



FORTIS BANK NV/SA
(INCORPORATED AS A PUBLIC COMPANY WITH LIMITED LIABILITY (NAAMLOZE
VENNOOTSCHAP/SOCIÉTÉ ANONYME) UNDER THE LAWS OF BELGIUM, ENTERPRISE NO. 0403.199.702,
REGISTER OF LEGAL ENTITIES OF BRUSSELS)
AND
BNP PARIBAS FORTIS FUNDING
(INCORPORATED AS A SOCIÉTÉ ANONYME UNDER THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG
REGISTERED WITH THE LUXEMBOURG REGISTRY OF COMMERCE AND COMPANIES UNDER NO. B 24,784)
UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY
FORTIS BANK NV/SA
EUR 30,000,000,000
Euro Medium Term Note Programme

This Base Prospectus Supplement (the "**Supplement**") is supplemental to and must be read in conjunction with the Base Prospectus dated 17 June 2010 (the "**Base Prospectus**") prepared by FORTIS BANK NV/SA ("**Fortis Bank**") and BNP PARIBAS FORTIS FUNDING ("**BP2F**") and together with Fortis Bank, the "**Issuers**" and each an "**Issuer**") in relation to the Euro Medium Term Note Programme (the "**Programme**") described therein in connection with the issuance of Euro Medium Term Notes (the "**Notes**"). Terms defined in the Base Prospectus shall have the same meaning when used in this Supplement. To the extent that there is any inconsistency between any statement in this Supplement and any other statement in, or incorporated by reference in, the Base Prospectus, the statements in this Supplement will prevail.

This Supplement has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**"), as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg.

The CSSF has been requested to provide the Belgian Banking Finance and Insurance Commission (*Commission bancaire, financière et des assurances*, the "**CBFA**") and the Italian *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (in their respective capacities as the relevant host Member States' (as defined below) competent authority for the purposes of the Prospectus Directive) with a certificate of approval attesting that the Supplement has been drawn up in accordance with the Prospectus Directive.

Notes issued under the Programme may include Credit-Linked Notes which have terms and conditions other than as set out in Parts 5A, 5B, 5C and 5D of the Base Prospectus. The primary purpose of this Supplement is to provide information in relation to such Credit-Linked Notes.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen since the publication of the Base Prospectus.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this document. Each of the Issuers and the Guarantor declares that, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

Copies of this Supplement will be available for inspection, free of charge, upon oral or written request, at the registered office of each Issuer and the specified offices of the Paying Agents and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

**Arranger and Dealer for the Programme
Fortis Bank**

26 October 2010

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ADDITIONAL RISK FACTORS RELATING TO CREDIT-LINKED NOTES

In relation to Credit-Linked Notes, the Risk Factors set out in the Base Prospectus are amended and/or supplemented as follows. All page references are to pages of the Base Prospectus:

- (i) The first sentence of the second paragraph under the heading "*Credit-Linked Notes – (i) General*" (page 38) shall be deleted and replaced with the following sentence:

"The amount of principal and/or interest payable in respect of the Credit-Linked Notes are dependent upon whether certain events ("**Credit Events**") have occurred with respect to one or more entities comprising Reference Entities (each, a "**Reference Entity**" and collectively the "**Reference Entities**" or the "**Reference Portfolio**")."

- (ii) The fourth paragraph under the heading "*Credit-Linked Notes – (i) General*" (page 38) shall be supplemented by the addition of the following sentence at the end thereof:

"Where cash settlement or auction settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the Notes in a reduced principal amount or at zero, and, (if applicable) in a reduction of the amount on which interest is calculated."

- (iii) The following paragraph shall be added after the sixth paragraph under the heading "*Credit-Linked Notes – (i) General*" (page 38):

"The relevant Issuer's obligations in respect of Credit-Linked Notes are irrespective of the existence or amount of the relevant Issuer's and/or any affiliates' credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event."

- (iv) The following paragraphs shall be added after the end of the section entitled "*Credit-Linked Notes – (v) Limited provision of information about the Reference Entities*" (page 39) (and sections (vi), (vii) and (viii) shall be re-numbered accordingly):

"(vi) Credit Derivatives Determinations Committee and Market Auctions

The institutions of the Credit Derivatives Determinations Committee have the ability to make determinations that may materially affect the Noteholders, such as the occurrence of a Credit Event or a Succession Event. The Credit Derivatives Determinations Committee may be able to make determinations without action or knowledge of the Noteholders.

