Event has occurred on any day otherwise scheduled to be a Valuation Date, then such Valuation Date shall be the first succeeding Trading Day (being, if applicable, a Conversion Day) on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each day in the Valuation Period; and/or
- (b) there is no Trading Day, that is also (if applicable) a Conversion Day, during the Valuation Period,

in which case the Valuation Date will be, in the case of Warrants, the first Business Day following the expiration of the Valuation Period and, in the case of Certificates, the last Business Day of the Valuation Period; and the relevant Settlement Price(s) will be the Fair Market Value of the relevant Underlying(s) as of such Valuation Date.

7.4 Cancellation of SDs and debiting of accounts

Subject (in the case of Warrants subject to Manual Exercise) to receipt of the confirmation referred to in Condition 5.5 above, the Agent shall, on or before the Settlement Date:

- (a) debit the account of the relevant Holder with the Warrants being exercised or Certificates being redeemed; and
- (b) make whatever changes are necessary to the Record to reflect the number of Warrants which have been exercised, or Certificates that have been redeemed, and thereby cancelled.

7.5 Issuer option to vary settlement

If so specified in the applicable Final Terms, the Issuer may at its sole and unfettered discretion elect not to pay the Cash Settlement Amount or deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount to the relevant Holders, as the case may be. Notification of such election shall be given to Holders no later than 10.00 a.m. (London

time) on the second Business Day following the Exercise Date or the Determination Date (as the case may be).

References in these Terms and Conditions, unless the context otherwise requires:

- (a) to Cash Settled SDs shall include references to Physical Delivery SDs that include such an option; and
- (b) to Physical Delivery SDs shall include references to Cash Settled SDs that include such an option.

7.6 No obligations in relation to underlying asset

Except as expressly provided, the purchase of SDs does not confer on any holder of such SDs any rights (whether in respect of voting, distributions or otherwise) attaching to any Underlying.

The Issuer shall be under no obligation to register or procure the registration of any Holder or any other person as the registered holder in respect of any relevant asset(s) comprised in any Entitlement in any relevant register (including, in relation to Shares, the register of members of the relevant Share Company).

For such period of time after the Settlement Date as the Issuer or any person on behalf of the Issuer shall continue to be the legal owner of any asset(s) comprised in the Entitlement (the **Intervening Period**), neither the Issuer nor any other such person shall (a) be under any obligation to deliver or procure delivery to the relevant Holder or any subsequent beneficial owner of such asset(s) or any other person any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such asset(s), (b) be under any obligation to exercise or procure exercise of any or all rights (including any voting rights) attaching to such asset(s) during the Intervening Period or (c) be under any liability to the relevant Holder or any subsequent beneficial owner of such asset(s) or any other person in respect of any loss of damage which the relevant Holder or subsequent beneficial owner or any other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or any other such person being the legal owner of such asset(s) during such Intervening Period.

7.7 Settlement Disruption Event – Physical Delivery SDs

If, due to a Settlement Disruption Event occurring during, and continuing until the last day of, the Delivery Period, the Issuer is unable to deliver, or cause to be delivered, the Entitlement, the Issuer shall:

- (a) in the case of Single Underlying SDs, pay (or cause to be paid) the Cash Settlement Amount instead of delivering the Entitlement; or
- (b) in the case of Basket SDs:
 - (i) deliver (or cause to be delivered) that part of the Entitlement for which no Settlement Disruption Event has occurred; and
 - (ii) in respect of the part of the Entitlement for which a Settlement Disruption Event has occurred and is continuing on the last day of the Delivery Period, in lieu of delivering such part of the Entitlement, pay (or cause to be paid) the relevant Settlement Price multiplied by Q.

In respect of payments pursuant to paragraphs (a) and (b)(ii) above, the **Valuation Date** shall be the first Trading Day of the Disruption Event Valuation Period that (if a Conversion Rate is specified as applicable in the applicable Final Terms) is also a Conversion Day SUBJECT to the provisions of the next paragraph.

If in the opinion of the Calculation Agent, a Market Disruption Event has occurred on the day scheduled as above to be the Valuation Date, then the Valuation Date shall be the first succeeding Trading Day (being, if applicable, a Conversion Day) on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each day in the Disruption Event Valuation Period; and/or

there is no Trading Day that (if a Conversion Rate is specified as applicable in the applicable Final Terms) is also a Conversion Day during the Disruption Event Valuation Period,

in which case the Settlement Price shall be determined on the basis of the Fair Market Value of the affected Underlying(s) on the first Business Day following the expiry of such period, and such Business Day shall be the Valuation Date.

7.8 Detached dividends, coupons or other rights

Upon a security or cash amount (including any interest coupon or dividend), as the case may be, being detached from an Underlying (in the case of Cash Settled SDs) or the relevant asset(s) comprised in the Entitlement (in the case of Physical Delivery SDs), and only if this provision is specified as applying by the applicable Final Terms, then, if the Ex-Right Date falls:

- (a) in the case of Cash Settled Warrants, between the Exercise Date (exclusive) and the Valuation Date (inclusive);
- (b) in the case of Physical Delivery Warrants, between the Exercise Date (exclusive) and the Settlement Date (inclusive);
- (c) in the case of Cash Settled Certificates, prior to the Valuation Date (inclusive); or
- (d) in the case of Physical Delivery Certificates, prior to the Settlement Date (inclusive),

the Calculation Agent shall adjust the terms of the SDs (including changing the composition of any Basket) by adopting the treatment used by the relevant authority of the Related Exchange.

7.9 Certain Restrictions

In the case of Cash Settled SDs, no payments may be made to accounts located in the United States and in the case of Physical Delivery SDs, no certificates, instruments or underlying assets may be mailed or sent to addresses in the United States.

The SDs may not be exercised or redeemed by any U.S. person or for the account or benefit of a U.S. person.

For the purposes hereof, "U.S. person" is: (a) any natural person resident in the United States; (b) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (c) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (d) any trust if a court within the United States is able to exercise primary supervision over

the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (e) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (b) above; or (f) any other "U.S. person" as such term may be defined in Regulation S under the Securities Act.

7.10 Optional Outstanding SDs Trigger Expiration

If "Trigger Early Expiration Option" is specified in the applicable Final Terms as being applicable, then, in the event that, at any time during the life of the SDs and for any reason whatsoever, the **Aggregate Outstanding Nominal Amount** of the SDs equals or falls below the **Outstanding Amount Trigger Level**, then the Issuer shall have the right at its sole and absolute discretion exercised reasonably, and subject to any applicable law and regulation, (i) where the SDs in question are Certificates, to redeem all (but not some only) of the remaining outstanding SDs early at their **Early Trigger Level Redemption Amount** or (ii) where the SDs in question are Warrants, to terminate all (but not some only) of the remaining outstanding Warrants early at their **Early Trigger Level Termination Amount** upon giving in either case not less than 15 Business Days notice in accordance with Condition 14 specifying the basis upon which such early redemption or, as applicable termination, was effected.

For the purposes hereof:

Aggregate Outstanding Nominal Amount means, at any time, (i) in the case of Certificates, the product of (a) the Specified Denomination and (b) the number of Certificates outstanding or (ii) in the case of Warrants, the number of Warrants outstanding held in either case at such time by Holders other than Societe Generale or its affiliates for their own account as determined in good faith by the Agent in consultation with the clearing institution(s) in or through which the relevant SDs are held and transactions in such SDs are cleared.

Early Trigger Level Redemption Amount means, where the SDs are Certificates, the Early Trigger Level Redemption Amount for such SDs as specified in the applicable Final Terms which shall be an amount equal to the **Fair Market Value** unless otherwise so specified in the applicable Final Terms.

Early Trigger Level Termination Amount means, where the SDs are Warrants, the Early Trigger Level Termination Amount for such SDs as specified in the applicable Final Terms which shall be an amount equal to the **Fair Market Value** unless otherwise so specified in the applicable Final Terms.

Outstanding Amount Trigger Level means the level specified as such in the applicable Final Terms or, if no such level is so specified, 10 per cent. of the Aggregate Nominal Amount (in the case of Certificates) or 10 per cent. of the number of SDs (in the case of Warrants) of the SDs initially issued.

7.11 Termination or Adjustments in the case of Increased Cost of Hedging

If such option is specified as applicable in the relevant Final Terms, in the event that Societe Generale or one of its affiliates would incur a materially increased (as compared with circumstances existing on the first Valuation Date of the SDs) amount of tax, duty, expense or fee (other than brokerage commissions) or if it becomes impossible (for whatever reason, including without limitation, change in legislation and or regulation and market disruption) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary

to hedge the price risk relating to any Underlying of entering into and performing its obligations with respect to the relevant SDs or the agreement entered into with Societe Generale by the Issuer of the SDs or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s):

- (i) substitute the Underlying with another underlying of similar characteristics; or
- (ii) in the case of Basket SDs, exclude the Underlying from the definition of the Basket (the **Excluded Underlying**) and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective values on the basis of the official closing quotation of the Excluded Underlying on the day of such event – for the purposes of such redefinition, the quotations of both the Excluded Underlying and the remaining Underlyings will be taken, if possible, simultaneously
- (iii) terminate the SDs and pay the Fair Market Value of the SDs to the Holders.

7.12 Termination Upon Resignation or other Termination of Weighting Manager (Dynamic Basket SDs only)

In the case of Dynamic Basket SDs, in the event that the relevant Weighting Manager gives notice of resignation or the Weighting Manager's role as such is otherwise terminated under the Calculation Agency Agreement and the Weighting Management Agreement, as the case may be, the Issuer shall have the option, as specified in the applicable Final Terms, subject to applicable laws and regulations, (a) to redeem all (but not some only) of the SDs (in the case of Certificates) early at the Fair Market Value or as otherwise specified in the applicable Final Terms or terminate all (but not some only) of the SDs (in the case of Warrants) early at the Fair Market Value or as otherwise specified in the applicable Final Terms in either case upon giving 15 Business Days notice in accordance with Condition 14 specifying the basis upon which such early redemption or, as applicable, termination was effected; (b) to appoint a new Weighting Manager; (c) to appoint a new Weighting Manager within 90 Business Days of the Weighting Manager ceasing to act as such, failing which redeem the SDs as described in (a) above; or (d) to deal with the matter in any other manner as specified in the applicable Final Terms.

7.13 Open ended SDs – early termination

If the Final Terms specify that the provisions relating to open ended SDs apply, upon the occurrence of the Expiration Date or Determination Date, as the case may be, relating to the relevant SD, the Issuer will no longer be liable for the payment of the Cash Settlement Amount on the relevant Settlement Date pursuant to Condition 7.1 and will in full and final satisfaction of its obligations hereunder in respect of the exercise of each SD, pay or procure payment of the Early Settlement Amount on the relevant Early Settlement Date, as set out in the applicable Final Terms.

The Issuer shall pay or cause to be paid any outstanding Early Settlement Amount to the relevant Holder's cash account with the Operator for value on the Early Settlement Date less any Expenses and other sums payable, such payment to be made in accordance with the rules of the Operator.

The Issuer's obligations in relation to any Early Settlement Amounts in respect of the SDs will be discharged by payment to, or to the order of, the Operator. Each person shown in the Operator register of corporate securities as being the holder of a particular number of SDs must look solely to the Operator for his share of each such payment so made by the Issuer to, or to the order of, the Operator.

In relation to Credit Linked SDs, the obligation to pay the Early Settlement Amount will be subject to Conditions 25.2(a) and 25.2(b), as applicable.

For the purposes of this Condition 7.13:

Early Settlement Amount shall have the meaning given to Cash Settlement Amount in Condition 1 save that references to the Settlement Price shall be deemed to be references to the Early Settlement Price.

Early Settlement Date shall have the meaning given to it in the applicable Final Terms.

Early Settlement Price means the price specified in the applicable Final Terms.

Stop Loss Event shall have the meaning given to it in the applicable Final Terms.

8. **Minimum and Maximum Number of Warrants Exercisable**

The minimum and maximum number of Warrants exercisable by any Holder on any Exercise Date (respectively, the **Minimum Exercise Number** and **Maximum Exercise Number**) shall be specified in the applicable Final Terms. The number of Warrants exercisable by a Holder on any Exercise Date must be equal to the Minimum Exercise Number or an integral multiple thereof and (except on the Expiration Date) may not exceed the Maximum Exercise Number. Any Exercise Notice which purports to exercise Warrants in an amount less than the Minimum Exercise Number (or in an amount which is not an integral multiple thereof) shall be void and of no effect. Any Exercise Notice which purports to exercise (except on the Expiration Date) Warrants in an amount in excess of the Maximum Exercise Number shall be void and of no effect in respect of such excess provided that:

- (e) only if so specified in the applicable Final Terms, the Warrants subject to the Maximum Exercise Number shall be selected at the Issuer's discretion (or in any other manner specified in the applicable Final Terms); and
- (f) unless otherwise specified in the applicable Final Terms, the Warrants tendered for exercise pursuant to such Exercise Notice in excess of such Maximum Exercise Number will be automatically exercised on each next date on which Warrants may be exercised subject always (except on the Expiration Date) to the Maximum Exercise Number.

9. **Minimum Trading of the SDs**

The minimum number (or an integral multiple thereof) of SDs that may be traded by a Holder (the **Minimum Trading Number**) shall be specified in the applicable Final Terms.

10. **Expenses and Taxation**

A holder of SDs shall pay all Expenses relating to such SDs as provided in this Condition 10. As used in these Terms and Conditions, **Expenses** means all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, sale commissions, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the issue, transfer, redemption or exercise of SDs, and/or the delivery or transfer of the Entitlement, the Physical Delivery Amount or the Alternative Physical Delivery Amount, if any, pursuant to the terms of such SDs.

Neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment (including any amounts required to be withheld or deducted pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder, official interpretations thereof or similar law implementing an intergovernmental approach thereto) which may arise as a result of the ownership, transfer, exercise or enforcement of any security and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

11. Agents and Determinations

11.1 Agent

The specified office of the Agent as at the Issue Date is set out in the applicable Final Terms.

The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Agent and to appoint a further Agent, provided that no termination of appointment of the Agent shall become effective until a replacement Agent is appointed and provided that, so long as any of the SDs are listed on a stock exchange, there shall be an Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of the Agent will be given to Holders. In acting under the Agency Agreement, the Agent acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations made in respect of the SDs by any Agent shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer and the Holders.

11.2 Calculation Agent

In relation to each issue of SDs, the Calculation Agent (whether it be Societe Generale or another entity) acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the SDs by the Calculation Agent shall be made in good faith and (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer, the Guarantor and the Holders.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

Neither the Issuer, nor the Guarantor, nor the Calculation Agent shall have any responsibility for any errors or omissions beyond its reasonable control (save in the case of manifest or proven error) in the calculation of any amount or with respect to any other determination required to be made by it under the Conditions.

11.3 Determinations by the Issuer

Any determination made by the Issuer pursuant to these Terms and Conditions shall (save in the case of manifest or proven error) be final, conclusive and binding on, the Guarantor, the Agent and the Holders.

12. Meetings of Holders and Modification

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the SDs or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor. At least 21 clear days' notice specifying the place, date and hour of the meeting shall be given to the Holders. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in the aggregate not less than 50 per cent. of the SDs for the time being unexercised or outstanding, as the case may be, or at any adjourned meeting one or more persons being or representing Holders whatever the number of SDs so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the SDs (including modifying the Expiration Date, Exercise Period or Maturity Date (as the case may be), reducing or cancelling the Cash Settlement Amount or the Entitlement or altering the Settlement Currency), the quorum shall be one or more persons holding or representing not less than two-thirds of the SDs for the time being unexercised or outstanding, as the case may be, or at any adjourned such meeting one or more persons holding or representing in the aggregate not less than one-third of the SDs for the time being unexercised or outstanding, as the case may be. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

The person permitted to vote on a meeting of Swedish SDs or Finnish SDs Holders will be the Holder appearing as such in the Swedish Register or the Finnish Register, respectively, on the record date stated in the notice.

In the case of Swedish SDs or Finnish SDs, amendments to the terms and conditions of the SDs may only be made to the extent that such amendments are permitted or otherwise possible in the systems of the Swedish CSD or the Finnish CSD, as the case may be.

The Agent and the Issuer may agree, without the consent of the Holders to:

- (a) any modification (except as mentioned above) of the SDs or Agency Agreement which is not prejudicial to the interests of the Holders; or
- (b) any modification of the SDs or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error, to cure any ambiguity or to comply with mandatory provisions of law.

Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders as soon as practicable thereafter, provided that failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

13. Illegality

If the Issuer (a) determines that the performance of its obligations under the SDs has become illegal in whole or in part for any reason, or (b) becomes aware that the performance of the Guarantor under the Guarantee has become unlawful or impractical in whole or in part for any reason, the Issuer may cancel the SDs by giving notice to Holders.

If the Issuer cancels the SDs then the Issuer shall, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of the SDs held by such Holder, which amount shall be the Fair Market Value of the SDs notwithstanding such illegality less the cost to the Issuer or any

affiliate of unwinding any underlying related hedging arrangements plus, if already paid by or on behalf of a Holder, any Exercise Price, all as determined by the Calculation Agent. Payment will be made in such manner as shall be notified to the Holders.

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

14. Notices

All notices to the Holders shall be valid if (a) delivered to the address of the Holder appearing in the Record by first class post or by hand or, if such address is not in the United Kingdom, by airmail post (such notices to be delivered or sent in accordance with this provision (a) shall be sent at the risk of the relevant Holder) or (b) published in a daily newspaper with general circulation in the United Kingdom which is expected to be the *Financial Times* or (c) for so long as the SDs are listed on any stock exchange published in accordance with the rules of such stock exchange or (d) in the case of Swedish SDs or Finnish SDs, sent by mail to a Holder on the address registered for such Holder in the system of the Swedish CSD or the Finnish CSD, as the case may be, or in accordance with the legislation, rules and regulations applicable to, and/or issued by, the Swedish CSD or the Finnish CSD, as the case may be. Any such notice shall be deemed to have been given on the second Business Day following, in the case of (a), such delivery or, in the case of (b), the date of such publication or, if published more than once, on the date of the first such publication and (c) for so long as the SDs are listed on any stock exchange, published in accordance with the rules of such stock exchange or in case of (d) if sent by mail to the Holders, on the fourth day following the day the notice was sent by mail.

15. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Holders, to create and issue further Tranches of securitised derivatives, such further securitised derivatives to be consolidated with and to form a single Series with the relevant outstanding SDs provided that such further securitised derivatives should carry terms identical in all respects (except in respect of the Issue Price) and provided that the terms of such securitised derivatives provide for such consolidation.

16. Substitution of the Issuer

The Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the SDs any company (the **Substitute**), being the Guarantor or any of its Affiliates, subject to:

- (a) (except in the case of the substitution of the Guarantor) the Guarantor unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the SDs;
- (b) all actions, conditions and things required to be taken, fulfilled and done in order to ensure that the SDs represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done;
- (c) the Substitute having become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

- (d) each stock exchange on which the SDs are listed having confirmed that, following the proposed substitution of the Substitute, the SDs will continue to be listed on such stock exchange;
- (e) if appropriate, the Substitute having appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the SDs;
- (f) the Issuer having given at least thirty (30) days' prior notice of the date of such substitution to the Holders; and
- (g) to the extent that the SDs are held in the Swedish CSD or Finnish CSD system, the Swedish CSD or the Finnish CSD, as the case may be, having confirmed that following the proposed substitution with the Substitute, the SDs will continue to be incorporated and registered in the Swedish book-entry system in accordance with the Swedish CSD Rules or the Finnish book-entry system in accordance with the Finnish CSD Rules, as the case may be.

17. No Assumption of Responsibility

Any indication herein that the Operator "shall" do, or similar expression or phrase indicating that they are obliged to or will carry out any role or obligation described in these Terms and Conditions and/or the applicable Final Terms, as the case may be, is given without any assumption by the Issuer, the Agent or the Calculation Agent, of responsibility or liability for the performance of the Operator.

In case of SDs where the underlying asset is securities, the SDs will not be secured by such securities (or any other securities) and the Issuer does not accept any responsibility for the maintenance of the listing of the securities on the relevant stock exchange on which such securities are quoted or on any other stock exchange or for the availability of quotations for such securities published by any such stock exchange.

Neither the Issuer nor the Guarantor shall have any responsibility for a third party's failure to credit the Holders cash or securities accounts, or for payments effected to persons not entitled thereto, or, more generally, for a third party's default on one of its obligations under the Agency Agreement as amended and/or supplemented in accordance with the applicable Final Terms.

Neither the Issuer, the Guarantor, the Calculation Agent, nor the Agent shall be liable for any errors or omissions in respect of the calculation of any Cash Settlement Amount or of any Entitlement, provided such errors or omissions are beyond their reasonable control.

The Issuer and the Guarantor shall not under any circumstances be liable for any acts or defaults of the Agent in relation to the performance of its duties in relation to the SDs.

18. Prescription

Claims of any kind against the Issuer in connection with the SDs for, *inter alia*, payment of any amount or, if applicable, delivery of any underlying asset in respect of the SDs will be prescribed ten years (or five years in the case of payments of interest/coupons) after the earlier of:

- (a) the due date thereof resulting from either (i) the exercise of the SDs by the Holder or (ii) the early repayment of the SDs; or

- (b) the relevant due date for any payment of interest/coupons or the Expiration Date or the Maturity Date (as the case may be).

19. Redenomination

19.1 The Issuer may, without the consent of the Holders, on giving notice to the Holders:

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the SDs shall be redenominated in euro;

The election will have effect as follows:

- (i) where the Settlement Currency of the SDs is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the SDs will be made solely in euro as though references in the SDs to the Settlement Currency were to euro;
 - (ii) where the Conversion Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Conversion Rate, contemplate the exchange from or into, the currency (the **Original Currency**) of a country which is participating in the third stage of European Economic and Monetary Union, such Conversion Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Conversion Rate, converted from or, as the case may be into, euro at the Established Rate; and
 - (iii) such other changes shall be made to these Terms and Conditions as the Calculation Agent may decide to conform them to conventions then applicable to instruments expressed in euro; and/or
- (b) require that the Calculation Agent make such adjustments to the Settlement Price and/or the Exercise Price and/or any other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Settlement Price and/or the Exercise Price and/or such other terms of these Terms and Conditions and/or the applicable Final Terms.

Notwithstanding the foregoing, none of the Issuer, the Guarantor, the Calculation Agent and the Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

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

Adjustment Date means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of the European Economic and Monetary Union pursuant to the Treaty;

Established Rate means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) of the Treaty;

euro means the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty;

National Currency Unit means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

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

20. Contracts (Rights of Third Parties) Act 1999

The SDs do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 (the **Act**) to enforce any term of the SDs but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

21. Governing Law

21.1 The SDs, the Guarantee and the Agency Agreement and any non-contractual obligations arising out of or in connection with each of the SDs, the Guarantee and the Agency Agreement are governed by and shall be construed in accordance with English law.

21.2 The Issuer agrees, for the exclusive benefit of the Holders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the SDs and the Agency Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with the SDs and the Agency Agreement) and that accordingly any suit, action or proceedings (together referred to as Proceedings) arising out of or in connection with the SDs and the Agency Agreement (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the SDs and the SD Agency Agreement) may be brought before such courts.

The Issuer hereby irrevocably submits to the jurisdiction of such courts and waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) unless by applicable law.

21.3 The Issuer appoints Societe Generale, London Branch, currently of SG House, 41 Tower Hill, London, EC3N 4SG as its agent for service of process, and the Issuer undertakes that, in the event of such entity ceasing so to act or ceasing to be registered in England, it shall appoint another person as

its agent for service on process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

22. Provisions applicable to Index Securitised Derivatives

This Condition applies to Index SDs only.

22.1 Definitions

Index Trading Day means any day:

- (a) that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the applicable Exchange(s) and Related Exchange(s) other than a day on which trading on any such Exchange(s) or Related Exchange(s) is/are scheduled to close prior to its/their regular weekday closing time; and
- (b) on which the Index is, or the Indices are, calculated by the relevant Sponsor(s).

Market Disruption Event means (a) a suspension or material limitation of trading on the Exchange in a material number of the components from time to time comprising the Index or one of the Basket Indices or (b) a suspension or a material limitation on prices in a material number of the components of the Index or one of the Basket Indices on such Exchange or (c) a suspension or a material limitation of trading in any futures and/or options contracts related to the Index or one of the Basket Indices which are traded on the Related Exchange which shall prevent the Issuer from determining the Settlement Price. For the purposes of this definition, (i) a limitation on the hours and days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange and market but (ii) a limitation of trading imposed during the course of a day by reason of movements in prices which exceed levels permitted by the Exchange or the Related Exchange, will constitute a Market Disruption Event.

22.2 Events relating to the Index and adjustments

(a) Successor Sponsor calculates and reports an Index

If a relevant Index is (i) not calculated and announced by the agreed Sponsor but is calculated and announced by a successor to the Sponsor (the **Successor Sponsor**) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then that Index will be deemed to be the index so calculated and announced by the Successor Sponsor or that successor index, as the case may be.

(b) Modification of the calculation or replacement of an Index

If on or prior to the Valuation Date, the Sponsor or, as applicable, the Successor Sponsor significantly changes the method of calculating an Index, or if the Sponsor or, as applicable, the Successor Sponsor or any other relevant authority, replaces a relevant Index by a new index, this new index is to be used as the new underlying component of the SDs and the Issuer may:

- (i) use the Index so calculated or replace the Index by the new index, as the case may be, multiplying it if necessary by a factor ensuring the continuity of the Index underlying the SDs; provided that the Index so calculated or the new index, as the case may be and the

factor, if necessary, shall be notified as soon as possible to the Holders in accordance with Condition 14;

- (ii) substitute the Index with another index of similar characteristics; or
- (iii) in the case of Basket SDs, exclude the Index from the definition of the Basket (the **Excluded Index**) and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective value and weight in the Basket based on the official closing quotation of the Excluded Index on the day it was last quoted – for the purposes of such redefinition, the quotation of both the Excluded Index and the remaining Underlyings will be taken, if possible, simultaneously; or
- (iv) terminate the SDs and pay to each Holder, in respect of the SDs held by it, an amount corresponding to the Fair Market Value of the SDs.

(c) Non-publication or termination of the calculation of an Index

- (i) In relation to Single Index SDs, if on or prior to the Valuation Date (A) the Sponsor (or the Successor Sponsor) does not publish an Index and does not provide a substitution Index, or (B) the Sponsor or the Successor Sponsor ceases definitively to calculate an Index and does not provide a substitution Index, or (C) it is no longer possible to use the Index normally as an Index underlying the SDs, the Issuer may
 - I. substitute the Index with another index of similar characteristics; or
 - II. terminate the SDs and pay to each Holder, in respect of the SDs held by it, an amount corresponding to the Fair Market Value of the SDs.
- (ii) In relation to Basket Index SDs, if on or prior to the Valuation Date, (A) any Sponsor (or any Successor Sponsor) does not publish an Index of the Basket and does not provide a substitution Index, or (B) if any Sponsor (or any Successor Sponsor) ceases definitively to calculate an Index of the Basket and does not provide a substitution Index, or (C) it is no longer possible to use normally the Index as an Index of the Basket underlying the SDs, the Issuer may:
 - I. exclude immediately the affected Index from the Basket (the **Excluded Index**) and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective value and weight in the Basket based on the official closing quotation of the Excluded Index on the day it was last quoted – for the purposes of such redefinition, the quotation of both the Excluded Index and the remaining Underlyings will be taken, if possible, simultaneously;
 - II. substitute the Index with another index of similar characteristics; or
 - III. terminate its obligations under the SDs and pay to each Holder in respect of the SDs held by it an amount representing the Fair Market Value of such SDs.

(d) Notice

The Agent shall notify, as soon as practicable, the Holders of any modification in the terms of the SDs made under this Condition, in accordance with Condition 14.

23. Provisions applicable to Share Securitised Derivatives and GDR Securitised Derivatives

This Condition applies to Share SDs and GDR SDs only.

23.1 Definitions

Affected GDR means a GDR (a) subject to an Event or (b) relating to a Deposited Share which is subject to an Event (as defined in Condition 23.2 below).

Deposit Agreement means the deposit agreement between the Share Company that has issued the shares that are Deposited Shares and the Depositary pursuant to which a GDR has been issued by the Depositary.

Depositary means the depositary appointed in the Deposit Agreement or any successor to it from time to time in such capacity.

Deposited Share means the shares issued by a Share Company held by the Depositary under the Deposit Agreement pursuant to which a GDR evidencing such Deposited Shares has been issued, as specified in the applicable Final Terms.