Noteholders may have no role in the composition of the Credit Derivatives Determinations Committee or the process for selecting institutions to participate on the Credit Derivatives Determinations Committee from time to time.

Noteholders may have no recourse against either the institutions serving on the Credit Derivatives Determinations Committee or the external reviewers. Institutions serving on the Credit Derivatives Determinations Committee and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules (as defined below), except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the institutions on the Credit Derivatives Determinations Committee do not owe any duty to the Noteholders and the Noteholders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Noteholders should also be aware that institutions serving on the Credit Derivatives Determinations Committee have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committee is not obligated to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts. If any of the Issuers or, if applicable, the Guarantor or any of their respective affiliates serve as a member of the Credit Derivatives Determinations Committee at any time, then they will act without regard to the interests of the Noteholders.

Noteholders are responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committee. Neither of the Issuers or, if applicable, the Guarantor nor any of their respective affiliates shall be obliged to inform the Noteholders of such information (other than as expressly provided in respect of the Notes, if applicable).

Investors should read the Credit Derivatives Determinations Committees Rules (the "**Rules**") set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009), as amended from time to time, and reach their own views prior to making any investment decisions. Investors should however note that the Rules may be amended from time to time without the consent or input of the Noteholders and the powers of the Credit Derivatives Determinations Committee may be expanded or modified as a result.

If a Credit Derivatives Determinations Committee publishes auction settlement terms in respect of a Reference Entity (and the relevant seniority of the Reference Obligation), then, if auction settlement applies to the Notes, the Calculation Agent will determine the Final Price of the Reference Obligation in accordance with such auction settlement terms and may amend any other terms to be consistent with the provisions of such auction settlement terms. The losses determined pursuant to a market auction process may be greater than the losses which would have been determined in the absence of the auction. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, the Issuer nor any of their respective affiliates has any responsibility for verifying that any auction price is reflective of current market values, for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. If the Calculation Agent or the Issuer or any of their respective affiliate thereof participates in any auction, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction.

- (v) In the second line of the first paragraph under the heading "*Credit-Linked Notes – (vii) Conflicts of interest, Fortis Bank*" (as re-numbered pursuant to this Supplement) (page 39), the words "similar to the Notional Credit Default Swap" shall be deleted and replaced with the words "(similar, if applicable, to the Notional Credit Default Swap)".
- (vi) In the first and fifth lines of the third paragraph under the heading "*Credit-Linked Notes – (vii) Conflicts of interest, Fortis Bank*" (as re-numbered pursuant to this Supplement) (page 39), the words "and the Notional Credit Default Swap" shall be deleted and replaced with the words "and, where applicable, the Notional Credit Default Swap (if any)".
- (vii) The following risk factors shall be added in respect of Credit-Linked Notes (page 40):

Increased credit risk in "Nth-to-default" Credit-Linked Notes

Where the Notes are Nth-to-Default CLNs, the Notes will be subject to redemption in full as described above upon the occurrence of a Credit Event in relation to the nth Reference Entity.

Concentration of credit risk

Where the Notes are Nth-to-Default CLNs or Linear Basket CLNs, the credit risk to investors in the Notes may be increased, amongst other things, as a result of the concentration of Reference Entities in a particular industry sector or geographic area, or the exposure of the Reference Entities to similar financial or other risks as other Reference Entities.

Issuer and Calculation Agent rights

Each Issuer will exercise its rights under the terms of the Notes, including in particular any right to designate a Credit Event and any right to select obligations of the affected Reference Entity for valuation or delivery, in its own interests and those of its affiliates, and not in the interests of investors in the Notes. The exercise of such rights in such manner, for example by the selection of the eligible obligations of the Reference Entity having the lowest possible market value for valuation or delivery, as applicable, may result in an increased credit loss for holders of the Notes.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent shall (in the absence of manifest error) be final and binding on the Noteholders. In performing its duties pursuant to the Notes and making any determinations expressed to be made by it, for example, as to substitute Reference Obligations or Successors, the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Noteholders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result

of such determinations. The Calculation Agent is not bound to follow, or act in accordance with, any determination of the relevant Credit Derivatives Determinations Committee.

Deferral of payments

In certain circumstances, for example where (i) a Credit Event has occurred and the related credit loss has not been determined as at the relevant date for payment, (ii) where a potential Credit Event exists as at the scheduled maturity of the Notes, or (iii) pending a resolution of a Credit Derivatives Determinations Committee, payment of the redemption amount of the Notes and/or interest on the Notes may be deferred for a material period in whole or part without compensation to the holders of the Notes.

Valuation

If the Notes are cash settled, then, following the occurrence of a Credit Event, the Calculation Agent may be required to seek quotations in respect of selected obligations of the affected Reference Entity. Quotations obtained may be "bid-side" - that is, they may be reduced to take account of a bid-offer spread charged by the relevant dealer. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cash flows. Quotations may be deemed to be zero in the event that no such quotations are available.

Where credit losses are determined on the basis of a market protocol, such losses may be greater than the losses which would have been determined in the absence of such protocol. If the Calculation Agent or any affiliate thereof participates in any auction for the purposes of such a protocol, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction.

"Cheapest-to-Deliver" risk

Since the Issuer, as buyer of protection, has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of a Reference Entity where Cash or Physical Settlement apply, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest market value that are permitted to be selected pursuant to the Notes. This could result in a lower recovery value and hence greater losses for investors in the Notes.

No information

None of the Issuer, the Guarantor (if applicable), the Calculation Agent or any other party is obliged to disclose to holders of the Notes any information which they may have at the Issue Date or receive thereafter in relation to any Reference Entity.

No interest in obligations of Reference Entities

The Notes do not constitute an acquisition by the holders of the Notes of any interest in any obligation of a Reference Entity. The relevant Issuer does not grant any security interest over any such obligation.

AMENDMENTS TO THE GENERAL DESCRIPTION OF CREDIT-LINKED NOTES

The description of Credit-Linked Notes set out on page 46 of the Base Prospectus under the section entitled "*General Description of the Programme*" is deleted and replaced by the following description:

Credit-Linked Notes:

Notes with respect to which payment of principal and interest is linked to the credit of a specified Reference Entity or Reference Entities will be issued on such terms as may be agreed between the relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms.

If a Credit Event occurs with respect to one of the specified Reference Entities and the Conditions to Settlement are satisfied during the Notice Delivery Period, each Credit-Linked Note will be redeemed by (i) the payment of an amount calculated in accordance with the FTD Auction Conditions, if Part 5A is specified as applicable in the relevant Final Terms, (ii) the delivery of a pro rata share of the Deliverable Obligations in accordance with the FTD Physical Conditions, if Part 5B is specified as applicable in the relevant Final Terms, (iii) the payment of an amount calculated in accordance with the FTD Cash Conditions, if Part 5C is specified as applicable in the relevant Final Terms, (iv) the payment of an amount calculated in accordance with the CLN Tranche Conditions, if Part 5D is specified as applicable in the relevant Final Terms, or (v) if Part 5F is specified as applicable in the relevant Final Terms, (A) the payment of its pro rata share of the Auction Settlement Amount, if the applicable Settlement Method is Auction Settlement and no Fallback Settlement Event occurs (in which case, each Credit-Linked Note will be redeemed in accordance with the applicable Fallback Settlement Method), (B) the payment of its pro rata share of the Cash Settlement Amount, if the applicable Settlement Method is Cash Settlement, or (C) the Delivery of a pro rata share of the Deliverable Obligations, if the applicable Settlement Method is Physical Settlement.

Payments of interest in respect of Credit-Linked Notes may cease or be suspended upon the occurrence of certain events.

**AMENDMENTS TO THE TERMS AND CONDITIONS OF THE NOTES
RELATING TO CREDIT-LINKED NOTES**

The Terms and Conditions of the Medium Term Notes set out in Part 1 of the Base Prospectus are amended as follows. All page references are to pages of the Base Prospectus:

(i) Condition 4(a) is amended by the addition of the following sentence before the last paragraph thereof (page 55):

"With respect to any Credit-Linked Notes to which Part 5F is specified as applicable in the Final Terms, the provisions set out in Part 5F in relation to interest shall apply."