Discounting Method means the division of the value to discount by $[1 + (\text{IBOR} * \text{Period}/360)]$ where:

- (a) **Inter-Bank Offered Rate** or **IBOR** means Inter-Bank Offered Rate (as specified in the Final Terms) for a maturity corresponding to the whole number of complete months closest to the decimal number of months constituting the Period, such as calculated and broadcast by the local inter-bank association on the Right Valuation Date; and
- (b) **Period** means the number of days elapsed between the relevant Right Valuation Date (exclusive) or the Effective Date (exclusive) in the case of a paper or cash take-over bid and the official payment date (inclusive) or delivery date (inclusive) of the relevant cash amount or securities.

GDR means a Global Depositary Receipt representing shares issued by a Share Company and which constitute Deposited Shares, specified in the applicable Final Terms.

GDR Trading Day means, in relation to a GDR, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the applicable Exchange(s) and Related Exchange(s) other than a day on which trading on any such Exchange(s) or Related Exchange(s) is/are scheduled to close prior to its/their regular weekday closing time.

General Principles means the requirements of liquidity and of incontestable reference prices for a traded security, as established by the relevant Exchange.

Market Disruption Event means (a) in respect of a Share, a suspension or material limitation of trading of the Share on the Exchange which shall prevent the Issuer from determining the Settlement Price of the Share and (b) in respect of a GDR, a suspension or material limitation of trading of the Deposited Share and/or the GDR on the relevant Exchange which shall prevent the Issuer from determining the Settlement Price of the GDR and/or the Deposited Share. For the purposes of this definition, (a) a limitation on the hours and days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange and market but (b) a material limitation of trading resulting from a fluctuation of prices which

exceeds levels permitted by the relevant authority will constitute a Market Disruption Event. For the avoidance of doubt, a Market Disruption Event will be deemed to have occurred with respect to a GDR if a Market Disruption Event has occurred with respect to the Deposited Share.

Payment Date means the date on which any cash relating to a Share or Deposited Share, as provided for in Condition 23.2(c), is paid.

Right Valuation Date means the date on which "D", as specified in Condition 23.2, is determined.

Share means a share of the Share Company (or a share of the relevant Share Company, in the case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provision of Condition 22.

Share Company means, in relation to a Share, the issuer of such Share, and in relation to a Deposited Share pursuant to which a GDR evidencing such Deposited Shares has been issued, the issuer of such Deposited Share, in each case as specified in the applicable Final Terms.

Share Trading Day means, in relation to a Share or Deposited Share, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the applicable Exchange(s) and Related Exchange(s) other than a day on which trading on any such Exchange(s) or Related Exchange(s) is/are scheduled to close prior to its/their regular weekday closing time.

23.2 Events relating to the Share, GDR or Deposited Share and adjustments

Upon the occurrence of any of the events described in paragraphs (a) to (j) below (each an **Event**) which affects the value of a Share, either (i) the Issuer shall end its obligations under the SDs and pay the Fair Market Value of the SDs as set forth below or (ii) the Calculation Agent shall adjust the terms of the SDs (including changing the composition of any Basket) by (at its choice) either (A) adopting the treatment used by the relevant authority of the Related Exchange (if applicable) or (B) using the methods described below.

In relation to GDR SDs, references to Share(s) in this Condition 23.2 refer to the Deposited Share(s) underlying such GDR. An Event that has a diluting or concentrative effect on the Deposited Share may affect the theoretical value of the GDR unless (and to the extent that) the relevant Share Company or the Depositary, pursuant to its authority (if any) under the Deposit Agreement, elects to adjust the number of the Deposited Shares that are represented by each GDR such that the price of the GDR will not be affected by any such Event (as determined by the Calculation Agent), in which case the Calculation Agent will be entitled not to make the adjustments referred to in this Condition. If the Share Company or the Depositary elects not to adjust the number of Deposited Shares that are represented by a GDR or makes an adjustment that the Calculation Agent determines not to have been adequate, then the Calculation Agent may, in its discretion, adjust the terms of the SDs (including changing the composition of any Basket) by (at its choice) either (A) adopting the treatment used by the relevant authority of the Related Exchange (if applicable), (B) using the methods described below or (C) using any other such methods as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the SDs and determine the effective date of those adjustments. The Depositary may also have the ability pursuant to the Deposit Agreement to make adjustments in respect of the GDR for share distributions, rights distributions, cash distributions and distributions other than shares, rights and cash. Upon any such adjustment by the Depositary, the Calculation Agent may, in its discretion, make such adjustments as the Calculation Agent deems, in its sole unfettered discretion, appropriate or necessary to account for such Event.

Nevertheless, the methods described below may be modified in order to comply with local practices and/or legislation and/or be applied (subject to modification) to the occurrence of any event(s) not defined in this Condition and the adjustments will be made in a fair and reasonable manner which, in the opinion of the Calculation Agent and the Issuer, will not be prejudicial to the interests of the Holders.

If an Event which brings about adjustments occurs whose Ex-Right Date or Effective Date falls:

- (i) in the case of Warrants, in the period from the Exercise Date to the Valuation Date or (in the case of Physical Delivery SDs) the Settlement Date; or
- (ii) in the case of Certificates, prior to or on the Valuation Date or (in the case of Physical Delivery SDs) the Settlement Date,

as the case may be (all dates inclusive), then the Holder shall be entitled to benefit from the modification of the terms of the SDs consequent upon such adjustment(s).

In the case where any one Event (including but not limited to those mentioned below) results in the distribution of security(ies) or the payment of any cash amount exceeding 20 per cent. of the Share Price (as described in paragraphs (b) and (c) below) or 30 per cent. of such Share Price over a 12-month period (except in the circumstances described in paragraph (a) below), the Issuer will have the choice of (i) continuing to honour its obligations in respect of the SDs in accordance with these Conditions provided the Share and the Affected GDR (if applicable) continue to satisfy the General Principles, (ii) (in the case of Basket SDs) excluding the affected Share or Affected GDR from the composition of the Basket and redefining the Quantity in respect of each of the remaining Underlyings as provided below or (iii) ending its obligations under the SDs and paying the Fair Market Value of the SDs as determined by the Calculation Agent.

Generally:

- (i) if, as a result of an Event, a Share or an Affected GDR (if applicable) no longer satisfies the General Principles, then (A) the Issuer shall terminate its obligations under the SDs and pay the Fair Market Value of the SDs as determined by the Calculation Agent or (B) the Issuer shall (1) substitute the Share or Affected GDR for a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company or with a global depository receipt relating to a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company, provided such share or global depository receipt fulfils the criteria required by the General Principles and (2) make any appropriate adjustment or (C) in the case of Basket SDs, such Share or Affected GDR will be excluded from the composition of the Basket and the Quantity in respect of each of the remaining Underlyings in the Basket redefined;
- (ii) where a Share has been substituted with a GDR or *vice versa* whether in accordance with (i)(B) above or otherwise, the provisions of GDR SDs or Share SDs, as applicable, shall apply as of such substitution;
- (iii) the adjustments described below in paragraphs (a), (b) and (c) below will take effect on the Ex-Right Date, provided that no particular event occurs;
- (iv) the new Parity and new Exercise Price (in the case of Single Share SDs and Single GDR SDs) or the new Quantity (in the case of Basket SDs) will be calculated and rounded

downward to the nearest 0.0001 of the initial Quantity or (as applicable) initial Parity and initial Exercise Price. Successive adjustments will be made from the last Quantity or (as applicable) last Parity and last Exercise Price thus recalculated and rounded, as notified in accordance with Condition 14; and

- (v) any provisions in this Condition 23.2 relating to the Exercise Price only apply to SDs where an Exercise Price is specified in the applicable Final Terms.

(a) Share Capital Transactions

In the case of (i) a free allotment of Shares resulting from, but not limited to, the incorporation of reserves, profits or premiums or (ii) a Share split or regrouping of Shares, the Parity (in the case of Single Share SDs or Single GDR SDs) or the Quantity (in the case of Basket SDs) will be redefined and calculated according to the applicable following formula:

$$P \text{ (after adjustment)} = P \text{ (before adjustment)} \times \frac{\text{Number of Shares or GDRs before the Event}}{\text{Number of Shares or GDRs after the Event}}$$

$$Q \text{ (after adjustment)} = Q \text{ (before adjustment)} \times \frac{\text{Number of Shares or GDRs after the Event}}{\text{Number of Shares or GDRs before the Event}}$$

and (in the case of Single Share SDs or Single GDR SDs only) the Exercise Price will be redefined and calculated according to the following formula:

$$EP \text{ (after adjustment)} = EP \text{ (before adjustment)} \times \frac{\text{Number of Shares or GDRs before the Event}}{\text{Number of Shares or GDRs after the Event}}$$

Where:

EP means Exercise Price; and

P means Parity.

(b) Distribution of Rights or Securities

In the case of (i) the distribution of reserves in quoted shares or any other quoted securities (except where such distribution replaces or is made in lieu of a normally distributed dividend), (ii) the issue of quoted preferential subscription rights for shareholders, quoted priority rights, or quoted allotment rights or (iii) free allotment to the shareholders of quoted securities, the Parity (in the case of Single Share SDs or Single GDR SDs) or the Quantity (in the case of Basket SDs) will be redefined and calculated according to the applicable following formula:

$$P \text{ (after adjustment)} = P \text{ (before adjustment)} \times \frac{\text{Share or GDR Price}}{D + \text{Share or GDR Price}}$$

$$Q \text{ (after adjustment)} = Q \text{ (before adjustment)} \times \frac{D + \text{Share or GDR Price}}{\text{Share or GDR Price}}$$

and (in the case of Single Share SDs or Single GDR SDs only) the Exercise Price will be redefined and calculated according to the following formula:

$$\text{EP (after adjustment)} = \text{EP (before adjustment)} \times \frac{\text{Share or GDR Price}}{\text{D} + \text{Share or GDR Price}}$$

Where:

EP means Exercise Price; and

P means Parity.

In the case of the distribution of outstanding securities, **D** shall be the first quoted price of the distributed security per Share or per GDR, as the case may be, on the Ex-Right Date and **Share Price** or **GDR Price** shall be the price of the Share or per GDR, as the case may be, taken concomitantly. However, if such date is not a Share Trading Day or per GDR Trading Day, as the case may be, then **D** and the Share Price or the GDR Price, as the case may be, shall be determined on the next following Share Trading Day on which **D** and the Share Price or the GDR Price, as the case may be, are quoted concomitantly.

In all the other cases, **D** shall be the first quoted price of the distributed right or security per Share on the official delivery date of the right or security and **Share Price** shall be the price of the Share taken concomitantly. However, if such date is not a Share Trading Day then **D** and the Share Price shall be determined on the next following Share Trading Day where **D** and the Share Price are quoted concomitantly.

However, if the distributed rights or securities are not quoted within 20 Business Days following the Ex-Right Date, **D** will be determined by the Calculation Agent using the Discounting Method (if necessary) based on the market conditions of the first Business Day following such 20 Business Day period and the Share Price or the GDR Price, as the case may be, shall be the opening quotation on such day or, if not a Share Trading Day or a GDR Trading Day, as the case may be, the next following Share Trading Day or GDR Trading Day, as the case may be.

However, in the case of distributed rights or securities whose Ex-Right Date falls prior to the official announcement of such distribution, the Issuer shall make any adjustment which it deems in good faith necessary to maintain the economic equivalent value of the SDs.

(c) **Distribution of cash amount or the amortisation of capital**

In the case of (i) the distribution of a cash amount (such as reserves, premiums, profits, etc.) except in the event that such distribution replaces or is made in lieu of a normally distributed dividend or (ii) the amortisation of capital, the Parity (in the case of Single Share SDs or Single GDR SDs) or the Quantity (in the case of Basket SDs) will be redefined and calculated according to the applicable following formula:

$$\text{P (after adjustment)} = \text{P (before adjustment)} \times \frac{\text{Share or GDR Price}}{\text{D} + \text{Share or GDR Price}}$$

$$Q \text{ (after adjustment)} = Q \text{ (before adjustment)} \times \frac{D + \text{Share or GDR Price}}{\text{Share or GDR Price}}$$

and (in the case of Single Share SDs or Single GDR SDs only) the Exercise Price will be redefined and calculated according to the following formula:

$$EP \text{ (after adjustment)} = EP \text{ (before adjustment)} \times \frac{\text{Share or GDR Price}}{D + \text{Share or GDR Price}}$$

Where:

EP means Exercise Price; and

P means Parity.

For the purposes hereof, **D** is the distributed cash amount per Share or per GDR, as the case may be, and may be discounted (if necessary) using the Discounting Method (in this case, the **Right Valuation Date** is the day on which the Share Price or the GDR Price, as the case may be, (both as defined below) can be ascertained) if the Ex-Right Date is not the Payment Date, and the **Share Price** or the **GDR Price**, as the case may be, shall be the first quotation of the Share or the GDR Price, as the case may be, on the Ex-Right Date or on the next following Share Trading Day or GDR Trading Day, as the case may be, if the Ex-Right Date is not a Share Trading Day or a GDR Trading Day, as the case may be.

(d) Events which do not give rise to adjustments

The following Events do not give rise to adjustments:

- (i) distribution of dividends in cash or additional Shares. However, in accordance with the following priority order, (A) if the Share is a component stock of an official index which does not capitalise dividends and if the calculation of such index is modified following such distribution of dividends, then the Parity and the Exercise Price will be adjusted as described in paragraph (c) above, (B) if the Share Company has outstanding convertible bonds or equity warrants related to the Share whose parity is adjusted following such distribution of dividends, then the Quantity (in the case of Basket SDs) or the Parity (in the case of Single Share SDs or Single GDR SDs) and the Exercise Price will be adjusted accordingly and (C) if neither (A) nor (B) is applicable, then the Quantity (in the case of Basket SDs) or the Parity (in the case of Single Share SDs or Single GDR SDs) and the Exercise Price will be adjusted by the Calculation Agent in such a way as to reflect accurately the effect of the relevant Event on the Share or GDR concerned;
- (ii) exercise of rights attached to equity warrants or securities giving an immediate or future right to a quantity of the share capital;
- (iii) issue without preferential subscription rights for shareholders, priority rights or allotment rights, of equity warrants or securities which either give an immediate right or a future right to the delivery of an amount of capital;

- (iv) increase in the nominal value of the Share by incorporation of reserves, profits or premiums;
- (v) decrease in the nominal value of the Share other than in the case of a Share split;
- (vi) the distribution of material advantages to shareholders;
- (vii) re-purchase and/or cancellation of Shares by the Share Company;
- (viii) distribution of unquoted securities of the portfolio or any other unquoted assets, issue with unquoted preferential rights for shareholders, unquoted priority rights, unquoted allotment rights or free allotment (other than a free allotment of Shares or a free allotment for shareholders of quoted securities) referring to unquoted securities or unquoted rights giving immediate or future right to a quantity of capital. Should the value distributed per Share represent more than 10 per cent. of the Share price on the day of the distribution, the Calculation Agent shall apply the adjustment provisions set forth above for the fraction exceeding such 10 per cent.

(e) Cash take-over bid

If a Share is the subject of a cash take-over bid, the Issuer shall maintain its obligations under the SDs in one of the following ways:

- (i) retain the Share or Affected GDR (as applicable) as the underlying asset of the SDs or (as applicable) in the Basket and, if necessary, make any adjustment, provided that the Share and Affected GDR (if applicable) continue(s) to satisfy the criteria required by the General Principles;
- (ii) substitute the Share or the Affected GDR with a share or with a global depository receipt relating to a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company, provided such share or global depository receipt fulfils the criteria required by the General Principles and make any appropriate adjustment;
- (iii) in the case of Basket SDs exclude the Share or Affected GDR from the composition of the Basket (the **Excluded Share** and **Excluded GDR**, respectively) and redefine the Quantity of each of the remaining Underlyings *pro rata* to their respective value and weight in the Basket on the basis of (at the choice of the Issuer) either the cash take-over bid price discounted (if necessary) using the Discounting Method or the last quotation of the Excluded Share or Excluded GDR which is deliverable to the offer on the last day of the cash take-over bid period – for the purposes of such redefinition, the quotations of both the Excluded Share or Excluded GDR and the remaining Underlyings will be taken, if possible, simultaneously; or
- (iv) terminate the SDs void and pay the Fair Market Value of the SDs. Such Fair Market Value shall be determined by the Calculation Agent and based upon (at the option of the Issuer) either the cash take-over bid price discounted (if necessary) using the Discounting Method or the last quotation of the Share or Affected GDR which is deliverable pursuant to the offer on the last day of the cash take-over bid period.

If the Exercise Date or the Determination Date, as applicable, falls after the last day of the cash take-over bid period and before the announcement of the result of the cash take-over bid (the **Effective Date**), such Exercise Date or Determination Date, as applicable, will be deemed to be the Business Day immediately following the Effective Date.

(f) Paper take-over bid

If a Share is the subject of a paper take-over bid, the Issuer shall maintain its obligations under the SDs in one of the following ways:

- (i) retain the Share or the Affected GDR (as applicable) as the underlying asset of the SDs or (as applicable) in the Basket, provided that the Share and Affected GDR (if applicable) continue(s) to satisfy the criteria required by the General Principles and make any appropriate adjustment;
- (ii) substitute the Share or the Affected GDR (as applicable) for the security(ies) or global depositary receipt(s) relating to such security(ies) which has (have) been exchanged therefor, provided such security(ies) and global depositary receipt(s) (if applicable) satisfies(satisfy) the criteria required by the General Principles and make any appropriate adjustment. Such substitution will take effect on the Business Day immediately following the Effective Date, which is the day on which the result of the paper take-over bid is published by a notice of the relevant authority;
- (iii) in the case where several securities have been exchanged therefor, substitute one or more of such securities and/or global depositary receipt(s) relating to such security(ies) (but not all of them) (such security(ies) and global depositary receipt(s), the **Retained Security(ies)** and **Retained Global Depositary Receipt(s)** respectively) for the Share or the Affected GDR (as applicable) provided it (they) satisfies(satisfy) the criteria required by the General Principles and, if necessary, make any appropriate adjustment. In such case, the value of the non-retained security(ies) and global depositary receipt(s) (such security(ies) and global depositary receipt(s), the **Non-Retained Security(ies)** and **Non-Retained Global Depositary Receipt(s)** respectively) shall be expressed as a number or a fraction of a number of:
 - (A) the Retained Security(ies) and/or Retained Global Depositary Receipt(s); or
 - (B) in the case of Basket SDs, the Retained Securities and/or Retained Global Depositary Receipts and the remaining Underlyings in the Basket *pro rata* to their respective value and weight in the Basket; or
 - (C) also in the case of Basket SDs, the remaining Underlyings in the Basket *pro rata* to their respective value and weight in the Basket,

which shall be calculated on the basis of the quotations of the Non-Retained Security(ies), Non-Retained Global Depositary Receipt(s), Retained Security(ies) and the Retained Global Depositary Receipt(s), taken if possible simultaneously, on the day on which the paper take-over bid becomes effective (the **Effective Date**) if such day is a Share Trading Day or the next following Share Trading Day. For the purpose of this paragraph **Share Trading Day** means a Business Day on which the

Non-Retained Security(ies), Non-Retained Global Depository Receipt(s), Retained Security(ies) and the Retained Global Depository Receipt(s) are quoted.

If the security(ies) exchanged therefor include unlisted security(ies), the Calculation Agent shall determine a fair market value for such unlisted security(ies) based on the market conditions prevailing on the Effective Date. Such fair market value shall be reinvested as if it were a Non-Retained Security as described above, provided that in such case the definition of Share Trading Day shall be as follows: **Share Trading Day** means a Business Day on which the Retained Security(ies) and, as the case may be, the Non-Retained Security(ies) is (are) quoted.

If a cash amount is exchanged therefor, such cash amount will be discounted (if necessary) using the Discounting Method and reinvested as if it were a Non-Retained Security or Non-Retained Global Depository Receipt as described above, provided that in such case the definition of Share Trading Day shall be as follows: **Share Trading Day** means a Business Day on which the Non-Retained Security(ies), Non-Retained Global Depository Receipt(s), Retained Security(ies) and the Retained Global Depository Receipt(s) is (are) quoted.

In any case, the substitution will be made by applying to the Share or Affected GDR the exchange parity used in the process of the aforementioned paper take-over bid;

- (iv) substitute the Share or the Affected GDR with a share or with a global depository receipt relating to a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company, provided such share or global depository receipt fulfils the criteria required by the General Principles and make any appropriate adjustment;
- (v) in the case of Basket SDs, exclude the Share or the Affected GDR (as applicable) from the composition of the Basket (the **Excluded Share or Excluded GDR**) and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective value and weight in the Basket on the basis of the last quotation of the Excluded Share or Excluded GDR (as applicable) deliverable to the offer on the last day of the paper take-over bid period – for the purposes of such redefinition, the quotations of both the Excluded Share or the Excluded GDR and the remaining Underlyings will be taken, if possible, simultaneously;
- (vi) terminate the SDs and pay the Fair Market Value of the SDs as determined by the Calculation Agent based on the last quotation of the Share or Affected GDR which is deliverable pursuant to the offer on the last day of the paper take-over bid period.

If the Exercise Date or the Determination Date, as applicable, falls after the last day of the paper take-over bid period and before the Effective Date, such Exercise Date or Determination Date, as applicable, will be deemed to be the Business Day immediately following the Effective Date.

(g) Absorption or Merger

In the event of an absorption or a merger of a Share Company or the Depository, the Issuer shall maintain its obligations under the SDs in one of the following ways specified as being applicable in the relevant Final Terms:

- (i) substitute the Share or the Affected GDR (as applicable) for the share of the new company or absorbing company or a global depositary receipt in relation to such new company or absorbing company provided that such share or global depositary receipt fulfils the criteria required by the General Principles and make any appropriate adjustment. The substitution will be made by applying to the Share or the Affected GDR (as applicable) the exchange parity used in the aforementioned absorption or merger and will take effect on the day on which such absorption or merger becomes effective (the **Effective Date**);
- (ii) substitute the Share or the Affected GDR with a share or with a global depositary receipt relating to a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company, provided such share or global depositary receipt fulfils the criteria required by the General Principles and make any appropriate adjustment;
- (iii) in the case of Basket SDs, exclude the Share or the Affected GDR (as applicable) from the definition of the Basket (the **Excluded Share or Excluded GDR**, respectively) and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective value and weight in the Basket based upon the official closing quotation of the Excluded Share or Excluded GDR on the day it was last quoted – for the purposes of such redefinition, the quotations of both the Excluded Share or the Excluded GDR and the remaining Underlyings will be taken, if possible, simultaneously; or
- (iv) terminate the SDs and pay the Fair Market Value of the SDs as determined by the Calculation Agent based on the market conditions on the Effective Date.

(h) Demerger

In the event of a demerger of a Share Company or Depositary, the Issuer shall maintain its obligations under the SDs in one of the following manners specified as being applicable in the relevant Final Terms:

- (i) substitute the (affected) Share or the Affected GDR (as applicable) for the security(ies) of the successor company(ies) or global depositary receipt(s) relating to such successor company(ies), provided it (they) satisfies(satisfy) the criteria required by the General Principles and make any appropriate adjustment; or
- (ii) in the case where several securities have been exchanged for the (affected) Share, substitute one or more of such securities and/or global depositary receipt(s) relating to such security(ies) (but not all of them) (such security(ies) and global depositary receipt(s), the **Retained Security(ies)** and **Retained Global Depositary Receipt(s)**, respectively) for the Share or the Affected GDR (as applicable) provided it (they) satisfies(satisfy) the criteria required by the General Principles and make any appropriate adjustment. In such case, the value of the non-retained security(ies) and global depositary receipt(s) relating to such security(ies) (such security(ies) and global depositary receipts, the **Non-Retained Security(ies)** and **Non-Retained Global Depositary Receipt(s)**, respectively) shall be expressed as a number or a fraction of a number of:
 - (A) the Retained Security(ies) and/or **Retained Global Depositary Receipts**;

- (B) in the case of Basket SDs, the Retained Securities and/or **Retained Global Depositary Receipts** and the remaining Underlyings in the Basket *pro rata* to their respective value and weight in the Basket; or
- (C) in the case of Basket SDs, the remaining Underlyings in the Basket *pro rata* to their respective value and weight in the Basket,

which shall be calculated on the basis of the quotations of the Non-Retained Security(ies), Non-Retained Global Depositary Receipt(s), Retained Security(ies) and Retained Global Depositary Receipt(s) and/or (as the case may be) the remaining Underlyings in the Basket, taken if possible simultaneously, on the day on which the demerger becomes effective (the **Effective Date**) if such day is a Share Trading Day or the next following Share Trading Day. For the purpose of this paragraph (h), **Share Trading Day** means a Business Day on which the Non-Retained Security(ies) and Non-Retained Global Depositary Receipt(s) and, as the case may be, the Retained Security(ies) and Retained Global Depositary Receipt(s) and/or (as the case may be) the remaining Underlyings in the Basket are quoted.

If the security(ies) exchanged for the (affected) Share include unlisted security(ies), then the Calculation Agent shall determine a fair market value for such unlisted security(ies) on the basis of the market conditions on the Effective Date. Such fair market value will be reinvested as if it were a Non-Retained Security as described above.

If a cash amount be exchanged for the (affected) Share, such cash amount will be discounted (if necessary) using the Discounting Method and reinvested as if it were a Non-Retained Security as described above; or

- (iii) substitute the Share or Affected GDR with a share or with a global depositary receipt relating to a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company, provided such share or global depositary receipt fulfils the criteria required by the General Principles and make any appropriate adjustment; or
- (iv) in the case of Basket SDs, exclude the Share or the Affected GDR from the definition of the Basket (the **Excluded Share** and **Excluded GDR**, respectively) and redefine the Quantity of each of the remaining Underlyings *pro rata* to their respective value and weight in the Basket on the basis of the official closing quotation of the Excluded Share or Excluded GDR on the day it was last quoted – for the purposes of such redefinition, the quotations of both the Excluded Share or Excluded GDR and the remaining Underlyings DRs will be taken, if possible, simultaneously; or
- (v) terminate the SDs and pay the Fair Market Value of the SDs as determined by the Calculation Agent based on the market conditions on the Effective Date.

In all cases, the substitution will be made by applying to the (affected) Share or Affected GDR the exchange parity used in the process of the aforementioned demerger. This substitution will take effect on the Share Trading Day immediately following the Effective Date.

(i) Change of Listing Compartment or Stock Exchange

If the listing compartment of a Share or of a GDR or a stock exchange (on which such Share or GDR is listed) is changed, the Issuer shall maintain its obligations under the SDs in one of the following manners specified as being applicable in the relevant Final Terms:

- (i) continue to comply with its obligations under the SDs in accordance with these Conditions provided that the Share and the Affected GDR (if applicable) continue to satisfy the General Principles;
- (ii) substitute the Share or the Affected GDR with a share or with a global depository receipt relating to a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company, provided such share or global depository receipt fulfils the criteria required by the General Principles and make any appropriate adjustment;
- (iii) in the case of Basket SDs, exclude the Share or the Affected GDR from the composition of the Basket (the **Excluded Share** and **Excluded GDR**, respectively) and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective values on the basis of the official closing quotation of the Excluded Share or Excluded GDR on the day it was last quoted before the change of listing compartment or Stock Exchange became effective – for the purposes of such redefinition, the quotations of both the Excluded Share or the Excluded GDR and the remaining Underlyings will be taken, if possible, simultaneously; or
- (iv) terminate the SDs and pay the Fair Market Value of the SDs.

(j) Insolvency

If an order is made or an effective resolution passed for the dissolution, judicial receivership or liquidation of a Share Company or Depository or the whole or substantial part of their undertakings, property or assets, the Issuer will have the options set out in paragraph (m) below.

(k) Nationalisation

If all the Shares or all the assets or substantially all the assets of a Share Company or Depository are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity, the Issuer will have the options set out in paragraph (m) below.

(l) Conversion Events

In relation to a GDR, if any event occurs which in the determination of the Calculation Agent results or will result in the GDR being converted into Deposited Shares or into any other securities, the Issuer will have the options described in paragraph (m) below.

(m) Additional Events relating to a Share or GDR

If the quotation of a Share or GDR (if applicable) is definitively interrupted for any reason other than mentioned in paragraphs (e), (f), (g), (h), (i), (j) (k) above the Issuer will maintain

its obligations under the SDs in one of the following manners specified as being applicable in the relevant Final Terms:

- (i) substitute the Share or the Affected GDR for a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company or with a global depositary receipt relating to a share in the same economic sector or issued by a company of a similar international standing or creditworthiness as the Share Company, provided such share or global depositary receipt fulfils the criteria required by the General Principles and make any appropriate adjustment;
- (ii) in the case of Basket SDs, exclude the Share or Affected GDR (as applicable) from the definition of the Basket (the **Excluded Share** and **Excluded GDR**, respectively) and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective values on the basis of the official closing quotation of the Excluded Share or Excluded GDR on the day it was last quoted before such definitive interruption became effective – for the purposes of such redefinition, the quotations of both the Excluded Share or the Excluded GDR and the remaining Underlyings will be taken, if possible, simultaneously; or
- (iii) terminate the SDs and pay the Fair Market Value of the SDs.

(n) Notice

The Agent shall notify, as soon as practicable, the Holders of any modification in the terms of the SDs made under this Condition, in accordance with Condition 14.

24. Provisions applicable to Debt Instrument Securitised Derivatives and to Securitised Derivative Securitised Derivatives

This Condition applies to Debt Instrument SDs and Securitised Derivative SDs only.

24.1 Definitions

Debt Instrument means an instrument (including, but not limited to, notes and bonds) representing an indebtedness of its issuer and specified as Underlying in the applicable Final Terms.

Debt Instrument Trading Day means any day that is a trading day for the relevant Debt Instrument.

Securitised Derivative means a warrant or certificate which is a securitised derivative within the meaning of Chapter 19 of the Listing Rules specified as Underlying in the applicable Final Terms.

Securitised Derivative Trading Day means any day that is a trading day on the applicable Exchange(s) other than a day on which trading on any such Exchange(s) is/are scheduled to close prior to its/their regular weekday closing time.

24.2 Events and Adjustments

- (a) Upon the occurrence of the material or substantial modifications of the conditions of the Debt Instrument or the Securitised Derivative (such as but not limited to modification of the legal documentation related thereto) or any event or any change affecting the Debt Instrument or the

Securitized Derivative (such as but not limited to definitive interruption of quotation of the Debt Instrument or Securitized Derivative or termination of the obligations of the issuer of the Debt Instrument or Securitized Derivative under its terms and conditions for any reason) and that, in the reasonable opinion of the Calculation Agent, is likely to have a significant effect on the value of the Debt Instrument or Securitized Derivative, then the Issuer may:

- (i) adjust any of the terms and conditions of the Debt Instrument SDs or Securitized Derivative SDs it deems appropriate, in order to take into account the economic effect on the Debt Instrument SDs or Securitized Derivative SDs of such event;
 - (ii) substitute the Debt Instrument or Securitized Derivative with another debt instrument or securitized derivative of similar characteristics; or
 - (iii) in the case of Basket SDs, exclude the Debt Instrument or the Securitized Derivative (as applicable) from the definition of the Basket (the **Excluded Debt Instrument** and **Excluded Securitized Derivative**, respectively) and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective values on the basis of the official closing quotation of the Excluded Debt Instrument or Excluded Securitized Derivative on the day of such event – for the purposes of such redefinition, the quotations of both the Excluded Debt Instrument or the Excluded Securitized Derivative and the remaining Underlyings will be taken, if possible, simultaneously
 - (iv) terminate the SDs and pay the Fair Market Value of the SDs.
- (b) The Agent shall notify, as soon as practicable, the Holders of any modification in the terms and conditions of the SDs made under this Condition, in accordance with Condition 14.

25. Provisions applicable to Credit Linked Securitized Derivatives

This Condition applies to Credit Linked SDs only.

25.1 Definitions

Legend:

**: to be disregarded if the Settlement Method specified in the related Final Terms is Physical Settlement*

*** : to be disregarded if the Settlement Method specified in the related Final Terms is Cash Settlement*

Accreted Amount means, with respect to an Accreting Obligation, an amount, determined by the Calculation Agent, to be equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in paragraph (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the [Physical Settlement Date or]** applicable Credit Valuation Date[, as the case may be]*. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then for purposes of paragraph (a)(ii) above, the Accreted Amount shall be

calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such Obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the [Physical Settlement Date or]** applicable Credit Valuation Date [, as the case may be]*. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

Accreting Obligation means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable. With respect to any Accreting Obligation, **outstanding principal balance** means the Accreted Amount thereof.

Additional LPN means any bond issued in the form of a loan participation note (an **LPN**) by an entity (the **LPN Issuer**) for the sole purpose of providing funds for the LPN Issuer to (A) finance a loan to the Reference Entity (the **Underlying Loan**); or (B) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the **Underlying Finance Instrument**); provided that, (i) either (a) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or (b) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics; (ii) the LPN satisfies the following Deliverable Obligation Characteristics or Selected Obligations Characteristics (as applicable): Transferable, Not Bearer, Specified Currency- Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

Additional Obligation means each of the obligations listed as an Additional Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as of the Issue Date, which list is currently available as <http://www.markit.com/marketing/services.php>.

Aggregate Loss Amount means at any time:

- (a) for a Credit Basket SD that is not a Tranche SD, the aggregate of the Loss Amount in respect of each Reference Entity; or
- (b) for a Tranche SD, the lowest of:
 - (i) the Tranche Notional Amount; and
 - (ii) the highest of (x) zero and (y) the difference between (xx) the aggregate of the Loss Amount for all Reference Entities and (xy) the Tranche Subordination Amount.

Aggregate Warrant Notional Amount means, as of the Issue Date, in respect of a Series of Warrants, the sum of the Warrant Notional Amount in respect of each Warrant of such Series.

Alternative Physical Delivery Amount means, for each SD, an amount of Entitlement Instruments with an Entitlement Market Value equal to the relevant Credit Event Payment Amount as determined by the Calculation Agent in accordance with the provisions set out in the relevant Final Terms.

Assignable Loan means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if such Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the [Deliverable]**[Selected]* Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]**[Selected]* Obligation Characteristic had been specified as a [Deliverable]**[Selected]* Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified [Deliverable]**[Selected]* Obligation Category).

Auction Method means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined pursuant to the relevant Transaction Auction Settlement Terms.

Bankruptcy means a Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
- (e) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or

- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive) of this definition of Bankruptcy.

Best Available Information means:

- (a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination of the relevant Successor(s), other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination of the relevant Successor(s).

Information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

Bond means any obligation of a type included in the Borrowed Money Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

Bond or Loan means any obligation that is either a Bond or a Loan.

Borrowed Money means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

Conditionally Transferable Obligation means:

- (a) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

A Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or

delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of the definition of Conditionally Transferable Obligation.

Where Modified Restructuring Maturity Limitation applies and a Deliverable Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date (in which case it shall be deemed to have been refused), the cash settlement provisions described in Condition 25.2 shall apply.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Physical Settlement Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

(b) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*

A Selected Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Selected Obligation other than Bonds, provided, however, that a Selected Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Selected Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Selected Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Selected Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Selected Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Selected Obligation shall not be considered to be a requirement for consent for purposes of this definition of Conditionally Transferable Obligation.

For purposes of determining whether a Selected Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the day on which the Final Value for the Selected Obligation is determined by the Calculation Agent, taking into account only the terms of the Selected Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

Consent Required Loan means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the [Deliverable]**[Selected]* Obligation Characteristic Consent Required Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]**[Selected]* Obligation Characteristic had been specified as a [Deliverable]**[Selected]* Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified [Deliverable]**[Selected]* Obligation Category).

Convertible Obligation means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

Credit Basket SD means a Credit Linked SD indexed on several Reference Entities.

Credit Business Day means, the days specified as Credit Business Days in the related Final Terms [and solely for the purposes of physical settlement, if applicable, a day in any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligations being Delivered]**.

Credit Derivatives Determinations Committee means the committee established by ISDA for purposes of reaching certain DC Resolutions (as defined in the Rules) (including but not limited to the determination of the occurrence of a Credit Event and the establishment of the Transaction Auction Settlement Terms) in connection with Credit Derivative Transactions, as more fully described in the Rules.

Credit Event means, with respect to a Reference Entity as determined by the Calculation Agent, the occurrence during the period from and including the First Credit Event Occurrence Date up to and including the Last Credit Event Occurrence Date of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, as specified in the related Final Terms.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

A Credit Event need not be continuing on the Credit Event Determination Date.

Credit Event Determination Date means, in relation to a Credit Event with respect to which a Credit Event Notice has been delivered, the earlier of (a) the Credit Event Resolution Request Date and (b) the day on which both the Credit Event Notice and, if applicable, the Notice of Publicly Available Information are delivered to the Relevant Clearing System and/ or the Holders.

Credit Event Notice means an irrevocable notice that is effective during the Notice Delivery Period delivered by or on behalf of the Issuer to the Holders that describes a Credit Event that occurred on

or prior to the Last Credit Event Occurrence Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of a Credit Event Notice need not be continuing on the Credit Event Determination Date. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

Credit Event Payment Amount means:

(a) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

In respect of each Credit Linked SD for which physical settlement is partially or totally Illegal or Impossible, an amount equal to the sum of each Credit Event Payment Amount per Undeliverable Obligation; or

(b) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*

(i) in respect of Single Name SDs and First-to-Default SDs that are not Short Warrants, an amount equal to the product of the Final Value multiplied by the Nominal Amount of each SD;

(ii) in respect of Single Name SDs and First-to-Default SDs that are Short Warrants, an amount equal to the product of (x) the positive difference between the Reference Price and the Final Value (expressed as a percentage) and (y) the Nominal Amount of each SD;

(iii) in respect of Credit Basket SDs and Tranche SDs that are Certificates, an amount for each SD equal to the Relevant Proportion of the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount as at the Maturity Date;

(iv) in respect of Credit Basket SDs and Tranche SDs that are Long Warrants, an amount for each SD equal to the Relevant Proportion of the difference between the Aggregate Warrant Notional Amount and the Aggregate Loss Amount as at the applicable Exercise Date; or

(v) in respect of Credit Basket SDs and Tranche SDs that are Short Warrants, an amount for each SD equal to the Relevant Proportion of the Aggregate Loss Amount as at the applicable Exercise Date.

In relation to SDs which are not Single Name SDs or First-to-Default SDs or Credit Basket SDs or Tranche SDs, the provisions relating to the Credit Event Payment Amount will be specified in the related Final Terms.

Credit Event Payment Amount per Undeliverable Obligation means, in respect of one Credit Linked SD and an Undeliverable Obligation, the product of (i) the outstanding principal balance of such Undeliverable Obligation and (ii) the final price of such Undeliverable Obligation determined in accordance with Quotation Dealers Method (save as provided below), divided by the number of SDs in respect of which there are such Undeliverable Obligations.

For the avoidance of doubt, where Illegal or Impossible means the inability to purchase the Specified Deliverable Obligations despite the Issuer's reasonable efforts, the final price of the Undeliverable

Obligation will be determined in accordance with Auction Method. If no Transaction Auction Settlement Terms are published on or prior to the Credit Valuation Date, such final price will be deemed to be zero.

Credit Event Payment Date means:

(a) *If American Settlement is specified in the related Final Terms:*

(i) In the case of Warrants, four Credit Business Days following the later of:

(x) the Exercise Date; and

(y) the last Final Valuation Notice Receipt Date,

provided that where an Exercise Date occurs following a Credit Event Determination Date and no Final Valuation Notice Receipt Date has yet occurred in respect of such Credit Event Determination Date, the Credit Event Payment Date shall be the date falling four Credit Business Days following the Final Valuation Notice Receipt Date relating to such Credit Event Determination Date.

(ii) In the case of Certificates, the day that is four Credit Business Days following the Final Valuation Notice Receipt Date, or in relation to Certificates that are Credit Basket SDs or Tranche SDs, following the last Final Valuation Notice Receipt Date.

(b) *If European Settlement is specified in the related Final Terms:*

The later of (x) the Scheduled Maturity Date or the Scheduled Expiration Date, as applicable, and (y) the date determined in accordance with (a) above.

Credit Event Resolution Request Date means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve (as defined in the Rules):

(a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions (as defined in the Rules).

Credit Valuation Date means:

(a) *If the Settlement Method is specified as Cash Settlement and Final Value is specified as Fixed Recovery in the related Final Terms:*

The date on which the Credit Event Notice is delivered to the Relevant Clearing System for the information of the Holders.

- (b) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

The date that is two Credit Business Days after the Latest Permissible Physical Settlement Date, subject, as the case may be, to Condition 25.2 PROVIDED THAT if the Calculation Agent is unable to determine the final price of the Undeliverable Obligation on the Credit Valuation Date (the **Original Credit Valuation Date**), the Credit Valuation Date will be such later date, within the fifteen (15) Credit Business Days' period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine such final price.

- (c) *If the Settlement Method is specified as Cash Settlement and Final Value is specified as Floating Recovery in the related Final Terms:*

- (i) If the Final Value is to be determined pursuant to Auction Method, the auction date or any other date specified by the relevant Transaction Auction Settlement Terms; or
- (ii) If no Transaction Auction Settlement Terms are published before 140 Credit Business Days after the Credit Event Determination Date, or if the Final Value is to be determined pursuant to Quotation Dealers Method, the Calculation Agent will select in its own discretion a date that is on or before the 160th Credit Business Day following the Credit Event Determination Date (the **Original Credit Valuation Date**),

PROVIDED THAT if the Calculation Agent is unable to determine the Final Value at the latest on the Original Credit Valuation Date, the Credit Valuation Date will be such later date, within the fifteen Credit Business Day period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine the Final Value,

PROVIDED FURTHER THAT, under no circumstances will the Final Value be determined later than the 180th Credit Business Day following the corresponding Credit Event Determination Date.

Daily Interest Calculation Amount means, in respect of any day during an Interest Period:

- (a) *If the SDs are Credit Basket SDs (which are not Tranche SDs) Interest Recovery will be Fixed Interest Recovery unless otherwise specified in the related Final Terms:*

the sum of (a) the product of (i) the Interest Recovery Rate and (ii) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to such day and (b) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which no Credit Event Determination Date has occurred on or prior to such day.

- (b) *If the SDs are Credit Basket SDs (which are not Tranche SDs) and if Interest Recovery is specified as Floating Interest Recovery in the related Final Terms or if the SDs are Tranche SDs where N-to-M-to-Default is specified as Not Applicable in the related Final Terms (unless Fixed Interest Recovery is specified in the related Final Terms) or where N-to-M-to-Default is specified as Applicable and Floating Interest Recovery is specified in the related Final Terms:*

an amount equal to the Aggregate Nominal Amount minus the Aggregate Loss Amount, provided that any Loss Amount that has not been determined on or before such day, shall be

deemed to be equal to the relevant Reference Entity Notional Amount. The difference between the Interest that would have been payable if the Loss Amount had been determined on such date and the Interest actually paid shall be payable following the determination of such Loss Amount and paid either on the first Interest Payment Date after the fourth Credit Business Day following the Credit Valuation Date, or if, such determination occurs after the last Interest Payment Date, on the fourth Credit Business Day following the Credit Valuation Date.

- (c) *If the SDs are Tranche SDs and if Interest Recovery is specified as Fixed Interest Recovery in the related Final Terms or if the SDs are Tranche SDs where N-to-M-to-Default is specified as Applicable in the related Final Terms:*

an amount equal to the Aggregate Nominal Amount minus an amount equal to the Aggregate Loss Amount that would be calculated if the Final Value for all Reference Entities in respect of which a Credit Event has occurred was deemed to be equal to the Interest Recovery Rate.

DC No Credit Event Announcement means with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

Default Requirement means, unless specified otherwise in the related Final Terms, USD 10,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event.

Deliver means to deliver, novate, transfer (including in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Specified Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Specified Deliverable Obligations to the relevant Holder or Holders free and clear of any and all liens, charges, claims and encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set out in subparagraphs (b)(i) to (iv) of the definition of Deliverable Obligation below) or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that the Deliverable Obligations consist of Qualifying Guarantees, Deliver means to Deliver both the Qualifying Guarantee and the Underlying Obligation. **Delivery** and **Delivered** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

Deliverable Obligation means, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or the provisions contained in the definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (a) the Reference Obligation(s) (if any);
- (b) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as

provider of any Qualifying Guarantee), described by the Deliverable Obligation Category specified in the related Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the related Final Terms that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, (ii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement and (iii) is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Deliverable Obligations;
 - (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Deliverable Obligations, however described;
 - (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
 - (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (c) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraphs (b)(i) to (iv) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (d) any other obligation of a Reference Entity specified as such in the related Final Terms.
- (i) *If the SDs described in the related Final Terms are denominated in Euros:*

Where a Specified Deliverable Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by

reference to the MEAN price as displayed on Reuters Page ECB37 as of London 12:00 pm on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

- (ii) *If the SDs described in the related Final Terms are denominated in United States Dollars:*

Where a Specified Deliverable Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

- (iii) *If the SDs described in the related Final Terms are denominated in Hong Kong Dollars:*

Where a Specified Deliverable Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

Deliverable Obligation Category means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms. In case of Reference Obligations Only, no Deliverable Obligation Characteristics shall be applicable.

Deliverable Obligation Characteristics means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Sovereign Lender, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Deliverable Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

Domestic Currency means the currency specified as such in the related Final Terms and any successor currency. If no currency is specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the

Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (or any successor currency to any such currency).

Downstream Affiliate means an entity, whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent owned, directly or indirectly, by the Reference Entity.

Due and Payable Amount means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the [Physical Settlement Date]**[Credit Valuation Date]*, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts). When used in connection with Qualifying Guarantees, the term Due and Payable Amount is to be interpreted to be the then Due and Payable Amount of the Underlying Obligation which is supported by a Qualifying Guarantee.

Eligible Transferee means each of the following:

- (a) (i) any bank or other financial institution; (ii) an insurance or reinsurance company; (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (c) below); and (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship); provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- (b) an Affiliate of an entity specified in the preceding paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity: (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000; (ii) that has total assets of at least USD 500,000,000; or (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in paragraphs (a), (b), (c)(ii) or (d) of this definition; and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition of Eligible Transferee to USD include equivalent amounts in other currencies.

Enabling Obligation means an outstanding [Deliverable]** [Selected]* Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has a final maturity date occurring on or prior to the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, and following the Limitation Date immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable (or, in circumstances where the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

Entitlement Instruments means the type of instruments specified in the applicable Final Terms that are used to determine the Entitlement.

Entitlement Market Value shall have the meaning specified in the applicable Final Terms.

Equity Securities means (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time and (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

Exchangeable Obligation means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation). With respect to any Exchangeable Obligation that is not an Accreting Obligation, outstanding principal balance shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

Exercise Cut-off Date means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or such Credit Event is a Restructuring but neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms), either:
 - (i) the Relevant City Business Day (as defined in the Rules) prior to the Auction Final Price Determination Date (as specified in the relevant Transaction Auction Settlement Terms), if any;
 - (ii) the Relevant City Business Day prior to the Auction Cancellation Date (as specified in the relevant Transaction Auction Settlement Terms), if any; or
 - (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any; or
- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms, and:
 - (i) the relevant Credit Derivatives Determination Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the date on which ISDA publishes the Final List (as defined in the Rules) applicable to such Transaction Auction Settlement Terms in accordance with the Rules; or

- (ii) a No Auction Announcement Date occurs, the date that is 21 calendar days following such No Auction Announcement Date.

Expiration Date means:

(a) *If American Settlement is specified in the related Final Terms:*

- (i) the date specified as the Scheduled Expiration Date in the related Final Terms; or
- (ii) the [Physical Settlement Date]** [Credit Event Payment Date]* if a Credit Event Notice is delivered during the Notice Delivery Period; or
- (iii) the later of

(A) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms:* the day that is four Credit Business Days following the Repudiation/Moratorium Evaluation Date, or in the case of First-to-Default SDs, Credit Basket SDs and Tranche SDs, the last Repudiation/Moratorium Evaluation Date, if:

- (1) a Potential Repudiation/Moratorium occurs on or prior to the fourth Credit Business Day immediately preceding the Scheduled Expiration Date;
- (2) the Repudiation/Moratorium Extension Condition is satisfied;
- (3) such Repudiation/Moratorium Evaluation Date falls after the Scheduled Expiration Date; and
- (4) no Credit Event Notice in respect of such Potential Repudiation/Moratorium is delivered during the Notice Delivery Period; and

(B) *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms:* the day that is four Credit Business Days following the Grace Period Extension Date, or, in the case of First-to-Default SDs, Credit Basket SDs and Tranche SDs, the last Grace Period Extension Date if

- (1) a Potential Failure to Pay occurs on or prior to the fourth Credit Business Day immediately preceding the Scheduled Expiration Date;
- (2) such Grace Period Extension Date falls after the Scheduled Expiration Date; and
- (3) no Credit Event Notice in respect of such Potential Failure to Pay is delivered during the Notice Delivery Period.

(b) *If European Settlement is specified in the related Final Terms:* the later of the dates set out in paragraphs (a)(i), (ii) and (iii) above.

PROVIDED that, in all cases, if a Notice of Pending Credit Event in relation to a Reference Entity is delivered prior to the Scheduled Expiration Date or the Exercise Date, as the case may be, and is still effective on the Scheduled Expiration Date or the Exercise Date, as applicable, the Expiration Date will be either the date on which the Suspended Obligations are paid or delivered, as the case may be, to the Holders or, if a Credit Event Notice relating to the event in the Notice of Pending Credit Event is delivered, the [Physical Settlement Date]** [Credit Event Payment Date]*.

PROVIDED FURTHER that, with respect to Credit Basket SDs and Tranche SDs in relation to which an Unsettled Credit Event exists, a Preliminary Credit Event Payment Amount will be paid on the Scheduled Expiration Date in relation to the portion of the Nominal Amount of SDs not affected by the Unsettled Credit Event and,

- (i) if the Retained Amount is equal to zero, the Expiration Date will be the Scheduled Expiration Date; or
- (ii) in all other cases, the Expiration Date will be as defined in paragraph (a) and (b) above.

Extension Date means the fourth Credit Business Day following the Last Credit Event Occurrence Date, or, in the event of delivery of a Notice of Pending Credit Event, the date that is 110 Credit Business Days following the Credit Event Resolution Request Date.

Failure to Pay means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

Final Price means, in respect of a [Selected]* [Undeliverable]** Obligation, a quotation (expressed as a percentage) of such [Selected]* [Undeliverable]** Obligation, obtained from Quotation Dealers in the manner provided below. The Calculation Agent will determine, based on the then current market practice, whether such quotations will include or exclude accrued but unpaid interest and all quotations will be obtained in accordance with this determination. The Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at approximately 11.00 a.m. London time or 11.00 a.m. New York time, as the case may be. To such end:

- (a) If the Calculation Agent obtains more than three Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations, disregarding the Full Quotations with the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (b) If the Calculation Agent is unable to obtain more than three Full Quotations, but obtains exactly three Full Quotations on the Credit Valuation Date, the Final Price will be the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (c) If the Calculation Agent is unable to obtain three Full Quotations, but obtains exactly two Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations.

- (d) If the Calculation Agent is unable to obtain two Full Quotations, but obtains a Weighted Average Quotation on the Credit Valuation Date, the Final Price will be such Weighted Average Quotation.
- (e) If the Calculation Agent obtains fewer than two Full Quotations and no Weighted Average Quotation on the Credit Valuation Date, then the Final Price will be an amount as determined by the Calculation Agent on the next Credit Business Day on which the Calculation Agent obtains two or more Full Quotations or a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Credit Business Day on or prior to the fifteenth Credit Business Day following the Credit Valuation Date, the Final Price will be deemed to be zero.

Final Valuation Notice means the notice delivered on the Final Valuation Notice Receipt Date, specifying:

- (a) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*
 - (i) except if the Final Value is specified as Fixed Recovery in the related Final Terms or if the Final Value is specified as Floating Recovery and Auction Method is specified as applicable in the related Final Terms, the Selected Obligations (with an outstanding principal balance, excluding accrued interest, equal to the Aggregate Nominal Amount or Aggregate Warrant Notional Amount, as applicable);
 - (ii) the Credit Event Payment Amount; and
 - (iii) the Credit Event Payment Date.
- (b) *If the Settlement Method specified in the related Final Terms is Physical Settlement and provisions of Condition 25.2(vi) to (xi) apply:*

The Credit Event Payment Amount per Undeliverable Obligation (if any).

Final Valuation Notice Receipt Date means the day (such day being expected to be no later than the 7th Credit Business Day following the Credit Valuation Date) on which the Calculation Agent delivers the Final Valuation Notice on behalf of the Issuer to the Relevant Clearing Systems, for the information of the Holders.

Final Value means, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, either:

- (a) *If Final Value is specified as Fixed Recovery in the related Final Terms:*

The percentage specified as such in the related Final Terms; or
- (b) *If Final Value is specified as Floating Recovery in the related Final Terms:*
 - (i) If Auction Method is specified as applicable in the related Final Terms and therefore the Final Value is to be determined pursuant to a Transaction Auction Settlement Terms and if a Transaction Auction Settlement Terms is published on or before 140 Credit Business Days following the Credit Event Determination Date, that provides for the valuation of obligations of a Reference Entity in respect of which a Credit

Event has occurred, the Auction Final Price (as specified in the relevant Transaction Auction Settlement Terms and expressed as a percentage) determined, if any, under such Transaction Auction Settlement Terms and applicable to the status of the Reference Obligation (subordinated or senior or any other applicable status as the case may be); or

(ii) If (i) Auction Method is specified in the related Final Terms but no Transaction Auction Settlement Terms is published on or before 140 Credit Business Days following the Credit Event Determination Date or (ii) Quotation Dealers Method is specified in the related Final Terms, the amount determined by the Calculation Agent on the Credit Valuation Date as follows:

(x) the Final Price if there is only one Selected Obligation; or

(y) the weighted average of the Final Prices of the Selected Obligations if the latter are a portfolio,

in each case, minus the Valuation Hedging Cost for such Selected Obligation(s).

First Credit Event Occurrence Date is the date specified as such in the related Final Terms.

First Ranking Interest means a charge, security interest (or other type of interest having similar effect) (an **LPN Interest**), which is expressed as being “first ranking”, “first priority”, or similar (**First Ranking**) in the document creating such LPN Interest (notwithstanding that such LPN Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

First-to-Default SD means a Credit Linked SD indexed on two or more Reference Entities and in respect of which the First-to-Default Reference Entity will be treated as if it were the sole Reference Entity.

First-to-Default Reference Entity means the first Reference Entity in respect of which a Credit Event occurs and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, have been sent in accordance with the provisions of Condition 25 of the Terms and Conditions. If First-to-Default is specified as Applicable in the related Final Terms, the definitions of Obligation or [Deliverable Obligation]** [Selected Obligation]* shall be construed as though such definitions had been specified only with respect to the First-to-Default Reference Entity.

Full Quotation means each firm bid quotation obtained from a Quotation Dealer for an amount equal to the Quotation Amount. It is understood that a Full Quotation shall be based, with respect to any Accreting Obligation on the Accreted Amount thereof.

Fully Transferable Obligation means a [Deliverable]** [Selected]* Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any [Deliverable]** [Selected]* Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a [Deliverable]** [Selected]* Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a [Deliverable]** [Selected]* Obligation shall not be considered to be a requirement for consent for purposes of this definition.

For purposes of determining whether a [Deliverable]** [Selected]* Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the [Physical Settlement Date]** [Credit Valuation Date]* for the [Deliverable]** [Selected]* Obligation, taking into account only the terms of the [Deliverable]** [Selected]* Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

Governmental Authority means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

Grace Period means:

- (a) subject to paragraphs (b) and (c), the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified as Applicable in the related Final Terms, a Potential Failure to Pay has occurred on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), and the applicable grace period cannot, by its terms, expire on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days or such other period specified in the related Final Terms; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that; unless Grace Period Extension is specified as Applicable in the related Final Terms, such deemed Grace Period shall expire no later than the Last Credit Event Occurrence Date.

Grace Period Business Day means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

Grace Period Extension Date means, if (a) Grace Period Extension is specified as Applicable in the related Final Terms and (b) a Potential Failure to Pay occurs on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

If Grace Period Extension is specified as Not Applicable in the related Final Terms, Grace Period Extension shall not apply to the SDs.

If (i) Grace Period Extension is specified as Applicable in the related Final Terms, (ii) a Potential Failure to Pay occurs on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), and (iii) a Credit Event Determination Date in respect of that Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period, the later of the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, and the date falling four Credit Business Days after the Grace Period Extension Date will be the Maturity Date or Expiration Date, as applicable (even if a Failure to Pay occurs after the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable).

Greenwich Mean Time (GMT) means the mean solar time at the Greenwich meridian, in Greenwich, London.

Illegal or Impossible means, in respect of the Delivery of any Specified Deliverable Obligations, that it is illegal or impossible for the Issuer to Deliver or for a Holder to take Delivery of all or part of such Specified Deliverable Obligations because of:

- (a) any legal, contractual or other restrictions or constraints affecting the Delivery of the Specified Deliverable Obligations (including, without limitation, any laws, regulations, court orders, other governmental or regulatory constraints, the specific terms or conditions of the Specified Deliverable Obligations or failure to obtain the relevant consents, including but not limited to the consent of the Reference Entity and the guarantor (if any) of the Reference Entity or the consent of the applicable borrower in the case of a Specified Deliverable Obligation guaranteed by the Reference Entity); or
- (b) any event which is beyond the control of the Issuer (including, without limitation, failure of the Relevant Clearing System, the refusal by a Holder to take Delivery of any of the Specified Deliverable Obligations, or the inability to purchase the Deliverable Obligations despite the Issuer's reasonable efforts); or
- (c) any event which is beyond the control of a Holder due to its specific situation.