(ii) Condition 5(a) is amended as follows:

(A) the word "Where" at the start of the second sentence of the second paragraph thereof (page 62) is deleted and replaced by the words "Unless otherwise specified in the Final Terms, where";

(B) the following sub-paragraph is added at the end of the second paragraph thereof (page 62):

"(xi) Credit-Linked Notes to which none of Parts 5A, 5B, 5C or 5D apply, Part 5F shall apply.";

(C) the reference to "this Condition 6(a)" on the first line of the last paragraph thereof (page 63) is replaced by a reference to "this Condition 5(a)"; and

(D) on the last line of the last paragraph thereof (page 63), the word "or" before the words "Part 5D" is deleted and the words "or Part 5F" are added before the words "as applicable".

(iii) the following provisions are added as a new Part 5F to the Terms and Conditions of the Notes in the section entitled "*Terms and Conditions of the Notes*" the Base Prospectus (after "*Annex T*" on page 240 and before "*Use of Proceeds*" on page 241):

PART 5F: CREDIT-LINKED NOTES

The terms and conditions applicable to Credit-Linked Notes other than as set out in Parts 5A, 5B, 5C and 5D of the Base Prospectus shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the "**Principal Conditions**") and the additional Terms and Conditions set out below (the "**Credit-Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Principal Conditions and the Credit-Linked Conditions set out below, the Credit-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Credit-Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

Credit-Linked Conditions

The following terms shall supplement and amend the Principal Conditions if this Part 5F is stated to be applicable in the relevant Final Terms:

1. General

(a) Credit Terms

The Final Terms shall specify:

- (i) the type of Credit-Linked Notes, being Single Reference Entity CLNs, Nth-to-Default CLNs, Linear Basket CLNs or such other type as may be specified in the Final Terms;
- (ii) the Settlement Method and, where Auction Settlement applies, the applicable Fallback Settlement Method;
- (iii) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;

- (iv) the Reference Obligation(s) (if any) in respect of each Reference Entity;
- (v) the Trade Date and the Scheduled Maturity Date;
- (vi) the Transaction Type applicable to each Reference Entity; and
- (vii) the Reference Entity Notional Amount in respect of each Reference Entity.

(b) Physical Settlement Matrix

Where a Transaction Type is specified in the Final Terms in respect of any Reference Entity, then the provisions of these Credit-Linked Conditions shall apply with respect to such Reference Entity in accordance with the Physical Settlement Matrix as it applies to such Transaction Type, as though such Physical Settlement Matrix were set out in full in the Final Terms.

(c) Additional Provisions

If, in accordance with the specified Transaction Type or otherwise, any Additional Provisions are applicable, these Credit-Linked Conditions shall take effect subject to the provisions thereof.

(d) Linear Basket CLNs

If the Credit-Linked Notes are Linear Basket CLNs, then the provisions of these Credit-Linked Conditions relating to redemption of Credit-Linked Notes following satisfaction of the Conditions to Settlement, extension of maturity of Credit-Linked Notes on delivery of an Extension Notice, cessation or suspension of accrual of interest or accrual and payment of interest following the Scheduled Maturity Date shall apply separately with respect to each Reference Entity and a principal amount of each Credit-Linked Note corresponding to the Reference Entity Notional Amount divided by the number of Credit-Linked Notes then in issue. The remaining provisions of these Credit-Linked Conditions shall be construed accordingly.

2. Redemption

(a) Redemption absent Satisfaction of Conditions to Settlement

The Issuer will redeem each Credit-Linked Note on the related CLN Maturity Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to the outstanding principal amount of such Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) (together with interest, if any, payable thereon) unless:

- (i) the Credit-Linked Notes have been previously redeemed or purchased and cancelled in full (including pursuant to Credit-Linked Conditions 2(b) or (c)); or
- (ii) the Conditions to Settlement have been satisfied, in which event the Issuer shall redeem the Credit-Linked Notes in accordance with Credit-Linked Condition 2(b).