Interest Calculation Amount means, in respect of Credit Basket SDs and Tranche SDs, the amount for the purposes of calculating the interest payable under the SDs on any Interest Payment Date determined by the Calculation Agent in accordance with the provisions of Condition 25.2(c).

For the avoidance of doubt, the interest amount payable under the SDs shall be equal to the Relevant Proportion of the product of (a) the Rate of Interest, (b) the Interest Calculation Amount and (c) the applicable Interest Rate Day Count Fraction.

Interest Recovery Rate means:

in respect of Credit Basket SDs which are not Tranche SDs or in respect of Tranche SDs where N-to-M-to-Default is specified as Applicable in the related Final Terms, zero per cent. unless otherwise specified in the related Final Terms; or

in respect of Tranche SDs where Interest Recovery is specified as Fixed Interest Recovery in the related Final Terms, the value specified in such Final Terms.

Last Credit Event Occurrence Date means the latest of:

- (a) the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable;
- (b) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms*: the Repudiation/Moratorium Evaluation Date, or, in the case of Credit Basket SDs and Tranche SDs, the last Repudiation/Moratorium Evaluation Date, if (i) the Credit Event that is the subject of a Credit Event Notice is a Repudiation/Moratorium, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium has occurred on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, and (iii) the Repudiation/Moratorium Extension Condition is satisfied; and
- (c) *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms*: the Grace Period Extension Date, or, in the case of Credit Basket SDs and Tranche SDs, the last Grace Period Extension Date, if (i) the Credit Event that is the subject of a Credit Event Notice is a Failure to Pay and (ii) the Potential Failure to Pay with respect to such Failure to Pay has occurred on or prior to the to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable.

PROVIDED that, in relation to an SD that is an American Style Warrant, references to "Scheduled Expiration Date" in this definition, as well as the definitions of "Grace Period", "Grace Period Extension Date", "Repudiation/Moratorium Evaluation Date", "Repudiation/Moratorium Extension Condition" and "Repudiation/Moratorium Extension Notice", shall be deemed to be references to "Exercise Date".

Latest Notification Date means the 30th Credit Business Day following the Exercise Cut-off Date provided that it will be no later than the 180th Credit Business Day after the Credit Event Determination Date.

Latest Permissible Physical Settlement Date means the day that is 60 Credit Business Days after the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System.

Limitation Date means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: two and a half years (the **2.5-year Limitation Date**), five years (the **5-year Limitation Date**), seven and a half years, ten years, twelve and a half years, fifteen years, or twenty years (the **20-year Limitation Date**) as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless the related Final Terms specified that it shall be so adjusted in accordance with a specified Business Day Convention.

Listed means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange. Unless otherwise specified in the related Final Terms:

- (a) if the Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though Listed had been specified as an Obligation

Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category; and

- (b) if the [Deliverable]**[Selected]* Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]**[Selected]* Obligation Characteristic had been specified as a [Deliverable]**[Selected]* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]**[Selected]* Obligation Category).

Loan means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

Long Warrants means Credit Linked SDs that are Warrants and in respect of which "Long Warrants" is specified in the applicable Final Terms.

Loss Amount means,

(a) In respect of Credit Basket SDs and Tranche SDs if N-to-M-to-Default is specified as Not Applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.

(b) In respect of Tranche SDs if N-to-M-to-Default is specified as Applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred:

- which has a Ranking strictly lower than N: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the Reference Price.
- which has a Ranking higher than or equal to N and lower than or equal to M: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.
- which has a Ranking strictly higher than M: an amount equal to zero.

LPN Reference Obligation means each Reference Obligation other than any Additional Obligation. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation. Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference Entity. For the purposes of the SDs each such loan shall be an Underlying Loan. For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

Maturity Date means:

- (a) *If American Settlement is specified in the related Final Terms:*

- (i) the date specified as the Scheduled Maturity Date in the related Final Terms; or
 - (ii) the [Physical Settlement Date]** [Credit Event Payment Date]* if a Credit Event Notice is delivered during the Notice Delivery Period; or
 - (iii) the later of
 - (A) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms*: the day that is four Credit Business Days following the Repudiation/Moratorium Evaluation Date, or in the case of First-to-Default SDs, Credit Basket SDs and Tranche SDs, the last Repudiation/Moratorium Evaluation Date, if:
 - (1) a Potential Repudiation/Moratorium occurs on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date;
 - (2) the Repudiation/Moratorium Extension Condition is satisfied;
 - (3) such Repudiation/Moratorium Evaluation Date falls after the Scheduled Maturity Date; and
 - (4) no Credit Event Notice in respect of such Potential Repudiation/Moratorium is delivered during the Notice Delivery Period; and
 - (B) *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms*: the day that is four Credit Business Days following the Grace Period Extension Date, or, in the case of First-to-Default SDs, Credit Basket SDs and Tranche SDs, the last Grace Period Extension Date if
 - (1) a Potential Failure to Pay occurs on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date;
 - (2) such Grace Period Extension Date falls after the Scheduled Maturity Date; and
 - (3) no Credit Event Notice in respect of such Potential Failure to Pay is delivered during the Notice Delivery Period.
- (b) *If European Settlement is specified in the related Final Terms*: the later of the dates set out in paragraphs (a)(i), (ii) and (iii) above.

PROVIDED that, in all cases, if a Notice of Pending Credit Event in relation to a Reference Entity is delivered prior to the Scheduled Maturity Date and is still effective on the Scheduled Maturity Date, the Maturity Date will be either the date on which the Suspended Obligations are paid or delivered, as the case may be, to the Holders or, if a Credit Event Notice relating to the event in the Notice of Pending Credit Event is delivered, the [Physical Settlement Date]** [Credit Event Payment Date]*.

PROVIDED FURTHER that, with respect to Credit Basket SDs and Tranche SDs in relation to which an Unsettled Credit Event exists, a Preliminary Credit Event Payment Amount will be paid on

the Scheduled Maturity Date in relation to the portion of the Nominal Amount of SDs not affected by the Unsettled Credit Event and,

- (i) if the Retained Amount is equal to zero, the Maturity Date will be the Scheduled Maturity Date; or
- (ii) in all other cases, the Maturity Date will be as defined in paragraph (a) and (b) above.

Maximum Maturity means an obligation that has a remaining maturity from the [Physical Settlement Date]** [Credit Valuation Date]* of not greater than the period specified in the related Final Terms.

Modified Eligible Transferee means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]** [Selected]* Obligation may be specified in the [Notice of Physical Settlement]** [Final Valuation Notice]* only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, of the SDs, the condition set out in subparagraph (ii) above shall not be applicable.

Modified Restructuring Maturity Limitation Date means, with respect to a [Deliverable]** [Selected]* Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, provided that, in circumstances where the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists.

Where "Modified Restructuring Maturity Limitation" and "Conditionally Transferable Obligation" are specified as Applicable in the related Final Terms and where the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, is either (a) on or prior the 2.5-year Limitation Date or (b) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, is later than (i) the 2.5-year Limitation Date and no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date or Scheduled Expiration Date, as applicable.

Multiple Holder Obligation means an Obligation that (i) at the time of the event which constitutes a Restructuring is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this subparagraph (ii) of this definition of Multiple Holder Obligation ; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as “*Standard Emerging European Corporate LPN*” or “*Emerging European Corporate LPN*”, Multiple Holder Obligation shall be deemed as Not Applicable with respect to any Reference Obligation (and any Underlying Loan).

No Auction Announcement Date means with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms, and if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms only, no Transaction Auction Settlement Terms will be published but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determination Committee had Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

Nominal Amount means, in the case of Certificates, the Specified Denomination of one SD as specified in the related Final Terms and, in the case of Warrants, the Warrant Notional Amount, subject in each case, if applicable, to reduction in accordance with the provisions of Condition 25.2 (the Nominal Amount so reduced, the **outstanding Nominal Amount**).

Not Bearer means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Clearstream, Luxembourg, Euroclear or any other internationally recognised clearing system. Unless otherwise specified in the related Final Terms, if the [Deliverable]**[Selected]* Obligation Characteristic Not Bearer is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]**[Selected]* Obligation Characteristic had been specified as a [Deliverable]**[Selected]* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]**[Selected]* Obligation Category).

Not Contingent means any obligation having as of the [Physical Settlement Date]**[Credit Valuation Date]* and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment or, in the case of any Qualifying Guarantee, the beneficiary's giving notice that a payment is due under such Qualifying Guarantee or any other similar procedure requirement). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent [Deliverable]**[Selected]* Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the [Physical Settlement Date]** [Credit Valuation Date]*.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a [Deliverable]**[Selected]* Obligation only if the rights referred to in paragraphs (A) and (B) of this definition of Not Contingent have not been exercised (or such exercise has been effectively rescinded) on or before [Physical Settlement Date]**[Credit Valuation Date]*.

Not Domestic Currency means any obligation that is payable in any currency other than the Domestic Currency.

Not Domestic Issuance means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for primarily in the domestic market of the Reference Entity.

Not Domestic Law means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign. Unless otherwise specified in the related Final Terms, the laws of England and the laws of the State of New York shall not be a Domestic Law.

Not Sovereign Lender means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

Not Subordinated means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the related Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the Reference Obligations or where, with respect to the Reference Obligation, one or more Successors to the relevant Reference Entity have been identified and any one or more such Successors have not assumed the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligation at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether a [Deliverable]** [Selected]* Obligation satisfies the Not Subordinated Obligation Characteristic or [Deliverable Obligation Characteristic]** [Selected Obligation Characteristic]* the ranking in priority of payment of each Reference Obligation or each prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date ; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*" this definition shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

Notice Delivery Period means the period from and including the Issue Date to and including the Extension Date.

Notice of Pending Credit Event means a notice delivered, on a date which is expected to be no later than 10 Credit Business Days following the relevant Credit Event Resolution Request Date, by or on behalf of the Issuer that (a) informs the Holders of the occurrence of a Credit Event Resolution Request Date and (b) states that payment of amounts due and payable, or deliverable, as the case may be, under the SDs, whether in connection with accrued interest, redemption or amounts due in respect of the Warrants (including the obligation to deliver the Entitlement), as the case may be, shall be suspended (the **Suspended Obligations**) pending the publication of a DC Resolution or as the case may be, a DC No Credit Event Announcement.

PROVIDED THAT:

- (a) if a DC Resolution confirming the existence of a Credit Event in relation to the relevant Reference Entity in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date, is published within 100 Credit Business Days following the Credit Event Resolution Request Date, the Issuer will deliver or arrange delivery of a Credit Event Notice within 10 Credit Business Days of such publication;
- (b) if a DC No Credit Event Announcement in relation to the relevant Reference Entity is published within 100 Credit Business Days following the Credit Event Resolution Request Date, the Suspended Obligations under the SDs shall be paid or delivered, as the case may be, to the Holders within 10 Credit Business Days of such publication;
- (c) if a DC Resolution resolving not to determine the existence of a Credit Event in relation to the relevant Reference Entity is published within 100 Credit Business Days following the Credit Event Resolution Request Date, either (i) the Suspended Obligations due under the SDs shall be paid or delivered, as the case may be, to the Holders within 10 Credit Business Days of such publication; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information within 10 Credit Business Days of such publication; and
- (d) if no DC Resolution or DC No Credit Event Announcement is published after 100 Credit Business Days following the Credit Event Resolution Request Date, the Notice of Pending Credit Event shall be deemed cancelled and either (i) the Suspended Obligations due under the SDs shall be paid to the Holders within 10 Credit Business Days; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information within 10 Credit Business Days.

Notice of Publicly Available Information means, in relation to a Credit Event Notice or a Repudiation/Moratorium Extension Notice, an irrevocable notice delivered by or on behalf of the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as

applicable, contains Publicly Available Information, such as Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

Notice of Physical Settlement means an irrevocable notice that is effective no later than the Latest Notification Date (included) from or on behalf of the Issuer to the Holders specifying the Specified Deliverable Obligations the Issuer reasonably expects to Deliver or procure the Delivery of to the Holders. The Issuer is not bound to Deliver the Specified Deliverable Obligations referred to in the Notice of Physical Settlement. However, it will, to the extent possible, give the Holders notice of any subsequent change in the Specified Deliverable Obligations referred to in the Notice of Physical Settlement (the term Specified Deliverable Obligation is deemed to include such change).

Obligation means:

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Obligation Category specified in the related Final Terms and having each of the Obligation Characteristics, if any, specified in the related Final Terms, in each case, as of the date of the event which constitute the Credit Event which is the subject of the Credit Event Notice;
- (b) the Reference Obligation(s) (if any); and
- (c) any other obligation of a Reference Entity specified as such in the related Final Terms.

Obligation Acceleration means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

Obligation Category means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms.

Obligation Characteristics means any one or more of Not Subordinated, Not Sovereign Lender, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, and Not Domestic Issuance, as specified in the related Final Terms.

Obligation Currency means the currency or currencies in which an Obligation is denominated.

Obligation Default means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

outstanding principal balance when used in connection with Qualifying Guarantees, the term outstanding principal balance is to be interpreted to be the then outstanding principal balance of the Underlying Obligation which is supported by a Qualifying Guarantee.

Parallel Auction Settlement Terms means, following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the related Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the Deliverable Obligation Terms (as specified in the relevant Transaction Auction Settlement Terms) are the same as the Deliverable Obligation Provisions (as set forth in the relevant Transaction Auction Settlement Terms) applicable to the Reference Entity and for which such Reference Entity would not be an Auction Covered Transaction (as defined in the relevant Transaction Auction Settlement Terms).

Payment means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

Payment Requirement means, unless specified otherwise in the related Final Terms, USD 1,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

Permitted Currency means (a) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership) or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investor Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

Physical Delivery Amount means, for each SD, Specified Deliverable Obligations with an outstanding principal balance, excluding accrued interest, equal to the Nominal Amount or, if applicable, the Partial Redemption Amount in case of the occurrence of a Restructuring (see Condition 25.2(d)) or the Multiple Successor Notional Amount (see Condition 25.2(e)). If the number of Specified Deliverable Obligations that the Issuer can Deliver is not an integer then, in respect of each Credit Linked SD, the Physical Delivery Amount will include, in addition to the Specified Deliverable Obligations that can be Delivered, the market value in cash, excluding accrued interest, of Specified Deliverable Obligations with an outstanding principal balance equal to the difference between the Nominal Amount or, if applicable, the Partial Redemption Amount in case of the occurrence of a Restructuring (Condition 25.2(d)) or the Multiple Successor Notional Amount (Condition 25.2(e)) and the outstanding principal balance of the Specified Deliverable Obligations that can be Delivered, as determined by the Calculation Agent.

Physical Settlement Date means the date on which the Issuer Delivers the Physical Delivery Amount to the Holders, or, if the Issuer does not Deliver on the same date all the portfolio of Deliverable Obligations comprised in the Physical Delivery Amount, the date on which the Issuer has completed the Delivery thereof for all the SDs to all the Holders.

Physical Settlement Period means the period from and including the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System to and including the Latest Permissible Physical Settlement Date.

Potential Failure to Pay means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more

Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

Potential Repudiation/Moratorium means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium.

Preliminary Credit Event Payment Amount means, with respect to Credit Basket SDs and Tranche SDs in relation to which an Unsettled Credit Event has occurred, an amount payable on (x) in the case of Certificates, the Scheduled Maturity Date or (y) in the case of Warrants, the earlier of the Scheduled Expiration Date and the Exercise Date, as applicable, calculated for each SD as:

- (i) in the case of Certificates, an amount equal to the Relevant Proportion of the difference between (a) the Aggregate Nominal Amount minus the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date and (b) the Retained Amount;
- (ii) in the case of Long Warrants, an amount equal to the Relevant Proportion of the difference between (a) the Aggregate Warrant Notional Amount minus the Aggregate Loss Amount as at the applicable Scheduled Expiration Date or Exercise Date and (b) the Retained Amount; or
- (iii) in the case of Short Warrants, an amount equal to the Relevant Proportion of the Aggregate Loss Amount as at the applicable Scheduled Expiration Date or Exercise Date.

Publicly Available Information means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice, has occurred and which:

- (a) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that if the Calculation Agent or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be a Publicly Available Information unless the Calculation Agent or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (b) is information received from or published by:
 - (i) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign); or
 - (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent facility agent or agent bank for an Obligation, or
- (c) is information contained in any petition or filing instituting a proceeding against or by the Reference Entity seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or presented for its winding-up or liquidation, where any such proceeding or petition instituted or presented against the Reference Entity (a) results in a judgement of insolvency or bankruptcy or the entry of an order for relief of the making of an order for its winding-up or

liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; or

- (d) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; or
- (e) is information contained in a public announcement by ISDA.

In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver a certificate signed by a managing director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.

In relation to any information of the type described in (b), (c) and (d) of the definition of Publicly Available Information, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality or such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state (i) in relation to a Qualifying Affiliate Guarantee, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (a) has met the Payment Requirement or Default Requirement, (b) is the result of exceeding any applicable Grace Period, or (c) has met the subjective criteria specified in certain Credit Events including without limitation qualifying under paragraph (a) of the definition of Bankruptcy.

Public Source means each source of Publicly Available Information specified in the related Final Terms (or if a source is not specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

Qualifying Guarantee means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). [The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.]**

In the event that an Obligation or [Deliverable]** [Selected]* Obligation is a Qualifying Guarantee, the following will apply:

- (a) For purposes of the application of the Obligation Category or [Deliverable]** [Selected]* Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (b) For purposes of the application of the Obligation Characteristics or [Deliverable]** [Selected]* Obligation Characteristics, the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or [Deliverable]** [Selected]* Obligation Characteristics, if any, specified in the related Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, and Not Domestic Law.
- (c) For purposes of the application of the Obligation Characteristics or [Deliverable]** [Selected]* Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or [Deliverable]** [Selected]* Obligation Characteristics, if any, specified in the related Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity and Not Bearer.
- (d) For the purposes of the application of the Obligation Characteristics or [Deliverable]** [Selected]* Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

Qualifying Affiliate Guarantee means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

Quotation Amount means:

- (a) *If Physical Settlement is specified in the related Final Terms:*

an amount equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, of the Undeliverable Obligation.

- (b) *If Cash Settlement is specified in the related Final Terms:*

an amount equal to the outstanding principal balance of the SDs, if there is only one Selected Obligation; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be a weighted amount in respect of each Selected Obligation, the sum of all such Quotation Amounts being equal to the outstanding principal balance of the SDs.

Quotation Dealers means at least five leading dealers in obligations of the type of the Undeliverable Obligation(s) or as the case may be Selected Obligation(s), which may include Societe Generale, as selected by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

Quotation Dealers Method means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined by the Calculation Agent in accordance with the provisions of the definition of Final Price.

Ranking means, for Tranche SDs where N-to-M-to-Default is specified as Applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination

Date has occurred, the ranking in time of occurrence of such Credit Event Determination Date amongst all Credit Event Determination Dates, provided that if several Credit Event Determination Dates are identical in respect of several Reference Entities comprised within the Reference Portfolio, the date on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities and if the Credit Event Notices have been sent on the same date, the time on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities.

For the avoidance of doubt, the first Reference Entity in respect of which a Credit Event Determination Date occurs will have a Ranking of 1.

Reference Entity means any entity specified in the related Final Terms or any Successor thereto.

Reference Entity Notional Amount means for each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount.

Reference Entity Weighting means the percentage specified as such in the Final Terms, which, upon the occurrence of a Succession Event will be adjusted in accordance with the provisions the definition of Successor.

Reference Obligation(s) means the reference obligation(s) specified in the related Final Terms, or any Substitute Reference Obligation(s) provided that, in respect of a Reference Entity which has a Transaction Type being specified in the Final Terms as being “*Standard Emerging European Corporate LPN*” or “*Emerging European Corporate LPN*”, Reference Obligation(s) means, as of the Issue Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List (each, a “Markit Published LPN Reference Obligation”), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php>, any Additional LPN, determined in accordance with the Additional LPN definition, and each Additional Obligation. For the avoidance of doubt, in respect of a Reference Entity which has a Transaction Type being specified in the Final Terms as “*Standard Emerging European Corporate LPN*” or “*Emerging European Corporate LPN*”, notwithstanding anything to the contrary in these Terms and Conditions (in particular, notwithstanding that the obligation is not an obligation of the Reference Entity), each Reference Obligation will be an Obligation and a Deliverable Obligation or a Selected Obligation, (as applicable).

Reference Obligations Only means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

Reference Portfolio means, in respect of First-to-Default SDs, Credit Basket SDs and Tranche SDs, a portfolio comprising all the Reference Entities.

Reference Portfolio Notional Amount means the amount specified in the related Final Terms.

Reference Price means 100% unless otherwise specified in the Final Terms.

Relevant Clearing System means the Operator applicable to the relevant SDs.

Relevant Obligations means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the

Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of Best Available Information. If the date on which Best available Information becomes available or is filed precedes the legally effective date of the relevant succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

Relevant Proportion means the proportion which one SD bears to the total number of SDs of the relevant Series that have been issued but which have not been purchased by the Issuer pursuant to Condition 4.

Repudiation/Moratorium means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (b) declares or imposes a moratorium, standstill, roll over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

Repudiation/Moratorium Evaluation Date means, if a Potential Repudiation/Moratorium occurs on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, unless the Repudiation/Moratorium Extension Condition is satisfied. If (i) the Repudiation/Moratorium Extension Condition is satisfied and (ii) a Credit Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, and the date falling four Credit Business Days after the Repudiation/Moratorium Evaluation Date will be the Maturity Date or Expiration Date, as applicable (even if a Repudiation/Moratorium occurs after the Scheduled Maturity Date or Scheduled Expiration Date, as applicable).

Repudiation/Moratorium Extension Condition means a condition that is satisfied

- (a) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, or

- (b) otherwise, by the delivery of a Repudiation/Moratorium Extension Notice and, if specified as Applicable in the related Final Terms, Notice of Publicly Available Information by or on behalf of the Issuer to the Holders that is effective on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date or Scheduled Expiration Date, as applicable.

Repudiation/Moratorium Extension Notice means an irrevocable notice delivered by or on behalf of the Issuer to the Holders that describes a Potential Repudiation/Moratorium that occurred on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date or Scheduled Expiration Date, as applicable. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

Residual Credit Event Payment Amount means, in relation to Credit Basket SDs and Tranche SDs with respect to which one or more Unsettled Credit Event(s) has(ve) occurred, an amount payable on the Maturity Date or Expiration Date, as applicable, representing the difference between the Credit Event Payment Amount calculated in respect of such Maturity Date or Expiration Date, as applicable, and the Preliminary Credit Event Payment Amount.

Restructured Bond or Loan means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

Restructuring means that:

- (a) with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the First Credit Event Occurrence Date and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not Permitted Currency.
- (b) Notwithstanding the provisions of (a) above, none of the following will constitute a Restructuring:
- (i) the payment in euros of interest or principal in relation to any Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) For the purposes of subparagraphs (a) and (b) above and, unless Multiple Holder is specified as Not Applicable in the related Final Terms, subparagraph (d) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in Section (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in Section (b) above shall continue to refer to a Reference Entity.
- (d) Unless Multiple Holder Obligation is specified as Not Applicable in the related Final Terms, then, notwithstanding anything to the contrary in (a), (b) and (c) above, the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

Restructuring Date means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

Restructuring Maturity Limitation and Fully Transferable Obligation means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]** [Selected]* Obligation may be specified in the [Notice of Physical Settlement]** [Final Valuation Notice]* only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, of the SDs, the condition set out in subparagraph (ii) above shall not be applicable.

Restructuring Maturity Limitation Date means, with respect to a [Deliverable]** [Selected]* Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, provided that, in circumstances where the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan, occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, is later than (a) (i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (ii) the 2.5-year Limitation Date, and in either case, no Enabling Obligation exists or (b) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date or Scheduled Expiration Date.

Retained Amount means, in relation to Credit Basket SDs or Tranche SDs in respect of which one or more Unsettled Credit Event(s) has(ve) occurred:

- (i) in the case of Certificates, the lower of:
 - (a) The difference between the Aggregate Nominal Amount and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date; and
 - (b) Either:
 - (x) In respect of Credit Basket SDs, the aggregate of the Loss Amounts for all the Unsettled Credit Events (assuming a Final Value of zero in respect of each Unsettled Credit Event); or

- (y) In respect of Tranche SDs, the amount by which the Aggregate Loss Amount on the Maturity Date (assuming a Final Value of zero in respect of each Unsettled Credit Event) would exceed the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date;
- (ii) in the case of Long Warrants, the lower of:
- (a) The difference between the Aggregate Warrant Notional Amount and the Aggregate Loss Amount immediately prior to the Scheduled Expiration Date or Exercise Date, as applicable; and
 - (b) Either:
 - (x) In respect of Credit Basket SDs, the aggregate of the Loss Amounts for all the Unsettled Credit Events (assuming a Final Value of zero in respect of each Unsettled Credit Event); or
 - (y) In respect of Tranche SDs, the amount by which the Aggregate Loss Amount on the Expiration Date or Exercise Date, as applicable (assuming a Final Value of zero in respect of each Unsettled Credit Event) would exceed the Aggregate Loss Amount immediately prior to the Scheduled Expiration Date or Exercise Date, as applicable; or
- (iii) in the case of Short Warrants, the aggregate of the Reference Entity Notional Amounts of the Reference Entity(ies) to which such Unsettled Credit Event(s) relate.

Rules mean the Credit Derivatives Credit Derivatives Determinations Committees Rules published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

Selected Obligation(s) means, for the purpose of determining the Final Price, as specified in the Final Valuation Notice, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or the provisions contained in the definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (a) the Reference Obligation (if any);
- (b) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Selected Obligation Category specified in the related Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the related Final Terms that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement and (iii) that is not subject to a

right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Selected Obligations;
 - (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Selected Obligations, however described;
 - (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
 - (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (c) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Selected Obligation that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraph (b)(i)-(iv) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance of the SDs (excluding accrued interest), or Due and Payable Amount, as applicable apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (d) any other obligation of a Reference Entity specified as such in the related Final Terms.
- (i) *If the SDs described in the related Final Terms are denominated in Euros:*

where a Selected Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the MEAN price as displayed on Reuters Page ECB37 as of London 12:00 pm on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
 - (ii) *If the SDs described in the related Final Terms are denominated in United States Dollars:*

where a Selected Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or

in such other commercially reasonable manner as it will determine in its sole discretion.

- (iii) *If the SDs described in the related Final Terms are denominated in Hong Kong Dollars:*

where a Selected Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

Selected Obligation Category means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms. In case of Reference Obligations Only, no Selected Obligation Characteristics shall be applicable.

Selected Obligation Characteristics means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Selected Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Selected Obligation Characteristics, the Selected Obligation may include any Loan that satisfies any one of such Selected Obligation Characteristics specified and need not satisfy all such Selected Obligation Characteristics. For the purposes of applying the Selected Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

Settlement Method means either Physical Settlement (see Condition 25.2(a)) or Cash Settlement (see Condition 25.2(b)) as specified in the related Final Terms.

Short Warrants means Credit Linked SDs that are Warrants and in respect of which "Short Warrants" is specified in the applicable Final Terms.

Single Name SD means a Credit Linked SD indexed on one Reference Entity.

Sovereign means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

Sovereign Agency means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

Sovereign Restructured Deliverable Obligation means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the related Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the related Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

Sovereign Restructured Selected Obligation means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Selected Obligation Category specified in the related Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the related Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Selected Obligation Category or Selected Obligation Characteristics after such Restructuring.

Specified Deliverable Obligation(s) means Deliverable Obligations of the Reference Entity or First-to-Default Reference Entity as specified in the Notice of Physical Settlement (subject to the definition of such term).

Specified Currency means, for the purpose of Condition 25, an obligation that is payable in the currency or currencies specified as such in the related Final Terms (or, if Specified Currency is specified in the related Final Terms and no currency is specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (and any successor currency to any of the aforementioned currencies), which currencies shall be referred to collectively as the **Standard Specified Currencies**).

Specified Number means the number of Public Sources specified in the related Final Terms (or if a number is not specified, two).

Subordination means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

Substitute Reference Obligation(s) means one or more obligations of the Reference Entity (either directly or as a provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) in the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of the Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of the Reference Entity enforceable in accordance with its terms, or (C) for any

other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of the Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the Issuer's obligations under the SDs and (3) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee). Upon notice to the Holders, the Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

The Calculation Agent will (in its absolute discretion) make such adjustments to the terms of the SDs that it determines are necessary in order to preserve the economic equivalent of the Issuer's obligations under the SDs.

succeed means, for the purposes of determining a Successor, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to the definition of Successor shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

Succession Event means

- (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; or
- (b) with respect to a Reference Entity that is a Sovereign, an event such as annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, Succession Event shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date.