(b) Redemption following Satisfaction of Conditions to Settlement

Upon satisfaction of the Conditions to Settlement in relation to any Reference Entity, each Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) will be subject to redemption:

- (i) if the applicable Settlement Method is Auction Settlement, by payment of its pro rata share of the Auction Settlement Amount on the Auction Settlement Date, unless a Fallback Settlement Event occurs, in which event the Issuer shall perform its respective payment and/or delivery obligations in accordance with the applicable Fallback Settlement Method. If the Conditions to Settlement with respect to a new Credit Event are satisfied following the occurrence of a Fallback Settlement Event with respect to a first Credit Event and no Fallback Settlement Event occurs with respect to such new Credit Event, the Issuer shall, if it so elects on or prior to a related Valuation Date or Delivery Date, redeem the Credit-Linked Notes in accordance with this Credit-Linked Condition 2(b)(i) by Auction Settlement;
- (ii) if the applicable Settlement Method is Physical Settlement, in accordance with Credit-Linked Condition 4; and

- (iii) if the applicable Settlement Method is Cash Settlement, by payment of its pro rata share of the Cash Settlement Amount on the Cash Settlement Date.

Where the Notes are Nth-to-Default CLNs and the Conditions to Settlement are satisfied with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine in its sole discretion the order in which such Conditions to Settlement were satisfied.

(c) Redemption following a Merger Event

If this Credit-Linked Condition 2(c) is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with Condition 13 and redeem all but not some only of the Credit-Linked Notes at the Redemption Amount or Early Redemption Amount (as specified in the applicable Final Terms) on the Merger Event Redemption Date.

(d) Suspension of Obligations

If a Credit Event Resolution Request Date occurs in relation to any Reference Entity then, unless the Issuer otherwise elects by notice to the Calculation Agent and the Noteholders, any obligation of the Issuer to redeem any Credit-Linked Note (including pursuant to Credit-Linked Condition 2(b)) or pay any amount of interest which would otherwise be due thereon shall, insofar as it relates to the relevant Reference Entity, be and remain suspended until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved with respect to such Reference Entity:

- (i) the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date"; or
- (ii) not to determine such matters.

During such suspension period, the Issuer shall not be obliged to, nor entitled to, take any action in connection with the settlement of the Credit-Linked Notes, in each case insofar as they relate to the relevant Reference Entity. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved the matters set out in paragraphs (i) and (ii) above, such suspension shall terminate and any obligations so suspended shall resume on the basis of such Resolution on the CLN Business Day following such public announcement by ISDA, with the Issuer having the benefit of the full day notwithstanding when the suspension began. Any amount of interest so suspended shall, subject always to Credit-Linked Condition 3(a), become due on the date determined by the Calculation Agent, in its sole discretion but not later than fifteen Business Days following such public announcement by ISDA.

For the avoidance of doubt, no interest shall accrue on any payment of interest or principal which is deferred in accordance with this Credit-Linked Condition 2(d).

(e) Miscellaneous provisions relating to Redemption

If the Credit-Linked Notes are partially redeemed, the relevant Credit-Linked Notes or, if the Credit-Linked Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption. Upon such partial redemption, the outstanding principal amount of each Note shall be reduced for all purposes (including accrual of interest thereon) accordingly.

Redemption of any Credit-Linked Note in accordance with Credit-Linked Condition 2, together with payment of interest, if any, due thereon shall discharge all or the relevant portion of the obligations of the Issuer in relation thereto.

Any amount payable under Credit-Linked Condition 2(b) shall be rounded downwards to the nearest sub-unit of the relevant currency.

3. Interest

(a) Cessation of Interest Accrual

Upon the occurrence of an Event Determination Date in respect of any Reference Entity, interest on such Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) shall cease to accrue with effect from and including either:

- (i) the Interest Payment Date immediately preceding such Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date); or
- (ii) if so specified in the Final Terms, such Event Determination Date.

(b) Interest following Scheduled Maturity Date

Subject always to Credit-Linked Condition 3(a), if an Extension Notice has been given, each Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) which is outstanding following the Scheduled Maturity Date shall continue to bear interest from (and including) the Scheduled Maturity Date to (but excluding) the related CLN Maturity Date at a rate of interest equal to either:

- (i) the rate that the Issuer would pay to an independent customer in respect of overnight deposits in the currency of the Credit-Linked Notes; or
- (ii) such other rate as shall be specified for such purpose in the Final Terms.