Succession Event Backstop Date means the date that is 120 calendar days prior to the Issue Date of the relevant SDs.

Successor means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any determined as set forth below:
 - (i) If one entity directly or indirectly succeeds to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor and, in the case of Credit Basket SDs and Tranche SDs, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.
 - (ii) If only one entity directly or indirectly succeeds to more than twenty-five per cent. (but less than seventy five per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor and, in the case of Credit Basket SDs and Tranche SDs, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.
 - (iii) If more than one entity each directly or indirectly succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the terms of the SDs will be amended in accordance with the provisions set out in the definition of Multiple Successor in Condition 25.2. In the case of Credit Basket SDs and Tranche SDs, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, divided by the number of Successors.
 - (iv) If one or more entities each directly or indirectly succeed to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the terms of the SDs will be amended in accordance with the provisions set out in the definition of Multiple Successor in Condition 25.2. In the case of Credit Basket SDs and Tranche SDs, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, subject to adjustment of the Reference Entity Weighting, divided by the number of Successors.
 - (v) If one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the terms of the SDs will not be changed in any way as a result of the Succession Event.

- (vi) If one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor and, in the case of Credit Basket SDs and Tranche SDs, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.

PROVIDED THAT, in the case of Credit Basket SDs and Tranche SDs, if the resulting Successor of a Reference Entity affected by a Succession Event, or as the case may be, one or more of the several resulting Successors of such Reference Entity is(are) another Reference Entity comprised in the Reference Portfolio at the legally effective date of the Succession Event, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance to paragraph (a)(i), (ii), (iii), (iv) or (vi) and the Reference Entity Weighting of such Successor in effect prior to the Succession Event.

PROVIDED FURTHER THAT, in the case of Credit Basket SDs and Tranche SDs, if two or more Reference Entities are affected by a Succession Event resulting in at least one common Successor, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance to paragraph (a)(i), (ii), (iii), (iv) or (vi) with respect to each Reference Entity in respect of which it is a Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the legally effective date of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such relevant Obligation listed in the Best Available Information.

- (b) With respect to a Sovereign Reference Entity, Successor means each entity which becomes a direct or indirect successor to such Reference Entity by way of a Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under (b) above. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the date of the occurrence of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. A notice will be sent by or on behalf of the Issuer to the Holders evidencing the Succession Event and giving all necessary relevant indications as to the Successor(s), the Multiple Successor Notional Amount (if applicable), the Reference Entity Weighting (if applicable) and the change in Reference Obligation(s).

PROVIDED THAT (for (a) and (b) above), *if N-to-M-to-Default is specified as Applicable in the related Final Terms or in respect of First-to-Default SDs*, the Calculation Agent will adjust the effect of any Succession Event as necessary so that in all cases the number of Reference Entities in the Reference Portfolio will remain unchanged and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, so that the Reference Entity Weighting will remain the same for all Reference Entities comprised in the Reference Portfolio, in particular:

if the resulting Successor of a Reference Entity (the **Legacy Reference Entity**) affected by a Succession Event is another Reference Entity comprised in the Reference Portfolio (the **Surviving Reference Entity**) at the legally effective date of the Succession Event, the Calculation Agent acting in good faith and in its sole discretion shall select a new entity having an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available) to the Legacy Reference Entity immediately prior to the occurrence of the Succession Event; such new entity shall be deemed to have replaced the Legacy Reference Entity as Reference Entity effective on and from the date of the Succession Event and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, the Reference Entity Weighting of the Surviving Reference Entity shall remain the Reference Entity Weighting of the Surviving Reference Entity in effect prior to the Succession Event and the Reference Entity Weighting of the entity having replaced the Legacy Reference Entity shall be equal to the Reference Entity Weighting of the Legacy Reference Entity prior to the Succession Event;

and

if a Succession Event would result in more than one Successor (the **Potential Successors**) to a Reference Entity, the Calculation Agent shall select in its sole discretion only one entity (the **Chosen Successor**) among the Potential Successors to replace the Reference Entity; the Chosen Successor shall be deemed to have replaced the Reference Entity and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, its Reference Entity Weighting shall be equal to the Reference Entity Weighting of the Reference Entity prior to the Succession Event.

For the purposes of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

Supranational Organisation means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

Tranche SD means a Credit Basket SD specified as such in the related Final Terms.

Tranche Notional Amount means, in respect of Tranche SDs, the Aggregate Nominal Amount or Aggregate Warrant Notional Amount, as applicable, of the SDs on the Issue Date or such other amount specified as such in the Final Terms.

Tranche Subordination Amount means, with respect to Tranche SDs, the amount specified as such in the Final Terms.

Transaction Auction Settlement Terms means in respect of a Reference Entity and the related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules or any other recognised association or organisation selected by the Calculation Agent (including for the avoidance of doubt any Auction Settlement), which provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred and which shall be used to determine the amounts payable between the parties to a credit derivatives transaction referencing such Reference Entity for which Auction Covered Transactions (as defined in the Rules) would be credit derivatives transactions with a scheduled termination date comparable to or later than the Scheduled Maturity Date or Scheduled Expiration Date, as applicable, of the SDs.

Transaction Type means in respect of a Reference Entity, the transaction type specified in the Final Terms.

Transferable means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following will be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

Unless otherwise specified in the related Final Terms, if the [Deliverable]**[Selected]* Obligation Characteristic Transferable is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]**[Selected]* Obligation Characteristic had been specified as a [Deliverable]**[Selected]* Obligation Characteristic only with respect to [Deliverable]**[Selected]* Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified [Deliverable]**[Selected]* Obligation Category).

Undeliverable Obligation(s) means that part of the Specified Deliverable Obligations for which Delivery is Illegal or Impossible.

Unsettled Credit Event means, with respect to a Reference Entity and an SD, that:

- (a) a Credit Event Determination Date has occurred prior to (i) in the case of Certificates, the Scheduled Maturity Date or (ii) in the case of Warrants, the earlier of the Scheduled Expiration Date and the Exercise Date, as applicable, but the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date (in the case of Certificates) or the Scheduled Expiration Date or relevant Exercise Date, as the case may be (in the case of Warrants); or
- (b) a Notice of Pending Credit Event is delivered less than 100 Credit Business Days prior to (x) in the case of Certificates, the Scheduled Maturity Date or (y) in the case of Warrants, the earlier of the Scheduled Expiration Date and the Exercise Date, as applicable, and (i) a DC No Credit Event Announcement has not been published prior to the Scheduled Maturity Date, Scheduled Expiration Date or Exercise Date, as applicable, and (ii) if a Credit Event Notice has subsequently been delivered in relation to the relevant Credit Event, the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date, Scheduled Expiration Date or Exercise Date, as applicable; or
- (c) a Potential Repudiation/Moratorium has occurred and is continuing at the Scheduled Maturity Date or the earlier of the Scheduled Expiration Date and the Exercise Date, as applicable; or
- (d) a Potential Failure to Pay has occurred and is continuing at the Scheduled Maturity Date or the earlier of the Scheduled Expiration Date and the Exercise Date, as applicable.

The occurrence of an Unsettled Credit Event shall give rise to the payment of the Preliminary Credit Event Payment Amount on (i) in the case of Certificates, the Scheduled Maturity Date or (ii) in the case of Warrants, the Scheduled Expiration Date or the Exercise Date, as applicable, and of the Residual Credit Event Payment Amount on the Maturity Date or Expiration Date, as applicable.

Valuation Hedging Cost means, in relation to a Selected Obligation, the direct and duly documented cost, if any, borne by the Issuer, the Issuer's hedging counterparty, the Calculation Agent or an agent on their behalf in relation to the determination of the Final Price.

Voting Shares shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

Warrant Notional Amount means the amount specified as such in the applicable Final Terms.

Weighted Average Quotation means, if there are no Full Quotations available, the weighted average of firm bid quotations obtained from the Quotation Dealers, to the extent reasonably practicable, each for an amount as large a size as available, that in aggregate are equal to or greater than the Quotation Amount.

25.2 Provisions relating to Credit Events

- (a) *Physical Settlement*

If the SDs are Single Name SDs or First-to-Default SDs and the Settlement Method specified in the related Final Terms is Physical Settlement

- (i) If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Relevant Clearing System for the Holders' information, then:
 - (A) in the case of Certificates (i) the Issuer will no longer be liable for the payment of the Cash Settlement Amount on the Maturity Date and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Certificate, Deliver or procure Delivery of the Physical Delivery Amount to the Holders during the Physical Settlement Period, subject to the next following paragraph and the cash settlement provisions hereafter and (ii) the Interest Period(s) and/or the Interest Calculation Amount shall be as specified in Condition 25.2(c) below; or
 - (B) in the case of Warrants (i) the Issuer will no longer be liable for the payment of the Cash Settlement Amount on the relevant Settlement Date, (ii) each Warrant shall continue to be exercisable during the Exercise Period or on the Expiration Date, as the case may be and (iii) following exercise of any Warrant, the Issuer will, in full and final satisfaction of its obligations hereunder in respect of such Warrant, Deliver or procure Delivery of the Physical Delivery Amount to the Holders during the Physical Settlement Period, subject to the next following paragraph and the cash settlement provisions hereafter.

The Delivery of the Specified Deliverable Obligations (or the payment of the Credit Event Payment Amount as the case may be) is subject to the prior delivery by or on behalf of the Issuer to the Relevant Clearing System for the Holders' information, of a Notice of Physical Settlement between the Credit Event Determination Date and the Latest Notification Date (both dates inclusive).

- (ii) Following the occurrence of a Credit Event with respect to a Reference Entity, the Issuer has sole and absolute discretion to select the Specified Deliverable Obligations.
- (iii) The Issuer will not necessarily Deliver all the Specified Deliverable Obligations on the same date, and may Deliver Specified Deliverable Obligations to different Holders on different dates or to the same Holder on different dates.
- (iv) The Issuer is not obliged to Deliver the same type and proportion of Deliverable Obligations to each Holder and a Holder may receive various types of Deliverable Obligations.
- (v) If any or all of the Specified Deliverable Obligations are not eligible for clearance by the Relevant Clearing System, then the Issuer may, at its discretion but upon prior notice to the Holders, arrange:
 - (A) Delivery of those Specified Deliverable Obligations, if any, that are eligible for clearance by the Relevant Clearing System in the Relevant Clearing System and Delivery of those Specified Deliverable Obligations that are not

eligible for clearance by the Relevant Clearing System outside the Relevant Clearing System; or

- (B) Delivery of all the Specified Deliverable Obligations (whether or not those Specified Deliverable Obligations are eligible for clearance) outside the Relevant Clearing System.

The Relevant Clearing System will then be instructed to block and, upon confirmation by the Issuer that delivery has taken place, cancel the Holders' positions in its books and the Agent in turn will cancel the outstanding SDs. If Delivery is to take place outside the Relevant Clearing System, the Issuer must receive the relevant Holders' transfer instructions in terms that are satisfactory to the Issuer sufficiently before the Latest Permissible Physical Settlement Date to allow for physical settlement, otherwise the cash settlement provisions set out below will apply.

Fallback to Cash Settlement

- (vi) If, on the Latest Permissible Physical Settlement Date, the Calculation Agent (acting on behalf of the Issuer) determines that it is Illegal or Impossible for the Issuer to Deliver all or part of the Specified Deliverable Obligations to all or some of the Holders or if the Issuer does not receive transfer instructions as described in the last sentence of Condition 25.2(a)(v) above, then the Calculation Agent will calculate in respect of such part of the Specified Deliverable Obligations which are Undeliverable Obligations a Credit Event Payment Amount and the Issuer will, on the Credit Event Payment Date, pay or procure payment of a Credit Event Payment Amount to the relevant Holders in final and full satisfaction of its obligations in respect of the Undeliverable Obligations.
- (vii) The Issuer must notify the relevant Holders through the Relevant Clearing System that there are Undeliverable Obligations and the reasons why it is Illegal or Impossible to Deliver such Specified Deliverable Obligations.
- (viii) If, before the Latest Permissible Physical Settlement Date, the Calculation Agent determines that the Delivery of all of the Specified Deliverable Obligations is Illegal or Impossible; and it deems in good faith that such Delivery is to remain Illegal or Impossible until the Latest Permissible Physical Settlement Date, then the Calculation Agent may give notice thereof to the Relevant Clearing System for the attention of the Holders. The Credit Valuation Date will then be the date that is two Credit Business Days after the date on which the Calculation Agent delivers such notice to the Relevant Clearing System, and the Issuer will pay the Holders a Credit Event Payment Amount on the Credit Event Payment Date in full and final satisfaction of its obligations in respect of the Undeliverable Obligations.
- (ix) If Delivery is partially Illegal or Impossible, the Issuer may, for each Holder, Deliver Specified Deliverable Obligations and pay a Credit Event Payment Amount. The Issuer is not obliged to ensure that each Holder receives the same type and proportion of Deliverable Obligations and the same proportion of Deliverable Obligations and Credit Event Payment Amount as each other Holder.

- (x) If Condition 25.2(a)(vi) or (viii) applies, the Issuer may arrange that all settlements hereunder be made outside the Relevant Clearing System in the manner described in Condition 25.2(a)(v) above provided that the Issuer receives transfer instructions in terms that are satisfactory to the Issuer to allow for such settlements.
- (xi) The Calculation Agent will inform the Holders via the Relevant Clearing System of the Credit Event Payment Amount by sending a Final Valuation Notice.

(b) Cash Settlement

If the Settlement Method specified in the related Final Terms is Cash Settlement:

- (i) If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Holders, then:
 - (A) in the case of Certificates (i) the Issuer will no longer be liable for the payment of the Cash Settlement Amount on the Maturity Date and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each SD, pay or procure payment of the Credit Event Payment Amount on the Credit Event Payment Date (subject as specified in Condition 25.2(b)(ii) below) and (ii) the Interest Period(s) and/or the Interest Calculation Amount shall be as specified in Condition 25.2(c) below; or
 - (B) in the case of Warrants (i) the Issuer will no longer be liable for the payment of the Cash Settlement Amount on the relevant Settlement Date, (ii) each Warrant shall continue to be exercisable during the Exercise Period or on the Expiration Date, as the case may be and (iii) following exercise of any Warrant, the Issuer will, in full and final satisfaction of its obligations hereunder in respect of such Warrant, pay or procure the payment of the Credit Event Payment Amount on the Credit Event Payment Date (subject, in the case of Warrants that are Credit Basket SDs or Tranche SDs, as specified in Condition 25.2(b)(ii) below).

The Selected Obligations, the Credit Event Payment Amount and the Credit Event Payment Date shall be notified to the Holders in the Final Valuation Notice on the Final Valuation Notice Receipt Date.

- (ii) In the case of Credit Basket SDs or Tranche SDs, if an Unsettled Credit Event has occurred, a Preliminary Credit Event Payment Amount will be payable on (x) in the case of Certificates, the Scheduled Maturity Date and (y) in the case of Warrants, the earlier of the Scheduled Expiration Date and the Exercise Date, as applicable, and a Residual Credit Event Payment Amount will be payable on the Maturity Date or Expiration Date, as applicable.
- (iii) For the avoidance of doubt, under no circumstances will the Final Value be determined later than the 180th Credit Business Day following the corresponding Credit Event Determination Date.

- (iv) Notwithstanding any other provision to the contrary, where "Alternative Physical Settlement" is specified as applying in the relevant Final Terms and the Issuer would, but for this Condition 25.2(b)(iv), be required to pay the Credit Event Payment Amount on the Credit Event Payment Date in accordance with Condition 25.2(b)(i)(B) above, it shall in place of such payment deliver to Holders the Alternative Physical Delivery Amount in accordance with the provisions of Condition 7.2 in full and final settlement of its obligations hereunder, provided that for such purposes references to the relevant Entitlement shall be deemed to be references to the Alternative Physical Delivery Amount.

(c) *Provisions relating to interest (applicable in the case of Certificates only)*

Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Condition 25.

(i) Single Name SDs and First-to-Default SDs

(A) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date, and the last Interest Payment Date will be the earlier of the Interest Payment Date following the fourth Credit Business Day falling after the Credit Event Determination Date and the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.

(B) *If (i) the Accrual of Interest upon Credit Event option specified is Accrued Interest upon Credit Event and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the earlier of the Interest Payment Date following the fourth Credit Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Credit Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Credit Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Interest Payment Date shall be the Scheduled Maturity

Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Credit Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Credit Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (C) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date.
- (D) *If (i) the Accrual of Interest upon Credit Event option specified is No Accrued Interest upon Credit Event and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date.

Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Credit Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Credit Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Interest Payment Date shall be the Scheduled Maturity Date.

Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Credit Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Credit Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest

will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (E) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date, and the Interest Payment Date will be the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.
- (F) *If (i) the Accrual of Interest upon Credit Event option specified is Accrued Interest upon Credit Event, (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms and (iii) there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Credit Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Credit Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Credit Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Credit Business Day prior to the Scheduled Maturity Date, the Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (G) If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms as No Accrued Interest upon Credit Event and (ii) there is only one Interest Period: No interest shall accrue nor be payable in respect of the SDs.

Only if European Settlement is specified in the related Final Terms:

- (H) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Guaranteed Coupon:* The last Interest Period will end on, but exclude the Scheduled Maturity Date and the interest shall accrue in respect of each Interest Period on the Aggregate Nominal Amount.

(ii) Credit Basket SDs and Tranche SDs

In the case of Credit Basket SDs and Tranche SDs, the last (or if there is only one, the only) Interest Period will end on (but exclude) the earlier of the Maturity Date and the Scheduled Maturity Date and the Interest Calculation Amount will be as specified below.

- (A) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event:* In respect of each Interest Period, the Interest Calculation Amount will be calculated on the fourth Credit Business Day preceding the relevant Interest Payment Date and be an amount equal to (i) the sum, for each day of such Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in such Interest Period.
- (B) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event:* In respect of each Interest Period, the Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Credit Business Day preceding the relevant Interest Payment Date.
- (C) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Calculation Amount will be an amount, calculated on the fourth Credit Business Day preceding the Interest Payment Date equal to (i) the sum, for each day of the Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in the Interest Period.
- (D) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Credit Business Day preceding the Interest Payment Date.

Only if European Settlement is specified in the related Final Terms:

- (E) If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Guaranteed Coupon: The Interest Calculation Amount will be the Daily Interest Calculation Amount as at the Issue Date.

For the avoidance of doubt, except in the case of a Guaranteed Coupon, if a Notice of Pending Credit Event is delivered to the Holders, payment of interest on the SDs, or, in the case of Credit Basket SDs or Tranche SDs, on the portion of the Interest Calculation Amount relating to the relevant Reference Entity, will be deferred until:

- (I) if a Credit Event Notice is delivered in relation to the relevant event, the Maturity Date, or in the case of Credit Basket SDs or Tranche SDs, the Scheduled Maturity Date or the Maturity Date, as the case may be; or

- (II) The date that is 10 Credit Business Days following the publication of a DC No Credit Event Announcement;
- (III) if no DC No Credit Event Announcement is published and no Credit Event Notice is delivered in relation to the relevant event, the date that is 110 Credit Business Days following the Credit Event Resolution Request Date (all as defined in Condition 25.1 above).

For the avoidance of doubt, (x) should a Credit Event Determination Date occur within an Interest Period less than four Credit Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer may deduct from the Credit Event Payment Amount or the Physical Delivery Amount, as the case may be, the amount of overpaid interest; and (y) if payment of interest is deferred following the delivery of a Notice of Pending Credit Event, no additional interest will be payable on the Suspended Obligations for the period of the deferral.

In relation to SDs which are not Single Name SDs or First-to-Default SDs or Credit Basket SDs or Tranche SDs (all as defined in Condition 25.1 above), the provisions relating to interest will be specified in the related Final Terms.

(d) *Credit Event Notice after Restructuring*

Upon the occurrence of a Restructuring in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date if either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the related Final Terms:

(i) Single Name SDs and First-to-Default SDs

If American Settlement is specified in the related Final Terms:

- (A) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Redemption Amount**) that is less than the Nominal Amount outstanding of each SD immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 25.2(a) and (b) shall be deemed to apply to the Partial Redemption Amount only and each such SD shall be redeemed or exercised, as the case may be, in part (such redeemed or exercised part being equal to the Partial Redemption Amount);
- (B) for the avoidance of doubt (i) the Nominal Amount of each such SD not so redeemed or exercised, as the case may be, in part shall remain outstanding and, if applicable, interest shall accrue on the Nominal Amount outstanding of such SD as provided in the related Final Terms (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be

appropriate) and (ii) the provisions of Condition 25.2(a) and (b) shall apply to such Nominal Amount outstanding of such SD in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity; and

- (C) on redemption or exercise of part of each SD the relevant SD shall be endorsed to reflect such partial redemption or exercise.

For the avoidance of doubt, the outstanding Nominal Amount of each SD in respect of which no Credit Event Notice has been delivered during the Notice Delivery Period (and, if applicable, no Potential Repudiation/Moratorium or Potential Failure to Pay has occurred on or prior to the fourth Credit Business Day immediately preceding the Scheduled Maturity Date), will be (i) in the case of Certificates, redeemed on the Scheduled Maturity Date or (ii) in the case of Warrants, exercised in accordance with Condition 7.1 or 7.2.

If European Settlement is specified in the related Final Terms:

- (A) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Redemption Amount**) that is less than the Nominal Amount outstanding of each SD immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 25.2(a) and (b) shall apply to the Partial Redemption Amount; and
- (B) for the avoidance of doubt the provisions of Condition 25.2(a) and (b) shall apply to the Nominal Amount of each SD outstanding after reduction by such Partial Redemption Amount in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity.

(ii) Credit Basket SDs and Tranche SDs

- (A) The Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Restructuring Notional Amount**) that is less than the Reference Entity Notional Amount of the relevant Reference Entity immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 25.2(b) shall apply to the Partial Restructuring Notional Amount instead of the Reference Entity Notional Amount; and
- (B) for the avoidance of doubt, following such Restructuring, the provisions of this Condition 25 shall apply in respect of the relevant Reference Entity with such Reference Entity's Reference Entity Notional Amount being reduced by the Partial Restructuring Notional Amount. In the event of the occurrence of further Restructurings with respect to such Reference Entity, the relevant Reference Entity Notional Amount will be further reduced by the relevant Partial Restructuring Notional Amount.

(e) *Multiple Successors*

If the SDs are Single Name SDs and if Multiple Successor is specified as Applicable in the related Final Terms the following provisions shall apply:

Where, pursuant to the definition of **Successor** (see Condition 25.1), more than one Successor has been identified, each such Successor (a **Multiple Successor**) shall be a Reference Entity for the purposes of the Terms and Conditions, but only in respect of an amount of each SD equal to the Nominal Amount divided by the number of Multiple Successors to such Reference Entity (the **Multiple Successor Notional Amount**) as determined by the Calculation Agent. Where Multiple Successors to such Reference Entity (each, a **Sub-Multiple Successor**) have been identified in respect of a Reference Entity (an **Original Multiple Successor**) that is itself a Multiple Successor, each such Sub-Multiple Successor shall be a Reference Entity for the purposes of the Terms and Conditions, but the Multiple Successor Notional Amount in respect of a Sub-Multiple Successor shall be equal to the Multiple Successor Notional Amount in respect of such Original Multiple Successor divided by the number of Sub-Multiple Successors to such Original Multiple Successor. Following (i) the delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information, in respect of a Multiple Successor and (ii) in the case of Warrants only, following a valid exercise of such Warrants in accordance with Condition 5, an amount shall be deliverable or, as the case may be, payable in respect of each Certificate and each Warrant that has been so exercised (an **Instalment Amount**) which amount shall be determined in the same manner, *mutatis mutandis*, as the Physical Delivery Amount, Credit Event Payment Amount or Alternative Physical Delivery Amount, as the case may be, that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity, except that it shall be in respect of a part of the Nominal Amount of each SD equal to the relevant Multiple Successor Notional Amount only. The date of delivery or payment, as the case may be, of any such Instalment Amount (an **Instalment Date**) shall be determined in the same manner, *mutatis mutandis*, as the Physical Settlement Date or Credit Event Payment Date that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity. More than one Instalment Amount may be delivered or payable on the same day in respect of different Multiple Successors, but not more than one Credit Event Notice may be delivered in relation to a single Multiple Successor unless a Restructuring occurs in relation to a Multiple Successor, in which case the provisions of Condition 25.2(d) will apply in respect of each such Multiple Successor. Upon the determination by the Calculation Agent of the identity of Multiple Successors, the Calculation Agent shall determine the modifications required to be made to the Terms and Conditions and any other related documents, to preserve substantially the economic effect for a Holder of a holding of the SDs and the Issuer shall use its reasonable endeavours to effect such modifications.

If American Settlement is specified as Applicable in the related Final Terms:

Following delivery or payment of an Instalment Amount in respect of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each SD shall be correspondingly reduced by the proportion such part of the Nominal Amount used to determine the Credit Event Payment Amount or Physical Delivery Amount, as the case may be, so redeemed or exercised, as the case may be, and, if applicable, interest on each SD shall accrue on the reduced Nominal Amount of each SD from the date on which it would otherwise have ceased to accrue following delivery of a Credit Event Notice and, if

applicable a Notice of Publicly Available Information in relation to the original Reference Entity.

If the SDs are Single Name SDs and if Multiple Successor is specified as Not Applicable in the related Final Terms the following provisions shall apply:

Should more than one Successor succeed to the Reference Entity and a Credit Event occurs in respect of any one of them, payment or delivery of the Credit Event Payment Amount or Physical Delivery Amount shall occur in whole in accordance with Condition 25.2(a) and (b) above, as if First-to-Default was specified as Applicable in the related Final Terms.

For the avoidance of doubt, this Condition 25.2(e) will not apply to First-to-Default SDs, Credit Basket SDs and Tranche SDs.

(f) *Notification of Potential Failure to Pay*

In the case of the occurrence of a Potential Failure to Pay, as determined by the Issuer in its sole and absolute discretion, the Issuer, or any entity acting on its behalf, shall use its reasonable endeavours to notify the Holders as soon as reasonably practical of such occurrence.

(g) Further Issues and Purchases

Following any purchase of the SDs pursuant to Condition 4 or any further issue pursuant to Condition 15 of these Terms and Conditions, each of the following amounts will be multiplied by the ratio of (i) the number of SDs in circulation after such purchase or further issue divided by (ii) the number of SDs in circulation just before such purchase or further issue:

- (i) for Single Name SDs and First to Default SDs, the Aggregate Nominal Amount or Aggregate Warrant Notional Amount, as applicable;
- (ii) for Credit Basket SDs which are not Tranche SDs, (i) the Aggregate Nominal Amount or Aggregate Warrant Notional Amount, as applicable, (ii) the Reference Portfolio Notional Amount and (iii) the Aggregate Loss Amount;
- (iii) for Tranche SDs, (i) Aggregate Nominal Amount or Aggregate Warrant Notional Amount, as applicable, (ii) the Reference Portfolio Notional Amount, (iii) the Aggregate Loss Amount, (iv) the Tranche Notional Amount and (v) the Tranche Subordination Amount.

(h) *Hedging Disruption, Increased Cost of Hedging – Change in Law and Consequences*

(i) *Hedging Disruption, Increased Cost of Hedging*

Hedging Disruption means, in respect of SDs that have one or more Reference Entity, that, as determined in good faith by the Calculation Agent, Societe Generale or one of its affiliates is unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk (or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk) of entering into and performing its obligations with respect to the

SDs or any agreement entered into with the Issuer of the SDs in relation to the SDs; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its affiliates in relation to the SDs.

Increased Cost of Hedging means, in respect of SDs that have one or more Reference Entity, that Societe Generale or one of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale enters into the Hedge Positions in respect of the SDs) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk of entering into and performing its obligations with respect to the SDs or any agreement entered into with the Issuer of the SDs in relation to the SDs or (b) freely realize, recover or remit the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its affiliates in relation to the SDs.

(ii) *Change in Law*

Change in Law means in respect of SDs that have one or more Reference Entity that, on or after the first to occur of (a) the Issue Date and (b) the trade date of any Hedge Position (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Societe Generale or one of its affiliates to hold, acquire or dispose of Hedge Positions (as defined below) or to maintain the agreement entered into with Societe Generale or one of its affiliates by the Issuer of the SDs.

(iii) *Consequences*

Condition 7.11 shall not apply to Credit Linked SDs.

Upon the occurrence, as determined by the Calculation Agent in good faith, on or prior to the fifth Credit Business Day before the Maturity Date or Expiration Date, as the case may be, of a Hedging Disruption, an Increased Cost of Hedging or Change in Law, then the Calculation Agent may decide, either:

- (A) consider such event as an event triggering an early repayment of the SDs (hereafter, an **Early Termination Event**). In that case where an Early Termination Event occurs, the Issuer shall terminate its obligations under the SDs and shall pay or cause to be paid an amount on the basis of the Fair Market Value (as defined in Condition 1 of the Terms and Conditions) of such SD immediately prior to the applicable Early Termination Event; or
- (B) if the Hedging Disruption, Increased Cost of Hedging and/or Change in Law is related to one or several affected Reference Entities (the **Affected Reference Entity(ies)**), replace the Affected Reference Entity(ies) by a new reference entity (or new reference entities, as relevant) which is (respectively are each) a Similar Reference Entity; or

- (C) apply the Monetisation to the Maturity Date or Expiration Date.

Following the occurrence of a Hedging Disruption, an Increased Cost of Hedging or Change in Law, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Holders pursuant to the provisions of Condition 13 of the Terms and Conditions of the relevant adjustment made or decision taken by the Calculation Agent. Details of any adjustment made or decision taken can be obtained by the Holders upon request at the Calculation Agent's specified address.

- (iv) *Monetisation to the Maturity Date or Expiration Date*

If Monetisation to the Maturity Date or Expiration Date applies, the Issuer will no longer be liable for any payment or delivery, on the Maturity Date, any Settlement Date, as applicable, any Interest Payment Date or any other date referred to elsewhere in this Condition 25, but instead will, in full and final satisfaction of its obligations:

- (A) in respect of SDs whose Cash Settlement Amount, as defined in the Final Terms, could be as low as zero (including, without limitation, due to the occurrence of a Credit Event which causes the obligation to pay the Cash Settlement Amount to be replaced by an obligation to pay the Credit Event Payment Amount or deliver the Physical Delivery Amount or the Alternative Physical Delivery Amount, as the case may be), pay on the Maturity Date or the Expiration Date, as applicable, an amount per SD, determined by the Calculation Agent, with a minimum of zero, based on (a) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b) each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date or Expiration Date, as applicable (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- (B) in respect of the redemption of SDs whose Cash Settlement Amount, as defined in the Final Terms, cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date or Expiration Date, as applicable, an amount per SD, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between

(i) (1) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (2) the Associated Costs (the result of this difference a minus b, each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date or Expiration Date, as applicable (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

Definitions applicable to this section:

Adjusted Calculation Amount means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

Associated Costs means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Calculation Agent in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned pro rata amongst, in the case of Certificates, the Specified Denomination of each outstanding Certificate or, in the case of Warrants, each outstanding Warrant;

Compounding Date means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

Compounding Method means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period;

Compounding Period means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

Compounding Period Amount means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

Compounding Rate means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; notwithstanding this, the Compounding Rates related to the last four Compounding Periods in the Calculation Period shall be that of the fifth Compounding Period before the Maturity Date; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and

Day Count Fraction means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360.

Full Liquidation Date means, the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the liabilities of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Calculation Agent.

Hedge Positions means any purchase, sale, entry into or maintenance, by the Calculation Agent, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the SDs.

Relevant Spot Exchange Rate means in respect of a date and an amount to be converted in the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency as determined by the Calculation Agent used to convert such amount on such date into the Specified Currency.

Similar Reference Entity means a reference entity with an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available), and to the extent possible as secondary criteria geographic and Transaction Type proximity.

For the purposes of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings or any of them, it being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

26. Provisions applicable to Currency Securitised Derivatives

This Condition applies to Currency SDs only.

26.1 Definitions

Currency Trading Day means a Business Day on which the Applicable Exchange Rate(s) and/or the Substitute Applicable Exchange Rate(s) (as the case may be) can be (simultaneously in the case of Basket Currency SDs) ascertained by the Calculation Agent.

Substitute Applicable Exchange Rate(s) means the arithmetic mean, rounded if necessary to the nearest 0.0001 (0.00005 and above being rounded upwards), determined by the Calculation Agent of

the relevant currency spot offered exchange rate quotations in respect of the underlying exchange rate(s) of the Conversion Rate, about two hours after the time at which the underlying exchange rate(s) of the Applicable Exchange Rate would ordinarily have been announced, by three first ranking banks of the United Kingdom or the European Economic and Monetary Union (except Societe Generale) selected by the Calculation Agent.

27. Provisions applicable to Commodity Securitised Derivatives

This Condition applies to Commodity SDs only.

27.1 Definitions

Commodity means the commodity specified as Underlying in the applicable Final Terms.

Commodity Futures Contract means a standardised contract, traded on the relevant Exchange for future delivery of a contract size of the relevant Commodity as specified in the applicable Final Terms.

Commodity Trading Day means a Business Day on which (i) the Commodity or (ii) the Commodity Futures Contract, as the case may be, may be traded and is quoted.

Market Disruption Event means if applicable, (a) any event(s) so specified in the applicable Final Terms or (b) if not so specified any event that, in the reasonable opinion of the Calculation Agent, disrupts or impairs the determination of the price of such Commodity or Commodity Futures Contract for a Valuation Date and includes, without limitation, (i) the failure by the Quotation Provider to make public the relevant price for a Valuation Date or the temporary or permanent discontinuance or unavailability of the Quotation Provider or (ii) the material suspension of trading or the material limitation imposed on trading on the relevant Exchange. The occurrence of a Market Disruption Event is determined by the Calculation Agent in good faith.

27.2 Events in respect of Commodities

(a) Consequences of Extraordinary Events affecting the Commodities or Commodity prices

If, in the determination of the Calculation Agent:

- (i) a Market Disruption Event occurs; or
- (ii) the relevant Commodity price disappears or is permanently discontinued or otherwise becomes unavailable; or
- (iii) at any time following the first Valuation Date, a material change in the formula or the calculation method for the relevant Commodity price occurs; or
- (iv) at any time following the first Valuation Date, a material change in the content, the composition or the constitution of the relevant Commodity occurs,

then the Calculation Agent will be entitled to either:

- (A) determine in good faith the Fair Market Value of the relevant Commodity for the relevant Valuation Date; or

- (B) replace, to the extent possible, the affected Commodity price with a similar price for the relevant Commodity.

If the Calculation Agent does not make a determination in accordance with (A) above and if in the determination of the Calculation Agent, no price meets the criteria to be an appropriate replacement price in accordance with (B) above, then the Issuer shall terminate its obligations under the SDs and pay the Fair Market Value of the SDs.

(b) Consequences of adjustment events affecting the Commodity price

If a Commodity price made public on the relevant Quotation Provider's page and utilised in any calculation or determination made under the SDs is subsequently corrected and the correction is made available to the public on the relevant Quotation Provider's page after the original publication but no later than four Commodity Trading Days prior to the Settlement Date or Maturity Date, as the case may be, or any payment date(s) (as set out in the applicable Final Terms), the Calculation Agent will determine in its sole discretion whether adjustments to the terms of the SDs are necessary to account for such correction. Any adjustment resulting from such correction shall be made in the Calculation Agent's sole discretion.

27.3 Events in respect of Commodity Futures Contracts

(a) Third Party quotes the Commodity Futures Contract

If the Commodity Futures Contract is not quoted by the Quotation Provider but is quoted by another person or party (the **Third Party**) which has been designated by the Quotation Provider or the competent market authority, the Quotation Provider will be replaced by the Third Party.

The same provisions will apply in the event that the Third Party nominated by the Quotation Provider or any other competent market authority ceases quotation of the Commodity Futures Contract but is replaced by another Third Party designated under the same conditions.

(b) Modification of the terms or replacement of the relevant Commodity Futures Contract

If the Quotation Provider or the Third Party (as defined above), substantially modifies the conditions of the Commodity Futures Contract or in the event that the Quotation Provider or any other competent market authority replaces the Commodity Futures Contract by a new commodity futures contract to be substituted to the Commodity Futures Contract, the Issuer shall have the right to:

- (i) replace the Commodity Futures Contract by the Commodity Futures Contract so modified or by the substitute commodity futures contract (as the case may be) multiplied, if need be, by a coefficient to ensure continuity in the evolution of the underlying asset of the SDs;
- (ii) in the case of Basket SDs, exclude the modified Commodity Futures Contract and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective value on the day of the modification; or
- (iii) to terminate its obligations under the SDs and pay the Fair Market Value of the SDs to the Holders.

(c) **Cessation of quotation of the Commodity Futures Contract**

If the Quotation Provider or the Third Party ceases permanently quotation of the Commodity Futures Contract and does not provide a substitute commodity futures contract, the Issuer shall have the right to:

- (i) replace the Commodity Futures Contract by the Commodity Futures Contract so modified or by the substitute commodity futures contract (as the case may be) multiplied, if need be, by a coefficient to ensure continuity in the evolution of the underlying asset of the SDs;
- (ii) in the case of Basket SDs, to exclude the modified Commodity Futures Contract and redefine the Quantity of each of the remaining Underlyings in the Basket *pro rata* to their respective value on the day of the modification; or
- (iii) to terminate its obligations under the SDs and pay to each Holder an amount representing the Fair Market Value of the SDs.

27.4 The Agent shall notify, as soon as practicable, the Holders of any modification in the terms and conditions of the SDs made under this Condition, in accordance with Condition 14.

28. Provisions applicable to Fund Securitised Derivatives

28.1 Definitions

Averaging Date means, when used in respect of a Fund, in respect of each Valuation Date, each date specified as such in the applicable Final Terms for the purpose of determining an average (or if such date is not a Fund Trading Day, the next following Fund Trading Day subject to the provisions of Condition 28.2(a)).

Fund means, in respect of a Fund Interest, the relevant fund or pooled investment vehicle, as specified in the applicable Final Terms.

Fund Trading Day means, in respect of each Fund observed separately, a day on which subscription and/or redemption orders given by the Calculation Agent for the Fund Interest Unit of a Fund are recorded by the Fund, or the Fund's administrator, registrar or manager, or any entity in charge of receiving redemption and subscription orders relating to the Fund Interest Units in accordance with the terms of the Fund Prospectus.

Fund Interest Unit means, with respect to a Fund Interest in a Fund, a share of such Fund Interest or, if Fund Interests in such Fund are not denominated as shares, a unit of account of ownership of such Fund Interest in such Fund or the entire amount of Fund Interest in which Societe Generale or one of its affiliates is deemed to invest to hedge its obligation under the SDs on the agreement entered into by Societe Generale or one of its affiliates with the Issuer of the SDs.

Fund Interest means an interest issued to or held by an investor in a Fund.

Fund Documents means, with respect to any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund Interest.

Fund Service Provider means, in respect of a Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents,

including any fund administrator, manager, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary manager or another non-discretionary investment adviser) for such Fund (the Fund Adviser), trustee or similar person with the primary administrative responsibilities for such Fund, operator, management company, depository, custodian, sub-custodian, prime broker, registrar and transfer agent, or domiciliary agent.

Market Disruption Event means, in respect of each Fund observed separately, the occurrence on a Scheduled Redemption Valuation Date relating to a subscription or redemption order given by the Calculation Agent on a Valuation Date or an Averaging Date, of (i) an event beyond the control of the Calculation Agent which precludes the calculation, or causes the suspension or the limitation of the publication of the net asset value per Fund Interest Unit on such date or (ii) the failure by the Fund to pay the full amount of the redemption proceeds scheduled to have been paid on such date on such date;

Net Asset Value or **NAV** means, in respect of a Fund, the net asset value per Fund Interest Unit of such Fund as calculated or settled from time to time by the manager of the relevant Fund.

Scheduled Redemption Valuation Date means in respect of a Fund and a Valuation Date or an Averaging Date, either (i) the date as of which the Fund (or the Fund Service Provider that generally determines such value) is scheduled, according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the Net Asset Value of such Fund Interests for the purpose of determining the redemption proceeds to be paid to an investor that has submitted a valid and timely notice on the Valuation Date or (ii) the date by which the Fund is scheduled to have paid according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), all or a specified portion of the redemption proceeds to an investor that has submitted a timely and valid notice on the Valuation Date.

28.2 Adjustments and events relating to the Fund/Unit

In making any adjustment or determination of any kind in respect of the events listed below, the Calculation Agent shall act in good faith.

(a) Consequences of (i) a non-occurrence of a Fund Trading Day or (ii) the occurrence of a Market Disruption Event

- (i) If a Valuation Date and/or an Averaging Date is not a Fund Trading Day and no Fund Trading Day occurs for a period of ten consecutive calendar days following such Valuation Date and/or such Averaging Date for a reason other than the occurrence of a Market Disruption Event; or
- (ii) If on a Scheduled Redemption Valuation Date related to a subscription or redemption order given by the Calculation Agent on a Valuation Date or an Averaging Date (the **Initial Scheduled Redemption Valuation Date**), a Market Disruption Event has occurred, the determination of the Net Asset Value of the relevant Fund shall be postponed to the first Scheduled Redemption Valuation Date immediately following the Initial Scheduled Redemption Valuation Date no longer affected by the Market Disruption Event, unless there is a Market Disruption Event on each of the five Scheduled Redemption Valuation Dates following the Initial

Scheduled Redemption Valuation Date or if no Scheduled Redemption Valuation Date not affected by a Market Disruption Event has not occurred thirty-five (35) consecutive calendar days following the Initial Scheduled Redemption Valuation Date,

then the Calculation Agent shall determine its good faith estimate of the net asset value per Fund Interest Unit of such Fund which shall be deemed to be the Net Asset Value of the relevant Fund, *provided however* that, notwithstanding the foregoing, such determination made by the Calculation Agent shall occur not later than four Business Days before the date of any payment to be made under the SDs on the basis of determinations on such Valuation Date or Averaging Date.

(b) Adjustments

In the case of the occurrence at any time on or prior to a Valuation Date or Averaging Date of any event affecting a Fund or the value of the relevant Fund Interest Units or the amount of Fund Interest including, without limitation:

- (i) a subdivision, consolidation or reclassification of the relevant number of Fund Interest Units or amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend;
- (iv) a repurchase by the Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests that is consistent with the Fund Documents; or
- (v) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest.

The Calculation Agent may adjust any relevant terms of the SDs to preserve the economic equivalent of the obligations of the Issuer under the SDs.

(c) Provisions relating to further events relating to a Fund and/or a Fund Interest Unit

In the case of the occurrence of:

- (i) **Nationalisation:** all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.
- (ii) **Insolvency:** by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them.
- (iii) **Fund Insolvency Event:** in respect of any Fund Interest, the related Fund (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors, (C) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (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 paragraph (1) above and either (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 dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (E) 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 of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) through (F) above;
- (iv) **Adviser Resignation Event:** in respect of any Fund, the resignation, termination, or replacement of its Fund Adviser;
- (v) **Fund Modification:** any change or modification of the related Fund Documents, that could reasonably be expected to affect the value of such Fund Interest or the rights or remedies of any holders thereof (including but not limited to an open-end fund that becomes a closed-end fund), (in each case, as determined by the Calculation Agent or one of its affiliates, from those prevailing on the first Valuation Date of the SDs);

- (vi) **Strategy Breach:** (A) any breach or violation of any strategy or investment guidelines stated in the related Fund Documents, that is reasonably likely to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent or (B) any material modification, as determined by the Calculation Agent, of the risk profile of the Fund from its risk profile prevailing on the first to occur of (x) the Issue Date and (y) the first Valuation Date of the SDs by reason of, but not limited to, the modification of the proportions, or reduction of diversification, of the type of assets in which the Fund invests or a reduction of the average liquidity of the assets of the Fund;
- (vii) **Regulatory Action:** with respect to any Fund Interest, (A) cancellation, suspension or revocation of the registration or approval of such Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (B) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Service Provider that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein (as determined by the Calculation Agent), or (C) the related Fund or any Fund Service Provider becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund or Fund Service Provider;
- (viii) **Reporting Disruption:** in respect of any Fund Interest, (A) occurrence of any event affecting such Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest, and such event is likely to continue in the foreseeable future; (B) any failure of the related Fund to deliver, or cause to be delivered, (1) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or (2) information that has been previously delivered to the Calculation Agent in accordance with such Fund, or its authorised representative's, normal practice and that the Calculation Agent deems necessary for it to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests;
- (ix) **Change in Law:** on or after the first to occur of the Issue Date or the first Valuation Date of the SDs (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (1) it has become illegal to hold, acquire or dispose of a Fund Interest on a hedge relating to SDs or the agreement entered into with Societe Generale by the Issuer of the SDs, or (2) Societe Generale or one of its affiliates will incur a materially increased cost in performing its obligations under such SDs or the agreement entered into with Societe Generale by the Issuer of the SDs (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

- (x) **Fund Adviser Event:** the Calculation Agent determines that over a period of twelve months, the total value of the assets managed by the Fund Adviser (including the Fund) has decreased by fifty per cent (50%) (either due to redemptions or decrease in value of such assets);
- (xi) **Fund Service Provider Event:** means (A) a change, resignation, termination or replacement of any Fund Service Provider, (B) a change of control or indirect control of any Fund's service provider, (C) any of the Fund's service providers is subject to a Fund Service Provider Insolvency Event, where "Fund Service Provider Insolvency Event" has the same meaning as Fund Insolvency Event described above, except that Fund is replaced by a Fund Service Provider or (D) in the reasonable opinion of the Calculation Agent, any of the Fund Service Providers is no longer deemed able to carry out its business with the standard of care which was prevailing on the first Valuation Date of the SDs;
- (xii) **Holding Ratio:** means the reduction of the Fund's aggregate Net Asset Value under an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the fund and/or its operating expenses or would increase the proportion of Fund Interest Units held, or likely to be held, by Societe Generale or any of its affiliates, or any Funds managed by Societe Generale or one of its affiliates, to such extent that the full redemption of the Fund Interest Units held by Societe Generale or one of its affiliates is likely to be impaired; or
- (xiii) **Merger Event:** the conversion of the Fund Interest Unit into another class of Fund Interest Units or securities, or the split of the Fund, its consolidation or its merger with, or its sale or its conveyance of all or substantially all its assets to, a third party;

then the Calculation Agent may:

- (A) in the case of Basket SDs, exclude the affected Fund from the definition of the Basket (the **Excluded Fund**) and redefine the Quantity, of each of the remaining Underlyings in the Basket;
 - (B) terminate the SDs and pay the Holders the Fair Market Value;
 - (C) in the case of paragraph (xii) above only, replace the Fund Interest Unit by the kind and number of units or other securities and property receivable on such conversion, split, consolidation, merger, sale or conveyance by a holder of fund interest units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the unit and make any adjustment (if necessary) to the value of such Fund Interest Unit; or
 - (D) substitute the Fund Interest Unit with a new Fund Interest Unit of another fund.
- (d) The Agent shall notify, as soon as practicable, the Holders of any modification in the terms and conditions of the SDs made under this Condition, in accordance with Condition 14.

WEIGHTING MANAGEMENT OF DYNAMIC BASKETS

In the case of issuance of Dynamic Basket SDs, the Calculation Agency Agreement dated 25 June 2012 in the case where Societe Generale acts as Weighting Manager or, in the case where a third party acts as such, the applicable weighting management agreement (a form of which is annexed to the Calculation Agency Agreement), provides the terms under which weighting management in relation to the Underlyings composing the relevant Dynamic Basket is carried out.

The key terms are summarised below:

The Weighting Manager shall provide recommendations to the relevant Issuer and the Calculation Agent in relation to the composition of the Dynamic Basket and respective initial weightings of the different Underlyings using modelling methods to be determined in the Weighting Manager's commercially reasonable discretion.

While the relevant Dynamic Basket SDs are outstanding, the Weighting Manager monitors the performance of the Underlyings included in the Dynamic Basket and periodically provides the relevant Issuer with advice on the weighting and allocation policy relating to the different Underlyings included in the Dynamic Basket, such advice to be provided on a daily, weekly, monthly, semi-annual, annual (or other) basis as specified in the applicable Final Terms.

The Weighting Manager may not suggest a change in the type of Underlyings included in the Dynamic Basket. However, the Weighting Manager may suggest that certain Underlyings are replaced by others within the same Universe (as defined in the *Terms and Conditions of the Securitised Derivatives* and as specified in the applicable Final Terms).

The relevant Issuer and the Calculation Agent will act on the advice of the Weighting Manager when amending the respective weightings of the different Underlyings included in the Dynamic Basket.

The relevant Issuer and the Calculation Agent will seek the prior advice of the Weighting Manager before taking a decision relating to the weightings in the Dynamic Basket unless (a) the Weighting Manager's advice or absence of advice would breach or cause a breach of applicable law and regulations; or (b) the Weighting Manager fails to comply with the terms and conditions of the relevant Dynamic Basket SDs (including notably the allocation limitations); or (c) the Weighting Manager's advice or absence of advice would materially affect the relevant Issuer's or the Calculation Agent's ability to hedge its exposure under the Dynamic Basket SDs; or (d) a case of Force Majeure affects the Dynamic Basket SDs, the relevant Issuer, the Calculation Agent or the Weighting Manager; or (e) events have occurred which may affect the relevant Issuer's or the Calculation Agent's ability to hedge its exposure under the Dynamic Basket SDs or would increase the cost of hedging the same, including but not limited to, as a result of a change in law or regulation the imposition of taxes or stamp duties.

For the purposes of this section, **Force Majeure** means exceptional circumstances with respect to the SDs, each of the Issuers, the Calculation Agent or the Weighting Manager beyond the control of such parties such as, without limitation, any change in national or international political legal, tax, financial or regulatory conditions or any calamity or emergency which prevent or to a material extent restrict the performance of the Issuers, the Calculation Agent or the Weighting Manager of its obligations under the terms and conditions of the SDs or the relevant agreement.

The amendment to the weighting of the Underlyings in the Dynamic Basket shall be published on www.sglisterproducts.com.

DESCRIPTION OF THE ISSUERS

Information relating to SGA Societe Generale Acceptance N.V.

SGA Societe Generale Acceptance N.V. was incorporated on 7 October 1986 for an unlimited duration as a limited liability company under the laws of Curaçao, formerly the Netherlands Antilles.

Societe Generale Acceptance N.V.'s legal and commercial name is "SGA Societe Generale Acceptance N.V.".

SGA Societe Generale Acceptance N.V.'s head office is located at Pietermaai 15, Willemstad, Curaçao. Its telephone number is +59 99 736 62 77.

SGA Societe Generale Acceptance N.V. is registered in the Commercial Register of the Chamber of Commerce and Industry at Curaçao under No. 45500 (0). It was first registered on 7 October 1986.

The financial year of SGA Societe Generale Acceptance N.V. runs from 1 January to 31 December. SGA

Pursuant to Article 2 of its Articles of Incorporation, the purpose and object of SGA Societe Generale Acceptance N.V. is:

- (1) to invest its funds in securities, such as shares and other certificates of participation, and bonds and in other interest-bearing debentures under whatever name and in whatever form;
- (2) to borrow money and to issue notes, bonds, debentures, warrants and any kind of debt instruments therefor, with any type of underlying, including without limitation, a share in a company, any other equity or non-equity security, an index, a currency, a currency exchange rate, an interest rate, a dividend, a credit risk, a fund unit, a share of an investment company, a term deposit, a life insurance contract, a loan, a commodity, a futures contract, an underlying unallocated precious metal, a unit linked feature (accounting unit), or any other factor, a basket thereof or any combination thereof, all subject to any applicable law and regulation;
- (3) as well as to lend money - within the group to which SGA Societe Generale Acceptance N.V. belongs - and to provide security in any form on behalf of third parties; and
- (4) to issue securities granting entitlement to Societe Generale's shares, by one of the companies of which Societe Generale holds, directly or indirectly, more than half of the capital stock, it being stipulated that these securities could also give entitlement to existing Societe Generale's shares.

Notices

Notices to Holders are made in accordance with the Terms and Conditions of the SDs.

Organisational Structure/Major Shareholders

SGA Societe Generale Acceptance N.V. has no subsidiaries.

SGA Societe Generale Acceptance N.V. is a 100 per cent. owned subsidiary of Societe Generale and is a fully consolidated company.

SGA Societe Generale Acceptance N.V. is a finance company whose main business is raising debt to be on-lent to Societe Generale and other members of the Group.

SGA Societe Generale Acceptance N.V. is a member of the Societe Generale Group.

Share Capital

The registered issued share capital of SGA Societe Generale Acceptance N.V. is USD 560,000 divided into 560,000 ordinary fully paid up shares of USD 1 each.

SGA Societe Generale Acceptance N.V. did not pay any dividends in the last five years.

General Meetings of Shareholders

Each of the managing directors and the supervisory directors of SGA Societe Generale Acceptance N.V., and shareholders who alone or jointly with other shareholders may cast at least ten per cent. of the votes, are entitled to convene general meetings of shareholders.

The annual general meeting of shareholders of SGA Societe Generale Acceptance N.V. must be held within nine months after the end of each financial year.

Shareholders are entitled to one vote per share. Resolutions proposed at annual general meetings of shareholders require a clear majority of votes cast or, in the case of a resolution to dissolve SGA Societe Generale Acceptance N.V. or to amend its articles, a majority of three-quarters of votes cast in a meeting where at least three-quarters of the issued shares are represented.

Business Overview/Principal Activities/Principal Markets

The sole purpose of SGA Societe Generale Acceptance N.V. is to issue warrants as well as structured products such as debt instruments, indebtedness and certificates. The funds are reinvested in securities and bonds or other interest-bearing securities.

For these activities, SGA Societe Generale Acceptance N.V. has ordinary accounts opened in its name in different countries and currencies. The main ones are: EUR, USD, GBP, HKD, CHF and JPY.

When SGA Societe Generale Acceptance N.V. operates within the context of a structured issue, Societe Generale bears the risk associated with this issue by endorsing this entire issue.

Securities issued by SGA Societe Generale Acceptance N.V. are listed in Paris, Luxembourg, Frankfurt, Düsseldorf, London, Amsterdam, Brussels, Stockholm and Zurich.

Administration and Management of SGA Societe Generale Acceptance N.V.

Pursuant to Article 8 of its Articles of Incorporation, SGA Societe Generale Acceptance N.V. is managed by a management board consisting of one or more managing directors under the supervision of a board of supervisory directors consisting of one or more supervisory directors.

The members of the management board are TMF (Netherlands Antilles) N.V. (the statutory directors of which are Maria C. vander Sluijs Plantz, Marietta J. Beaujon and Evert Rakers), Eric Rabin and Jérôme Gherchanoc.

The sole member of the supervisory board is Christophe Leblanc.

Christophe Leblanc, Eric Rabin and Jérôme Gherchanoc currently hold full-time management positions at Societe Generale.

Maria C. vander Sluijs Plantz, Marietta J. Beaujon and Evert Rakers each currently hold the position of Managing Director of TMF (Netherlands Antilles) N.V.

The business address of Eric Rabin and Jérôme Gherchanoc is Societe Generale, Tour Societe Generale, 92987 Paris-La Défense Cedex. The business address for all other directors of SGA Societe Generale Acceptance N.V., including the directors of TMF (Netherlands Antilles) N.V., is that of the head office of SGA Societe Generale Acceptance N.V. (as above).

There are no conflicts of interest between any duties owed by the members of the management board and the supervisory board to SGA Societe Generale Acceptance N.V. and their private interests and/or other duties.

To the best of its knowledge and belief, SGA Societe Generale Acceptance N.V. complies with the corporate governance regime of Curaçao.

Indebtedness

SGA Societe Generale Acceptance N.V. has the equivalent (calculated as at 31 March 2012) of USD 62,695,060,693.00 total indebtedness (under IFRS).

Financial information concerning SGA Societe Generale Acceptance N.V.

The audited annual financial statements for the financial years ended 31 December 2010 and 31 December 2011 of SGA Societe Generale Acceptance N.V. prepared in accordance with IFRS and the related notes and audit reports for each such year are incorporated by reference in this Base Prospectus (see "*Documents Incorporated by Reference*").

SGA Societe Generale Acceptance N.V. usually issues notes, warrants and other types of indebtedness. The entire amount of the proceeds of such issuances is invested in financial instruments with similar characteristics. Therefore cash-flows generated in SGA Societe Generale Acceptance N.V.'s business are considered as operating cash-flows and are nil in net amount.

Auditors

For the financial year ended 31 December 2011, the accounts of SGA Societe Generale Acceptance N.V. were audited, without qualification, in accordance with IFRS, by Deloitte & Associés (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mrs Charlotte Vandeputte, 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France. The audit of SGA Societe Generale Acceptance N.V. was carried out at the request of Societe Generale of which Deloitte & Associés is one of the auditors.

For the financial year ended on 31 December 2010, the accounts of SGA Societe Generale Acceptance N.V. were audited, without qualification, in accordance with IFRS, by Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr Jean-Marc Mickeler, 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France. The audit of SGA Societe Generale Acceptance N.V. was carried out at the request of Societe Generale of which Deloitte & Associés is one of the auditors.

Deloitte & Associés has no material interest in SGA Societe Generale Acceptance N.V.

Information relating to Societe Generale Effekten GmbH

Societe Generale Effekten GmbH has its registered office in Frankfurt am Main and is entered in the commercial register of Frankfurt am Main local court under Number HRB 32283. It came into existence after LT Industriebeteiligungs-Gesellschaft mbH, which was founded on 3 March 1977 for an unlimited duration, was renamed by resolution of the shareholders' meeting on 5 October 1990. Societe Generale Effekten GmbH was founded as a limited liability company (Gesellschaft mit beschränkter Haftung: GmbH) under German law.

The business address and telephone number of Societe Generale Effekten GmbH are:

Societe Generale Effekten GmbH

Neue Mainzer Strasse 46-50

60311 Frankfurt am Main

Germany

Tel.: +49 (0)69 71 74 0

Notices

Notices to Holders are made in accordance with the Terms and Conditions of the SDs.

Organisational Structure/Major Shareholders

Societe Generale Effekten GmbH is a wholly owned subsidiary of Societe Generale S.A., Paris. The Societe Generale Group is one of the largest banking groups in the world. The Societe Generale Group conducts all major banking business, such as retail banking, corporate banking, capital market business and leasing. Societe Generale S.A., the parent company of the Group, is listed on the Paris Stock Exchange.

Service level agreements are in place that allow Societe Generale Effekten GmbH to use the resources of Societe Generale S.A., Frankfurt am Main branch, and/or Societe Generale S.A., Paris.

Societe Generale Effekten GmbH entered into an agreement with Societe Generale on 1 May 2005, on the reimbursement of costs incurred by Societe Generale Effekten GmbH as part of its issuance activities. In addition, Societe Generale Effekten GmbH receives a contractual fee in the amount of 5 per cent. of the asserted issuing costs.

Share capital

Societe Generale Effekten GmbH's fully paid-up share capital is EUR 25,564.59. All shares are held by Societe Generale, Paris.

Societe Generale Effekten GmbH entered into a master trust agreement with Societe Generale S.A., Paris, on 28 February 2006, which governs the issue of debt instruments in the name of Societe Generale Effekten GmbH on behalf of Societe Generale. Societe Generale Effekten GmbH hereby undertakes to collect and then forward the issue proceeds to Societe Generale. The term of the agreement is one year and it extends for an additional year if it is not terminated fifteen (15) days prior to the expiration date.

Business Overview/Principal Activities/Principal Markets

Securities issued by Societe Generale Effekten GmbH are primarily issued on the German market. The securities may also be sold publicly in other EU Member States (France, Italy, Spain, the United Kingdom, Sweden and Finland).

The business purpose of Societe Generale Effekten GmbH, as stipulated in its articles of association, is the issue and sale of securities as well as related activities, with the exception of those requiring a license. Societe Generale Effekten GmbH is engaged in the issue and placement of securities, mainly warrants and certificates, as well as related activities. Banking business as defined by the German Banking Act (Kreditwesengesetz, KWG) are not included in the business purpose. Societe Generale Effekten GmbH is a financial entity as defined in Sec. 1 (3) Sentence 1 No. 5 KWG.

Administration and Management of Societe Generale Effekten GmbH

The general managers of Societe Generale Effekten GmbH are currently Mr. Jean-Louis Jégou, Frankfurt am Main, Dr. Joachim Totzke, Frankfurt am Main, and Mr. Günter Happ, Flieden. Furthermore, Mr. Achim Oswald and Ms. Jeanette Plachetka were granted full commercial power of attorney to represent the company in all normal business matters. Dr. Joachim Totzke, Mr. Günter Happ, Mr. Jean-Louis Jégou, Mr. Achim Oswald and Ms. Jeanette Plachetka can be contacted at Societe Generale S.A., Frankfurt am Main branch, Neue Mainzer Strasse 46-50, 60311 Frankfurt am Main.

Societe Generale Effekten GmbH is represented jointly by two general managers or by one general manager together with an authorised signatory.

The articles of association do not contain any provisions on the appointment of a supervisory board. No supervisory board existed during the past fiscal year.

There are no potential conflicts of interest between the obligations of the general managers or the authorised representatives in respect of Societe Generale Effekten GmbH and their private interests and other obligations that could be material in relation to the issue of securities.

As a capital market-oriented company, an audit committee consisting of the following members was established in accordance with section 264d HGB (German Commercial Code (Handelsgesetzbuch, HGB)): Mr. Francis Repka (Chairman) Ms. Catherine Bittner and Mr. Achim Oswald.

Societe Generale Effekten GmbH does not comply with the German Corporate Governance Codex as amended on 26 May 2010. As Societe Generale Effekten GmbH is not a stock exchange listed company the German Corporate Governance Codex does not apply to Societe Generale Effekten GmbH.

Auditors

Societe Generale Effekten GmbH's auditing firm is Deloitte & Touche GmbH, Franklinstraße 50, 60486 Frankfurt am Main, Germany. Societe Generale Effekten GmbH's last two years' financial statements were audited by Deloitte & Touche GmbH and an unqualified audit opinion was issued in each case.

Deloitte & Touche GmbH is member of the German Auditors' chamber (Wirtschaftsprüferkammer K.d.ö.R.), an institution subject to public law, whose registered office is located at Rauchstrasse 26, 10787 Berlin, Germany.

Financial Information concerning Societe Generale Effekten GmbH

In fiscal year 2011, a total of 10,150 warrants and 12,820 certificates issues took place.

In fiscal year 2011, Societe Generale Effekten GmbH generated net income to EUR 102,598.88.

Societe Generale Effekten GmbH's risk situation is shaped by its transparent business structure and close affiliation with Societe Generale Group.

All market price risks from warrants and certificates are hedged in full by contracts concluded with Societe Generale, Paris.

SELECTED FINANCIAL INFORMATION FOR SGA SOCIETE GENERALE ACCEPTANCE NV

FIGURES PREPARED IN ACCORDANCE WITH IFRS

AT 31 DECEMBER 2011

(in 000 USD)

	December 2010	December 2011
Net sale	-4,474	0
Net result	0	0
Total assets	73,748,545	61,623,112
Euro Medium Term Notes and bonds	65,371,431	56,800,082
Financial Instruments (Warrants)	6,850,529	3,858,431

SELECTED FINANCIAL INFORMATION FOR SOCIETE GENERALE EFFEKTEN GMBH

FIGURES PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING
STANDARDS IN GERMANY

AT 31 DECEMBER 2011

(in 000 USD)

	December 2010	December 2011
Net sale	16,093,922	30,005,434
Net result	122	133
Total assets	90,263,410	55,842,924
Euro Medium Term Notes and bonds	30,758,675	19,204,222
Financial Instruments (Warrants)	12,315,620	11,650,424

DESCRIPTION OF THE GUARANTOR

General

Please refer to the cross reference list for Societe Generale in *Documents Incorporated by Reference*.

Conflict of Interest

As at the date of this Base Prospectus, to the best of the Guarantor's knowledge, there are no potential conflicts of interest between the duties of the members of the Board of Directors and their private interests and/or other duties. Conflict of interest situations are governed by Article 9 of the Board's internal rules. None of the Board members have been selected pursuant to an arrangement or understanding with major shareholders, customers, suppliers or other parties.

RECENT DEVELOPMENTS

Following a press release issued by Standard & Poor's dated 23 January 2012, the long term unsecured debt rating of the Societe Generale Group has changed from A+ to A. The Societe Generale Group is furthermore rated A+ by Fitch Ratings. On 21 June 2012, Moody's Investors Services Inc. published a press release announcing that it had downgraded Societe Generale's long-term debt and deposit rating from A1 to A2.

Each of these credit rating agencies is established in the European Union and is registered pursuant to the Regulation (EC) No 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 (the **CRA Regulation**) as amended by the Regulation (EU) No 513/2011 of the European Parliament and of the Council of 11 May 2011. The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

FORM OF GUARANTEE

THIS DEED OF GUARANTEE is made on 25 June 2012 (the **Programme Date**) by Societe Generale (the **Guarantor**) in favour of the holders for the time being of the Securitised Derivatives (as defined below) (the **Holders**).

WHEREAS:

- (A) SGA Societe Generale Acceptance N.V. and Societe Generale Effekten GmbH (each an **Issuer** and together the **Issuers**) and the Guarantor have entered into a Programme Agreement dated 25 June 2012 (as subsequently amended, supplemented and/or restated from time to time) under which the Issuers propose from time to time to issue securitised derivatives (including warrants, certificates and similar instruments, the **Securitised Derivatives** or **SDs**);
- (B) the Issuers and the Guarantor have entered into an Agency Agreement dated 25 June 2012 (as amended, supplemented or restated from time to time, the **Agency Agreement**) with the agents named therein; and
- (C) this Guarantee replaces the Deed of Guarantee (the **Previous Guarantee**) dated 27 April 2012 executed by the Guarantor (this does not affect the rights of holders of Warrants or other SDs issued prior to the Programme Date).

Terms defined in the terms and conditions appearing in the Base Prospectus dated the Programme Date as subsequently amended, supplemented and/or restated from time to time and as amended and/or supplemented in accordance with the applicable Final Terms (the **Conditions**) and not otherwise defined in this Guarantee shall have the same meanings in this Guarantee, except where the context otherwise requires.

NOW THIS DEED WITNESSES as follows:

1. **Guarantee:** The Guarantor irrevocably and unconditionally guarantees by way of deed poll to each Holder that, if for any reason, an Issuer does not pay any sum payable by it to such Holder in respect of any SD or, in the event that any Entitlement falls to be delivered under the Conditions, fails to deliver such Entitlement in accordance with the Conditions, as the case may be, (including any premium or any other amounts of whatever nature or additional amounts which may become payable under any of the foregoing) as and when the same shall become due under any of the foregoing, the Guarantor shall pay to such Holder on demand the amount payable by the Issuer to such Holder, or deliver any Entitlement to be delivered in accordance with the Conditions by the Issuer to such Holder. This Guarantee shall apply to all SDs issued, up to a maximum aggregate nominal amount of €2,000,000,000 in respect of Securitised Derivatives which are certificates and up to a maximum aggregate warrant amount (being the product of the number of warrants issued and their issue price) of €75,000,000,000 in respect of Securitised Derivatives which are warrants, on or after the Programme Date and all references herein to SDs shall be construed accordingly.
2. **Guarantor as Principal Debtor:** Without affecting an Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal debtor (including (a) any time, indulgence, waiver or consent at any time given to an Issuer or any other person, (b) any amendment to any SD or to any security or other guarantee or indemnity, (c) the making or absence of any demand on an Issuer or any other person for payment, (d) the enforcement or absence of

enforcement of any SD or of any security or other guarantee or indemnity, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of an Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of any SD or any of an Issuer's obligations under any of them).

3. **Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable or Entitlement deliverable under any SD. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Holder, whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands whatsoever.
4. **Repayment to an Issuer:** If any payment received by a Holder is, on the subsequent liquidation or insolvency of an Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.
5. **Indemnity:** As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable or Entitlement expressed to be deliverable by an Issuer under any SD but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Holder) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid or delivered by it to the Holder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent cause of action and will apply irrespective of any indulgence granted by any Holder.
6. **Status of Guarantee:** The obligation of the Guarantor under this Guarantee constitutes a direct, unsecured and general obligation of the Guarantor and (subject as aforesaid) ranks and will rank equally with all its other existing and future unsecured obligations including those in respect of deposits but excluding any debts for the time being preferred by law and any subordinated obligations.
7. **Incorporation of Conditions:** So long as any of the SDs remains outstanding, the Guarantor shall comply with the provisions applicable to it in the Conditions of the SDs as though the same were set out in full herein.
8. **Power to execute:** The Guarantor hereby warrants, represents and covenants with each Holder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with its terms.
9. **Deposit of Guarantee:** This Guarantee shall take effect as a deed poll for the benefit of the Holders from time to time and for the time being. This Guarantee shall be deposited with and held by the Agent, for the benefit of the holders until all the obligations of the Guarantor have been discharged in full.
10. **Production of Guarantee:** The Guarantor hereby acknowledges the right of every Holder to the production of, and the right of every Holder to obtain (upon payment of a reasonable charge) a copy of, this Guarantee, and further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Holder, and that each Holder shall be entitled severally to enforce the said obligations against the Guarantor.

11. **Subrogation:** Until all amounts which may be payable under the SDs have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Holder or claim in competition with the Holders against the Issuers.
12. **Contracts (Rights of Third Parties) Act 1999:** No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but this does not affect any right or remedy of any person which exists or is available apart from that Act.
13. **Governing Law and Jurisdiction:** This Guarantee and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with English law. The Guarantor irrevocably agrees for the benefit of each Holder that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including a dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with this Guarantee (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) may be brought in the courts of England.

The Guarantor irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England and irrevocably agrees that a final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Guarantor and may be enforced in the courts of any other jurisdiction. Nothing contained in this Clause shall limit any right to take Proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Guarantor hereby appoints Societe Generale, London Branch, currently of SG House, 41, Tower Hill, London EC3N 4SG, as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of it ceasing so to act it shall appoint another person as its agent for that purpose.

IN WITNESS whereof this Guarantee has been executed as a deed on behalf of the Guarantor.

Executed as a deed on behalf of SOCIETE GENERALE,.....)
 a company incorporated in France, by _____ ,.....)
 being a person who, in accordance with the laws) Authorised signatory
 of France, is acting under the authority of the company,)
 in the presence of.....)

Signature of witness:

Name of witness:

Address of witness:

Dated 25 June 2012

CERTAIN TAXATION CONSIDERATIONS

The following comments are of a general nature, are based on each Issuer's understanding of current law and practice and are included in this document solely for information purposes. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of an SD that is either a Warrant or Certificate will depend for each issue on the terms of the Warrants or Certificates, as specified in the Terms and Conditions of the SDs as amended and supplemented by the applicable Final Terms under the law and practice at the relevant time. Prospective holders of Warrants or Certificates should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Warrants or Certificates.

UNITED KINGDOM TAXATION

The following describes certain general United Kingdom tax consequences arising from acquiring, holding and disposing of Warrants and Certificates which fall into certain categories for tax purposes. Prospective purchasers of particular Warrants and Certificates should obtain professional advice in order to determine which, if any, of these categories those Warrants or Certificates fall into. Prospective purchasers that are companies should in particular obtain professional advice where such companies currently prepare their accounts in accordance with United Kingdom generally accepted accounting practice and anticipate that following the entering into or acquiring of a Warrant or Certificate they will change the method of preparation of their accounts to preparing their accounts in accordance with international accounting standards. The following relates only to the position of persons who are the beneficial owners of Warrants or Certificates and who are resident in the United Kingdom for tax purposes and is based on the current United Kingdom tax law and United Kingdom HM Revenue & Customs (**HMRC**) practice; some aspects do not apply to certain classes of person (such as persons carrying on a trade of dealing in Warrants or Certificates and persons connected with the Issuers) to whom special rules may apply.

Warrants

Withholding Tax

No United Kingdom income tax will be required to be deducted or withheld from any payments made on the issue, exercise, sale or other disposition of the Warrants.

Taxation of Profits and Gains

(a) United Kingdom resident individuals

Gains arising to an individual as a result of acquiring then exercising or otherwise disposing of a "qualifying option" are generally charged to tax under the capital gains tax rules in the Taxation of Chargeable Gains Act 1992 (TCGA 1992). Warrants which are listed on a recognised stock exchange are qualifying options (the London Stock Exchange is recognised for these purposes).

Warrants which are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange should fall to be treated as "qualifying options". Accordingly, an individual holding such a Warrant should be charged to tax on any gain made on the disposal of the Warrant under the capital gains tax rules in TCGA 1992. Broadly, this means that such a holder would be subject to capital gains tax to the extent any gain arising on the disposal of the Warrant plus any

other gains the holder realises in the relevant tax year exceed the annual exempt amount (which is £ 10,600 for the 2011/2012 tax year). Under current legislation, this exemption is, unless Parliament decides otherwise, increased annually in line with the rate of increase (if any) in the retail prices index. The Government has announced that the annual exemption will be frozen at £10,600 for the 2012/2013 tax year and proposed that for the 2013/2014 tax year and later years, increases in the annual exemption will be in line with the rate of increase (if any) in the consumer prices index instead of the retail prices index. Holders should be aware that the United Kingdom Parliament is entitled to withdraw this link between the level of the annual exemption and the retail prices (or other relevant) index or even to reduce the level of the annual exemption for future tax years below its current level.

The amount paid for a Warrant will generally constitute the base cost for the Warrant for capital gains tax purposes. Accordingly, on the disposal of a Warrant otherwise than on exercise (for example, by sale) the holder will be charged to capital gains tax on the gain arising on the disposal (calculated by comparing the amount received on disposal with the base cost).

The Finance (No.2) Act 2010, enacted on 27 July 2010, introduced a new capital gains tax rate of 28 per cent. for individuals who are higher rate or additional rate taxpayers, which applies to all gains arising on or after 23 June 2010. Where an individual's total taxable income and gains (after allowable deductions) are less than the upper limit of the basic rate income tax band (which is £35,000 for the 2011/2012 tax year and is expected to be £34,370 for the 2012/2013 tax year), capital gains tax will be charged at 18 per cent. Any gains or part gains in excess of that upper limit will be taxed at 28 per cent.

In the case of a Physical Delivery Warrant, the acquisition of the Warrant and the acquisition of a new asset on the exercise of such a Warrant is treated as a single transaction for capital gains purposes, so that the amount paid for the Warrant plus the amount paid for the new asset constitutes the base cost for the new asset. The exercise of such a Warrant is not treated as a disposal of the Warrant. Accordingly, no charge to capital gains tax will arise on the exercise of such a Warrant. However, a disposal of the new asset acquired on the exercise of a Physical Delivery Warrant may give rise to a charge to capital gains tax, if a gain arises on that disposal.

In the case of a Cash Settled Warrant, the exercise of the Warrant will be treated as a disposal. The cash amount received on the exercise will be treated as the consideration for the disposal. The amount paid for a Warrant plus any amount paid on exercise will be treated as the base cost for the purposes of calculating any capital gain arising on the exercise of the Warrant.

Any Warrant which is (either alone or taken together with other related transactions) designed to produce a guaranteed return equivalent to money invested at interest will not be taxed in accordance with the rules described above. Any profit or gain arising in relation to such a Warrant will be charged to tax as income under Chapter 12 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 (**ITTOIA 2005**), without the benefit of the annual exempt amount.

The attention of individual holders of Warrants who are ordinarily resident in the UK is drawn to the provisions of sections 714-751 of ITA 2007 contained in Chapter 2 of Part 13 of ITA 2007 (the **Transfer of Assets Abroad Legislation**). Under these sections, the income accruing by reason, or in consequence, of transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad may be attributed to such a holder of Warrants and may (in certain circumstances) be liable to UK income tax in the hands of the holders of Warrants. However, under section 737 ITA 2007, sections 714-751 ITA 2007 will not apply in these circumstances if, in relation to an investment in the Warrants and operations "associated" with that

investment within the meaning of section 719 ITA 2007 (the **Warrant Transactions**) in each case taking place after 4th December, 2005, the holder can satisfy HMRC that:

- (i) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding liability to UK taxation was the purpose or one of the purposes for which any of the Warrant Transactions was effected; or
- (ii) the Warrant Transactions were "genuine commercial transactions" and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the Warrant Transactions was designed, more than incidentally, for the purpose of avoiding UK taxation.

Sections 737 and 738 ITA 2007 provide that, in interpreting these provisions:

- (A) the intentions and purposes of any person who, whether or not for consideration, designs or effects any of the Warrant Transactions or provides advice in relation to any of the Warrant Transactions would have to be taken into account in determining the purposes for which the Warrant Transactions were effected;
- (B) for the purposes of (ii) above, a Warrant Transaction would only be a "commercial transaction" if, broadly, it was on arm's length terms and, in addition, if it was effected in the course of a trade or business, or with a view to setting up and commencing a trade or business and, in either case, for the purposes of that trade or business; and
- (C) the making and managing of investments, or the making or managing of investments, can only constitute a trade or business for the purposes of the preceding paragraph to the extent that the person carrying out the activity and the person for whom it is done are independent persons dealing at arm's length.

Warrants will not qualify for inclusion within the stocks and shares component of an Individual Savings Account (**ISA**).

The Warrants should be capable of being held within a Self-invested Personal Pension (**SIPP**) or a Small Self-administered Scheme (**SSAS**) that is a registered pension scheme. However, Warrant holders should obtain independent advice in relation to the tax treatment of Warrants held within a SIPP or SSAS.

(b) United Kingdom resident companies

Part 7 of the Corporation Tax Act 2009 (**CTA 2009**) applies to "derivative contracts" of United Kingdom resident companies. Where Part 7 applies to a contract, all income, profits and gains will be taxed on an income basis (whether they arise from acquiring, holding, disposing or exercising rights under the contract) consistently with the way those profits are recognised in accordance with generally accepted accounting practice. Accordingly, any income, profit or gains in relation to Warrants which fall to be treated as derivative contracts under Part 7, will be charged to tax as income although in the case of some derivative contracts capital gains treatment may be available.

Warrants which are not treated as derivative contracts and which are not taxed on an income basis should be taxed in accordance with the capital gains rules set out above under the heading "United Kingdom resident individuals", except that companies do not benefit from an annual exemption. United Kingdom companies are entitled to an indexation allowance on the disposal of a Warrant

which, in effect, increases the base cost for an asset (such as a Warrant) in line with inflation, thereby preventing a charge on a gain made on the disposal of an asset to the extent that this results from inflation.

Stamp Duty and Stamp Duty Reserve Tax (SDRT)

Warrants granted pursuant to the Agency Agreement under the Terms and Conditions (as amended and supplemented in accordance with the terms evidenced in the applicable Final Terms) may be subject to United Kingdom stamp duty if the instrument granting the Warrants is executed in the United Kingdom or the Warrants relate to any property situated, or any matter or thing to be done, in the United Kingdom. However, in the context of retail covered warrants listed on the London Stock Exchange, HMRC has indicated that no charge to United Kingdom stamp duty will arise on the grant of such warrants. It is not clear whether HMRC would be prepared to take such a view in relation to the Warrants.

Even if an instrument is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty, as United Kingdom stamp duty is not an assessable tax. However, an instrument which is not duly stamped cannot be used for certain purposes in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

No United Kingdom stamp duty should be required to be paid on the sale of any Warrants provided that no instrument of transfer is used in order to complete the sale. No United Kingdom stamp duty should be required to be paid on the exercise of Warrants except United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset (such as stock or marketable securities) following the exercise of a Physical Delivery Warrant.

No SDRT will be payable on the issue (into Euroclear UK & Ireland Limited (formerly CRESTCo. Limited) of any Warrants.

No SDRT will be payable in relation to any agreement to transfer Cash Settled Warrants or Physical Delivery Warrants which do not give the holder an interest in, rights arising out of, or the right to acquire stock, shares or loan capital.

SDRT may be payable in relation to any agreement to transfer Cash Settled Warrants or Physical Delivery Warrants which give the holder the right on exercise to acquire stock, shares or loan capital unless such stock, shares or loan capital would qualify as loan capital and (broadly) do not carry a right to acquire other shares or securities (by way of exchange, conversion or otherwise), do not carry rights to interest at more than a reasonable commercial rate or that is dependent on the results of a business or the value of any property or rights to a premium not reasonably comparable with amounts payable on loan capital listed on the London Stock Exchange. SDRT would be payable at 0.5 per cent. of the consideration given under an agreement to transfer such Warrants, unless the transfer is to a depositary for a clearing system or to a person issuing depositary receipts (or an agent or nominee of such a person) where SDRT may be payable at 1.5 per cent.

SDRT may be payable in respect of the agreement to transfer an asset pursuant to a Physical Delivery Warrant following the exercise of the Warrant. However, any such liability to SDRT will be cancelled (or, if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

Certificates

Withholding Tax

No United Kingdom income tax will be required to be withheld or deducted from payments made on the Certificates which constitute interest, provided that payments on the Certificates do not have a United Kingdom source. If payments on the Certificates which constitute interest do have a United Kingdom source, an amount must generally be withheld from those payments on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, payments on such Certificates may nonetheless be made without deduction or withholding on account of United Kingdom income tax provided that the Certificates are "securities" for the purposes of section 987 ITA 2007, carry a right to interest and are listed on a "recognised stock exchange" as defined in section 1005 ITA 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Certificates are "securities" for the purposes of section 987 ITA 2007, carry a right to interest and remain so listed, interest on the Certificates will be payable without withholding or deduction on account of United Kingdom tax.

Taxation of Profits and Gains

(a) United Kingdom resident individuals

Certificates will generally fall to be treated as deeply discounted securities for the purposes of Chapter 8 of Part 4 of the ITTOIA 2005 where the amount payable on the redemption at maturity will or could give rise to a "deep gain". A deep gain exists where the issue price is less than the sum payable on redemption of a Certificate and the amount by which it is less (expressing the difference between the issue price and the redemption amount as a percentage of the redemption amount) is greater than the percentage figure equal to one half the number of years between the issue date and redemption, where this is less than thirty years, or 15 per cent. in other cases. Where a Certificate falls to be treated as a deeply discounted security, profits and gains arising from disposing of the Certificate prior to maturity, or from holding the Certificate to maturity, will be charged to tax as income. No relief from income tax is available in respect of any loss sustained from the discount on a deeply discounted security.

If, however, a Certificate qualifies as an "excluded indexed security" any gain arising on disposal prior to maturity, or at maturity, will be charged to tax as a capital gain under TCGA 1992, with the benefit of the annual exempt amount (to the extent not already utilised). An excluded indexed security is, in broad terms, a security which provides that the holder is entitled to receive at redemption an amount equal to the amount subscribed for the security multiplied by any increase or decrease in the value of a specified asset (expressed as a percentage) over the life of the security. An excluded indexed security can provide for a minimum amount to be payable at redemption provided this does not exceed 10 per cent. of the amount paid on the issue of the security.

Where a Physical Delivery Certificate which qualifies as a deeply discounted security for the purposes of Chapter 8 of Part 4 of the ITTOIA 2005 is extinguished by delivery of shares in a company or any other securities, the delivery is deemed to constitute the redemption of the Certificate and to involve a payment on redemption of an amount equal to whatever, at the time of delivery, is the market value of the shares or other securities delivered. In such a situation, any such deemed payment would be subject to charge to tax as income. The acquisition cost of the shares or

other securities will be their market value at the time of delivery for the purposes of computing any future capital gain or loss.

The attention of individual holders of Certificates who are ordinarily resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of ITA 2007, the application of which is explained above.

(b) ISA, SIPP and SSAS

A Certificate may, depending on its terms, be eligible to be held within the stocks and shares component of an ISA provided it is listed on a recognised stock exchange and at the date when such Certificate is first held under the account or the plan (as the case may be), the terms on which it was issued do not require the security to be re-purchased or redeemed or allow the holder to require the security to be re-purchased or redeemed (except in circumstances which are neither certain nor likely to occur) within the period of five years from that date.

UK tax resident Certificate holders who acquire their investment in Certificates through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations 1998 (UK Statutory Instruments 1998 No. 1870) will not be subject to either UK income tax or UK capital gains tax on income and gains realised from their investment and any losses on their investment will be disregarded for the purposes of UK capital gains tax.

Investors should note that the current yearly subscription limit for a stocks and shares ISA (for the 2011/2012 tax year) is £10,680, for all individuals who are eligible to hold a stocks and shares ISA. The Government has proposed that for the 2012/2013 tax year and later years, the yearly subscription limit for a stocks and shares ISA will be increased annually in line with the rate of increase (if any) in the consumer prices index. It is expected that the yearly subscription limit for a stocks and shares ISA will rise to £11,280 for the 2012/2013 tax year.

The Certificates should be capable of being held within a SIPP or SSAS that is a registered pension scheme.

Certificate holders should obtain independent advice in relation to the tax treatment of Certificates held within a SIPP or SSAS.

(c) United Kingdom resident companies

Generally, profits and gains arising in relation to Certificates which are regarded as "loan relationships" for the purposes of Parts 5 and 6 of the CTA 2009 will be charged to tax on an income basis consistently with the way they are recognised in accordance with generally accepted accounting practice. A security will fall to be treated as a loan relationship where it represents the rights of a creditor in respect of a money debt. Therefore in order to qualify as a loan relationship a Certificate will have to represent a "money debt".

Where a Certificate is split for accounting purposes into a derivative contract and a host loan relationship, the host loan relationship will be taxed in the way described in the first paragraph of this section (c) above. In respect of the derivative contract, if it is:

- (i) an option where the underlying subject matter is either qualifying ordinary shares of a holding company or trading company or qualifying ordinary shares listed on a recognised stock exchange (the London Stock Exchange is recognised for these purposes); or

- (ii) an option where the underlying subject matter is mandatorily convertible preference shares; or
- (iii) a contract for differences where the underlying subject matter is interests in land; or
- (iv) a contract for differences where the underlying subject matter is qualifying ordinary shares listed on a recognised stock exchange (the London Stock Exchange is recognised for these purposes) and the contract exactly tracks the value of such underlying subject matter,

then (generally) an excess of accounting credits over debits will be chargeable to corporation tax on chargeable gains consistently with the way those credits and debits are recognised for accounting purposes but without the benefit of any indexation allowance.

For the purposes of (i) and (iv) above, "qualifying ordinary shares" means shares representing some or all of the issued share capital of a company which carry a right to share in the profits of the company by way of a dividend or otherwise (provided the rights to share in profits are not restricted to a right to receive fixed rate dividends) and, for the purposes of (ii) above, "mandatorily convertible preference shares" means shares which are not qualifying ordinary shares and which are issued on such terms that stipulate that they must be converted into, or exchanged for, qualifying ordinary shares that are either listed on a recognised stock exchange or are shares in a holding company or trading company by a specified time.

Part 7 of the CTA 2009 applies to "derivative contracts" of United Kingdom resident companies. Generally, where Part 7 applies to a contract, all income, profits and gains will be taxed on an income basis (whether they arise from acquiring, holding, disposing or exercising rights under the contract) consistently with the way those profits are recognised in accordance with generally accepted accounting practice. Accordingly any income, profit or gains in relation to Certificates, which fall to be treated as derivative contracts under Part 7, will be charged to tax as income.

Generally, profits made on the disposal of Certificates which do not qualify as a loan relationship or as a derivative contract or are not otherwise taxed on an income basis may be taxed under the capital gains tax rules in TCGA 1992 with the benefit of indexation.

Provision of Information

Holders of Certificates may wish to note that, in certain circumstances, HMRC has power to obtain information from any person in the United Kingdom who pays or credits interest to or receives interest for the benefit of a Certificate holder. Such information may include the name and address of the beneficial owner of the interest. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on redemption of Certificates which are deeply discounted securities for the purposes of Chapter 8 of Part 4 of the ITTOIA 2005 to (or receives such amounts for the benefit of) another person, although HMRC published practice indicates that HMRC will not exercise its power to obtain information where such amounts are paid or received on or before 5 April 2013. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the holder of the Certificate is resident for tax purposes.

Stamp Duty and SDRT

No United Kingdom stamp duty will be payable in relation to the issue of Cash Settled Certificates or Physical Delivery Certificates. No United Kingdom stamp duty will be payable on transfers of either Cash

Settled Certificates or Physical Delivery Certificates on sale provided no instruments of transfer are used to complete such sales. No United Kingdom stamp duty will be payable in relation to the redemption of Cash Settled Certificates. United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset on redemption of a Physical Delivery Certificate.

No SDRT will be payable in relation to the issue (into Euroclear UK & Ireland Limited (formerly CRESTCo Limited) or redemption of Cash Settled Certificates. No SDRT will be payable in relation to agreements to transfer Cash Settled Certificates where such Certificates qualify as loan capital and (broadly) do not carry a right to acquire other shares or securities (by way of exchange, conversion or otherwise), do not carry a right to interest which exceeds a reasonable commercial return on the nominal amount of the Certificates or that depends to any extent on the results of a business (or part thereof) or on the value of property and are admitted to the Official List of the UK Listing Authority and are admitted to trading by the London Stock Exchange.

SDRT will be payable in relation to agreements to transfer Cash Settled Certificates which (broadly) carry rights to acquire other shares or securities (by way of exchange, conversion or otherwise), rights to interest at more than a reasonable commercial rate or that is dependent on the results of a business or the value of any property or in relation to unlisted Certificates, rights to a premium not reasonably comparable with amounts payable on securities listed on the London Stock Exchange. SDRT would be payable at 0.5 per cent. of the consideration given under an agreement to transfer such Certificates, unless the transfer is to a depository for a clearing system or to a person issuing depository receipts (or an agent or nominee of such a person) where SDRT may be payable at 1.5 per cent.

No SDRT will be payable in relation to the issue (into Euroclear UK & Ireland Limited (formerly CRESTCo Limited) of Physical Delivery Certificates.

SDRT will be payable in relation to any agreement to transfer Physical Delivery Certificates which give the holder an interest in, rights arising out of, or the right to acquire stocks, shares or loan capital unless such stock, shares or loan capital would qualify as loan capital and (broadly) do not carry a right to acquire other shares or securities (by way of exchange, conversion or otherwise), do not carry rights to interest at more than a reasonable commercial rate or that is dependent on the results of a business or the value of any property or in relation to unlisted Certificates, rights to a premium not reasonably comparable with amounts payable on loan capital listed on the London Stock Exchange. SDRT would be payable at 0.5 per cent. of the consideration given under an agreement to transfer such Certificates, unless the transfer is to a depository for a clearing system or to a person issuing depository receipts for Certificates (or an agent or nominee for such a person) where SDRT may be payable at 1.5 per cent.

SDRT may be payable in respect of the agreement to transfer an asset pursuant to a Physical Delivery Certificate. However, any such liability to SDRT will be cancelled (or if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise, as Belgium did with effect from 1 January 2010) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent

upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

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

CURAÇAO

The Issuers and the Guarantor have been advised that, under present Curaçao law, payments in respect of the SDs held by persons not resident in, or engaged in trade or business through a permanent establishment in, Curaçao and gains realised on the sale, redemption or exercise of the SDs by such persons will not be subject to Curaçao taxes and that no inheritance tax arises in Curaçao on the death of a Holder not domiciled in Curaçao at the time of death.

As far as the persons are EU residents, no withholding tax is due on (interest) payments as defined in the Curaçao Savings Tax Act as long as these persons will agree to exchange of information, if required under the Curaçao Savings Tax Act. Curaçao has concluded Tax Information Exchange Agreements with several countries.

As far as an Issuer is granted an exemption on the basis of the Regulation Foreign Exchange Transactions (*Regeling Deviezenverkeer Curaçao en Sint Maarten*) no bank license fee of 1 per cent. will be due on payments from the Issuer.

FINLAND

The following is a summary based on current Finnish law relating only to persons who are generally tax liable in Finland and regarding Finnish withholding tax treatment of payments in respect of the SDs. Investors are advised to seek professional advice relating to tax consequences in respect of acquiring, holding or disposal of SDs.

Payments regarding the SDs may be made without withholding on account of Finnish income tax. However, according to Finnish domestic tax legislation, certain Finnish financial institutions, if acting as paying agents, may be obliged to withhold tax of 30 per cent. on interest payments and payments comparable to interest if made to individuals who are generally tax liable in Finland.

GERMANY

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of SDs. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase SDs, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series or Tranche of SDs may be subject to a different tax treatment due to the specific terms of such Series or Tranche of SDs as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of SDs are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of SDs, including the effect of any state, local or church taxes,

under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

Taxation of Tax Residents

Payments of interest on the SDs to persons or entities who are tax residents in Germany (i.e. persons or entities whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (*Einkommen- oder Körperschaftsteuer*) (plus solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5 per cent. thereon). In addition church tax may apply as a surcharge on the personal income tax. Such interest payments may also be subject to German trade tax (*Gewerbesteuer*) if the SDs form part of the property of a German trade or business. Upon the disposal of an SD carrying interest the Holder of a SD will also have to include in his taxable income any consideration invoiced separately for such portion of the interest of the current interest payment period which is attributable to the period up to the disposal of the SD ("**Accrued Interest**"). Accrued Interest paid upon the acquisition of a SD may give rise to negative income if the SD is held as a non-business asset.

Capital gains from the sale or transfer of a SD or the redemption of a Certificate or the cancellation of a Warrant are subject to German personal income tax (plus solidarity surcharge thereon) for tax resident individuals. If the SDs form part of the assets of a German trade or business the capital gains may also be subject to German trade tax. Capital gains derived by tax resident corporate Holders of SDs will be subject to German corporate income tax (plus solidarity surcharge thereon) and German trade tax. Losses incurred upon the sale or redemption of the Certificates or cancellation of Warrants may give rise to negative income. Where SDs form part of the assets of a German trade or business, each year the part of the difference between the issue or purchase price of the SDs and their redemption amount (if such amount is fixed at the time of the acquisition) attributable to such year as well as interest accrued must be taken into account as interest income and may also be subject to trade tax.

If the SDs are held in a custodial account which the holder maintains with a German bank or financial services institution, with a German branch of a non-German bank or financial services institution, with a German securities trading business (*Wertpapierhandelsunternehmen*) or with a German securities trading bank (*Wertpapierhandelsbank*) (a "**German Paying Agent**") a 25 per cent. withholding tax (plus solidarity surcharge thereon) will be levied on interest payments and capital gains, resulting in a total tax charge of 26.38 per cent. In the case of interest and accrued interest withholding tax will be levied on the interest /accrued interest amount. In the case of capital gains from the sale, transfer or redemption of SDs, withholding tax will be levied on an amount equal to the difference between the issue or purchase price of the SDs and the redemption amount or sales proceeds less any directly related expenses provided that the Holder of the SD has kept it in a custodial account since the time of issuance or acquisition respectively or has proven the acquisition facts. Otherwise, withholding tax is generally applied to 30 per cent. of the amounts paid in partial or final redemption of the Certificates or cancellation of the Warrants or the proceeds from the sale of the SDs.

In computing the tax to be withheld the German Paying Agent may deduct from the basis of the withholding tax any Accrued Interest previously paid by the Holder of SDs to the German Paying Agent during the same calendar year. If, in case of physical delivery, no cash payment is made upon redemption, the German Paying Agent will request that the Holder of SDs pays the withholding tax to it. If the Holder of SDs does not pay the amount to be withheld to the German Paying Agent the latter must notify the tax authorities of such failure which will then collect the tax from the Holder of SDs.

In general, no withholding tax will be levied for a tax resident individual holding the SDs as private assets who has filed a withholding exemption certificate (*Freistellungsauftrag*) with the German Paying Agent but only to the extent the interest income derived from the SD together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be levied if such holder of the SD has submitted to the German Paying Agent a

certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office. If the Holder of the SD is a German resident corporation then generally no withholding tax will be levied on capital gains from the sale, transfer or redemption of a SD provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by certificate of the competent tax office. The same is true if the SDs are held as assets of a German trade or business and the Holder of the SD declares this by way of an official form vis-à-vis the German Paying Agent.

For tax resident individuals holding the SDs as private assets the withholding tax (plus solidarity surcharge and, on application, church tax, if any, thereon) is, in principle, a final tax (*Abgeltungsteuer*) and shall replace the investor's personal income taxation by way of assessment. Any expenses related to such income (*Werbungskosten*) such as financing or administration costs actually incurred are not tax deductible. Only a lump sum of €801 (€1,602 for spouses) can be deducted. Upon formal application by the taxpayer, the lower personal income tax rate, if any, will be applied (*Günstigerprüfung*). A taxpayer can also formally apply for a tax assessment to make specific allowances. If no tax is withheld, tax resident individuals holding the SDs as private assets are still obliged to file tax returns.

Where SDs form part of a trade or business the withholding tax will not settle the personal or corporate income tax liability. The German Holder of SDs will have to report income and related expenses on his tax return and the balance will be taxed at the German Holder of SDs' applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the German Holder of SDs. Amounts overwithheld will entitle the Holder of SDs to a refund, based on an assessment to tax.

German tax consequences different from those discussed above would arise if the respective SDs were regarded as foreign investment fund units (which, in particular, might be relevant for Physical Delivery SDs). In such case, withholding tax requirements for the German Paying Agent as well as the taxation of the Holder of SDs would depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. If this was not the case, the Holder of SDs may be subject to tax on unrealised or fictitious income. A foreign investment fund is defined as a pool of assets subject to foreign law, invested pursuant to the principle of risk diversification in one or more of certain asset classes listed in the German Investment Act. A foreign investment fund unit exists if the investor has the right to request a redemption of its units against cash equivalent to its pro rata portion of the net asset value of the foreign investment fund or, in the absence of such right of redemption, the foreign investment fund is subject to regulatory supervision of collective investments.

Taxation of non residents

Interest, including accrued interest and capital gains are not subject to German taxation, unless (i) the SDs form part of the assets of a permanent establishment, including a permanent representative or a fixed base maintained in Germany by the Holder of a SD or (ii) the interest income otherwise constitutes German source income, such as income from certain capital investments directly or indirectly secured by real estate located in Germany. If the non-resident of Germany is subject to German taxation with income from the SDs, a tax regime similar to that explained above under "Tax Residents" applies; capital gains from the disposal of SDs are, however, only taxable in the case of (i).

Non-residents of Germany are, in general, exempt from German withholding tax (plus solidarity surcharge thereon) on interest and capital gains. However, where the interest or the capital gains are subject to German taxation as set forth in the preceding paragraph and the SDs are held in a custodial account with a German Paying Agent withholding tax is levied as explained above at "Tax Residents". For nonresidents of Germany such withholding tax is in general a final taxation. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any SDs will generally arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such SDs are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Certificates. Currently, net assets tax is not levied in Germany.

SWEDEN

The following summary outlines certain Swedish tax consequences relating to holders of SDs, if not otherwise stated. The summary is based on the laws of the Kingdom of Sweden as currently in effect and is only intended to provide general information. This summary does not address the rules regarding reporting obligations for, among others, payers of interest. Prospective purchasers are urged to consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of double taxation treaties) of holding or transferring SDs.

Holder not resident in Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to the holder of any SDs should not be subject to Swedish income tax, provided that such holder is neither resident in Sweden for Swedish tax purposes nor engaged in trade or business in Sweden through a permanent establishment. A person is resident in Sweden for Swedish tax purposes if it (a) is domiciled in Sweden; (b) has its habitual abode in Sweden; or (c) has been domiciled earlier in Sweden and, after having moved abroad, continues to have an essential connection with Sweden (for example, is engaged in trade or business in Sweden). Swedish law does not provide for deduction or withholding for or on account of taxes on payments of any principal or interest to the holder of any SDs, except on payment of interest to a holder who is an individual or an estate of a deceased individual with tax residence in Sweden. Private individuals (and estates of deceased individuals) who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have stayed permanently in Sweden at any time during the calendar year of disposal or redemption, or the ten calendar years preceding the year of disposal or redemption.

Holders resident in Sweden

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on SDs) will be taxable. Specific tax consequences, however, may be applicable to certain categories of corporations (e.g. investment companies and life insurance companies). If the SDs are registered with Euroclear Sweden or held by a Swedish nominee in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479), Swedish preliminary taxes will be withheld by Euroclear Sweden or the nominee on payments of amounts that are considered to be interest for Swedish tax purposes to a private individual or an estate of a deceased individual with residence in Sweden for Swedish tax purposes.

PURCHASE AND SALE

Societe Generale has, pursuant to a Programme Agreement (as supplemented and/or amended and/or restated from time to time, the **Programme Agreement**) dated 25 June 2012, agreed with the Issuers, subject to the satisfaction of certain conditions, to purchase SDs at their Issue Price set out in the applicable Final Terms, less any commissions or concessions (if any) described therein. The Programme Agreement provides for the appointment of Societe Generale and other managers (together with Societe Generale, the **Managers**) in connection with any issue of SDs pursuant, in the case of a Manager other than Societe Generale, to a separate agreement (each a **Subscription Agreement**) to be entered into at such time. The Programme Agreement entitles, and each Subscription Agreement will entitle, Societe Generale or the lead manager named in the relevant Subscription Agreement, as the case may be, to terminate its obligations or the obligations of the Managers, as the case may be, in respect of any issue of SDs in certain circumstances prior to payment for such issue being made to an Issuer.

United States of America

Each Manager has acknowledged and agreed and any other Manager who is appointed by an Issuer in connection with an issue of SDs will acknowledge and agree that:

- (a) the SDs, the Guarantee and any securities to be issued or delivered on the exercise or redemption of any SDs have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States. The SDs may not be exercised and the SDs, any Guarantee and any securities to be issued or delivered on the exercise or redemption of any SDs, or interests therein, may not at any time be offered, sold, resold, traded or delivered, directly or indirectly, in the United States of America (including any state of the United States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the **United States**) or directly or indirectly offered, sold, resold, traded or delivered to, or for the account or benefit of, any person (**U.S. person**) who is (i) any natural person resident in the United States; (ii) a corporation, partnership or other entity treated as a corporation or partnership for federal income tax purposes, organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; or (vi) any other "U.S. person" as such term may be defined in Regulation S under the Securities Act. Notwithstanding the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on 20 August 1996 and treated as U.S. persons before such date that elect to be so treated shall also be considered U.S. persons;
- (b) trading in the SDs has not been approved by the United States Commodity Futures Trading Commission and neither the SDs, the Guarantor nor the Issuer have been or will be registered as a commodity pool operator under the rules promulgated under the United States Commodity Exchange Act of 1936, as amended, and no U.S. person may at any time trade or maintain a position in the SDs. No SD may be exercised in the United States or by, or for the account or benefit of, a U.S. person and any beneficial owner of the SDs being exercised will be required to certify that it is not a U.S. person and is not exercising such SD on behalf of a U.S. person. In the case of Automatic Exercise of the SDs, the beneficial owner of the SDs being exercised will be deemed to have represented that it is not a U.S. person and it is not being exercised on behalf of a U.S. person; and

- (c) neither Issuer has registered and or intends to register as an investment company under the Investment Company Act.

The Issuers and the Guarantor have agreed and any other Manager appointed by an Issuer in respect of an issue of SDs will be required to agree that it will not at any time offer, sell, resell, trade or deliver, directly or indirectly, such SDs in the United States (including any state of the United States and the District of Columbia) or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade or delivery, directly or indirectly in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing SDs must agree with the relevant Issuer or such Manager or the seller of such SDs that (i) it will not at any time offer, sell, resell, trade or deliver, directly or indirectly, any such SDs so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade or delivery, directly or indirectly, in the United States or to, or for the benefit of, any U.S. person, (ii) it is not purchasing any such SDs for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales, trades or deliveries of any such SDs (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. The Issuers and any Manager of an issue of SDs will also be required to agree, and any person purchasing such SDs must agree, to send each person who purchases any such SDs from it a written confirmation (which shall include the definitions of "United States" and "U.S. persons" set forth herein) stating that the SDs have not been registered under the Securities Act, and stating that, such purchaser agrees that it will not at any time offer, sell, resell, trade or deliver SDs, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. The holder of a SD being exercised or redeemed by physical settlement will be required to represent that it is not a U.S. person and is not exercising such SD on behalf of a U.S. person.

In respect of SDs where TEFRA C is specified in the applicable Final Terms, such SDs must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Manager represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such SDs within the United States or its possessions in connection with their original issuance. Further, each Manager represents and agrees in connection with the original issuance of such SDs that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such SDs.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), Societe Generale has represented and agreed, and each Manager appointed in respect of an issue of SDs 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 SDs which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms set out in the applicable 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 SDs to the public in that Relevant Member State:

- (a) if the final terms set out in the applicable Final Terms in relation to the SDs specify that an offer of those SDs 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 SDs 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 set out in the applicable 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 relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of SDs referred to in (b) to (d) above shall require the Issuers or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of SDs to the public" in relation to any SDs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the SDs to be offered so as to enable an investor to decide to purchase or subscribe the SDs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

Societe Generale has represented and agreed and any other Manager who is appointed by an Issuer in connection with an issue of SDs will represent and agree that:

- (a) in relation to any SDs issued in the form of warrants 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 such SDs 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 SDs would otherwise constitute a contravention of section 19 of the FSMA by an Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such SDs in circumstances in which section 21(1) of the FSMA does not or, in the case of the Guarantor, would not, if it was not an authorised person, apply to an Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such SDs in, from or otherwise involving the United Kingdom.

France

Each of Societe Generale and the Issuers has represented and agreed, and each Manager who is appointed by an Issuer in connection with an issue of SDs will be required to represent and agree, that either:

- (a) ***Offer to the public in France*** – it has only made and will only make an offer of SDs to the public in France in the period beginning (i) when a prospectus in relation to those SDs has been approved by the *Autorité des marchés financiers (AMF)*, on the date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus; all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or
- (b) ***Private placement in France*** – (in relation to SDs admitted to trading on Euronext Paris S.A., only in connection with their initial distribution) it has not offered or sold and will not offer or sell, directly or indirectly, SDs to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the SDs, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals – all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 to D 411-3 of the French *Code monétaire et financier*.

This Base Prospectus prepared in connection with the SDs has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

Sweden

Societe Generale has represented and agreed, and each Manager who is appointed by an Issuer in connection with an issue of SDs will be required to represent and agree, that the SDs have not been offered or sold and will not be offered, sold or delivered directly or indirectly in the Kingdom of Sweden by way of a public offering, unless in compliance with the Swedish Securities Trading Act, (SFS 1991:980) as amended from time to time and any Executive Orders issued in connection thereto.

Curaçao

The SDs may not be offered or sold, directly or indirectly, to residents of Curaçao (including corporations and partnerships organised under the laws thereof) unless they have non-resident status under Curaçao foreign exchange control regulations, unless the SDs are offered or sold to credit institutions licensed in accordance with the National Ordinance on the supervision of banking and credit institutions 1994, or with the benefit of an individual exemption granted by the Central Bank of Curaçao and Sint Maarten.

General

Societe Generale has agreed and any other Manager who is appointed by an Issuer in connection with an issue of SDs will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers SDs or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of SDs under the laws and regulations

in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers nor the Guarantor shall have any responsibility therefor.

None of the Issuers or the Guarantor represents that SDs may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The offer and sale of the SDs will also be subject to such other restrictions and requirements as may be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisations

SGA Societe Generale Acceptance N.V. has obtained all necessary consents, approvals and authorisations in Curaçao in connection with establishing the Programme and will obtain all such consents, approvals and authorisations in connection with the issue and performance under, any SDs. All consents, approvals or authorisations required by SGA Societe Generale Acceptance N.V. under the laws of Curaçao (General Exemption from Exchange Control Regulations issued by the Central Bank of Curaçao and St. Maarten) for the issue of the SDs and the performance by SGA Societe Generale Acceptance N.V. of its obligations thereunder and under the Agency Agreement will be obtained and will be in full force and effect.

No consent, approval or authorisation is required under the laws of Germany from any governmental or other regulatory authority in the Federal Republic of Germany for, or in connection with the establishment of the Programme by Societe Generale Effekten GmbH or with the issue of any SDs, or under such laws as presently in effect, for the performance by Societe Generale Effekten GmbH of its obligations under such SDs.

Each issue of SDs by SGA Societe Generale Acceptance N.V. will be authorised by a resolution of the Board of Managing Directors of by SGA Societe Generale Acceptance N.V., the date of which will be set out in the applicable Final Terms.

No consent, approval or authorisation is required under the laws of the Republic of France from any governmental or other regulatory authority in the Republic of France for, or in connection with the guarantee of the SDs by the Guarantor or, under such laws as presently in effect, for the performance by the Guarantor of its obligations under such guarantee.

Listing

It is expected that each Tranche of SDs which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of such SDs. Application has been made to the UK Listing Authority for SDs issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such SDs to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of SDs is expected to be granted on or around 27 June 2012. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the London Stock Exchange will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted SDs may be issued pursuant to the Programme.

Clearing System

The SDs will be held in uncertificated form in accordance with the Uncertificated SDs Regulations 2001. Title to the SDs is recorded on the relevant register of corporate securities maintained by CREST.

All transactions (including transfers) in the open market or otherwise must be effected through an account with CREST (which is the entity in charge of keeping the records). The appropriate ISIN for each Tranche of SDs allocated by CREST will be specified in the applicable Final Terms. If the SDs are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London EC4M 5SB.

In respect of Swedish SDs, the address of Euroclear Sweden AB is PO Box 7822, SE-103 97 Stockholm, Sweden.

In respect of Finnish SDs, the address of Euroclear Finland Ltd is PO Box 1110, FI-00101 Helsinki, Finland.

Trading of the SDs

The minimum number (or an integral multiple thereof) of SDs for trading of such SDs on the London Stock Exchange will be specified in the applicable Final Terms.

For the time being, transactions on the London Stock Exchange may take place up to and including the relevant Expiration Date or Maturity Date (as the case may be).

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the specified office of each Issuer, (in relation to items (b) to (g) below) Societe Generale, London Branch and the Agent:

- (a) the articles of incorporation of the Issuers and the *statuts* (in English) of the Guarantor;
- (b) the Agency Agreement;
- (c) the Programme Agreement;
- (d) the calculation agency agreement dated 25 June 2012 between the Issuers, the Guarantor and Societe Generale as Calculation Agent and Weighting Manager as subsequently supplemented and/or amended and/or restated from time to time;
- (e) the documents incorporated by reference in this Base Prospectus and in any supplement to this Base Prospectus;
- (f) each Final Terms (save that a Final Terms relating to an SD which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such SD and such holder must produce evidence satisfactory to the relevant Issuer and the Agent as to its identity and its holding of such SD);
- (g) this Base Prospectus together with any supplement to this Base Prospectus;
- (h) the Guarantee; and
- (i) the First Update to the 2012 Registration Document, and any other documents incorporated by reference in this Base Prospectus.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers or the Guarantor are aware), during the period covering the past

12 months which might have, or have had in the recent past, significant effects on the financial position or profitability of the Issuers and/or the Guarantor.

Auditors

The auditors of Societe Generale are Ernst & Young Audit (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr Philippe Peuch-Lestrade, 1/2, place des Saisons, 92400 Courbevoie - Paris-La Défense 1, France and Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Messrs Damien Leurent and Jean-Marc Mickeler, 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France, who have audited Societe Generale's accounts, without qualification, in accordance with generally accepted auditing standards in France, for each of the two financial years ended on 31 December 2010 and 31 December 2011. The consolidated financial statements of Societe Generale as of and for the years ended 31 December 2010 and 2011 were prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as of 31 December 2006. The auditors of Societe Generale have no material interest in Societe Generale.

For the financial year ended on 31 December 2011, the accounts of SGA Societe Generale Acceptance N.V. were audited, without qualification, in accordance with IFRS, by Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mrs. Charlotte Vandeputte, 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France. For the financial year ended on 31 December 2010, the accounts of SGA Societe Generale Acceptance N.V. were audited, without qualification, in accordance with IFRS, by Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr Jean-Marc Mickeler, 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France. The audit of SGA Societe Generale Acceptance N.V. was carried out at the request of Societe Generale of which Deloitte & Associés is one of the auditors. Deloitte & Associés has no material interest in SGA Societe Generale Acceptance N.V.

The auditors of Societe Generale Effekten GmbH are Deloitte & Touche GmbH, Franklinstrasse 50, 60486 Frankfurt am Main, Germany. Deloitte & Touche GmbH is a member of the German Auditors' chamber (Wirtschaftsprüferkammer K.d.ö.R.), an institution subject to public law, whose registered office is located at Rauchstrasse 26, 10787 Berlin, Germany. Deloitte & Touche GmbH have audited Societe Generale Effekten GmbH's accounts, without qualification, in accordance with generally accepted auditing standards in Germany for each of the two financial years ended on 31 December 2010 and 31 December 2011. The auditors of Societe Generale Effekten GmbH have no material interest in Societe Generale Effekten GmbH.

No Significant or Material Adverse Change

There has been no material adverse change in the prospects of SGA Societe Generale Acceptance N.V., Societe Generale Effekten GmbH and Societe Generale and its consolidated subsidiaries (taken as a whole) since their last respective audited annual financial statements dated 31 December 2011.

There has been no significant change in the financial or trading position of SGA Societe Generale Acceptance N.V. and Societe Generale Effekten GmbH since their last respective audited annual financial statements dated 31 December 2011.

There has been no significant change in the financial or trading position of Societe Generale and its consolidated subsidiaries (taken as a whole) since its last quarterly financial statements dated 31 March 2012.

Conditions for determining price

The price and amount of SDs to be issued under the Programme will be determined by an Issuer at the time of issue in accordance with prevailing market conditions.

Post-issuance information

The Issuers do not intend to provide any post-issuance information in relation to any issues of SDs.

Net Proceeds

The net proceeds from each issue of SDs will be used for general corporate purposes of the Group (which include making a profit).

ISSUERS

SGA Societe Generale Acceptance N.V.

Pietermaai 15
Willemstad
Curacao

Societe Generale Effekten GmbH

Neue Mainzer Strasse 46-50
60311 Frankfurt am Main
Federal Republic of Germany

GUARANTOR

Societe Generale

29, boulevard Haussmann
75009 Paris – France

AGENT

Computershare Investor Services PLC

The Pavilions
Bridgwater Road
Bristol BS13 8AE – United Kingdom

CALCULATION AGENT AND WEIGHTING MANAGER

Societe Generale

Tour Societe Generale
17 Cours Valmy
92987 Paris La Défense Cedex – France