(c) Interest Payment Dates

If the Credit-Linked Notes are redeemed pursuant to the Principal Conditions or these Credit-Linked Conditions, the Scheduled Maturity Date, the CLN Maturity Date (if not the Scheduled Maturity Date), the Auction Settlement Date, the Cash Settlement Date or the last Delivery Date, as the case may be, shall be an Interest Payment Date in respect of each Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) and the Issuer shall pay any interest that has accrued in respect of each Credit-Linked Note (or, as applicable thereof) on such Interest Payment Date.

4. Physical Settlement

(a) Delivery and payment

If Physical Settlement applies to any Credit-Linked Note, then, upon the satisfaction of the related Conditions to Settlement, the Issuer shall, on or prior to the related Physical Settlement Date and subject to Credit-Linked Conditions 4(b), 4(c) and 4(f), redeem such Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof), respectively, by:

- (i) Delivering a pro rata share of the Deliverable Obligations specified in the related Notice of Physical Settlement; and
- (ii) paying such Note's pro rata portion of the related Physical Settlement Adjustment Rounding Amount.

(b) Partial Cash Settlement Due to Impossibility or Illegality

If, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to Deliver or, due to an event beyond the control of the Issuer or any Noteholder, it is impossible or illegal for the Issuer or the relevant Noteholder to Deliver or accept Delivery of any of the Deliverable Obligations specified in a Notice of Physical Settlement on the related Physical Settlement Date, then on such date the Issuer shall Deliver any of the Deliverable Obligations specified in the Notice of Physical Settlement for which it is possible and legal to take Delivery. If any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Partial Cash Settlement shall apply with respect to such Undeliverable Obligations and, accordingly, the Issuer shall pay the Noteholders an amount equal to the Partial Cash Settlement Amount to be apportioned pro rata amongst the Noteholders on the Partial Cash Settlement Date.

(c) Non-Delivery of Deliverable Obligations

If the Issuer does not Deliver any Deliverable Obligation specified in a Notice of Physical Settlement other than as a result of an event or circumstance contemplated in Credit-Linked Condition 4(b) above (including following the occurrence of a Hedge Disruption Event), such failure shall not constitute an Event of Default for the purpose of the Notes and the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans until the Extended Physical Settlement Date.

If, as at the relevant Extended Physical Settlement Date, any such Deliverable Obligations have not been Delivered, then Partial Cash Settlement shall apply with respect to such Deliverable Obligations and the Issuer shall pay to the Noteholders an amount equal to the Partial Cash Settlement Amount to be apportioned pro rata amongst the Noteholders on the Partial Cash Settlement Date.

(d) Aggregation and Rounding

Where a Noteholder holds Credit-Linked Notes in an aggregate nominal amount greater than the Specified Denomination, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the Credit-Linked Notes shall be aggregated for the purposes of this Credit-Linked Condition 4. If the nominal amount of the Deliverable Obligations to be Delivered in respect of each Credit-Linked Note to be redeemed pursuant to this Credit-Linked Condition 4(d) on any occasion is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable Obligations then the nominal amount of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, to zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by the Issuer or such other agent as may be appointed by the Issuer for such purpose and, if they are so sold, the Issuer shall make payment in respect of each Credit-Linked Note in an amount equal to its pro rata share of the related net sale proceeds as soon as reasonably practicable following receipt thereof.

(e) Delivery and Fees

The Delivery of any of the Deliverable Obligations pursuant to the provisions of this Credit-Linked Condition 4 shall be made in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such Delivery. Subject as set out in the definition of "Deliver":

- (i) any recordation, processing or similar fee reasonably incurred by the Issuer and/or any of its affiliates and payable to the agent under a Loan in connection with an assignment (where Deliverable Obligations include Assignable Loans or Consent Required Loans) shall be payable by the relevant Noteholders, and if any stamp tax is payable in connection with the Delivery of any Deliverable Obligations, payment thereof shall be made by the relevant Noteholders; and
- (ii) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Noteholders or the Issuer, as appropriate, determined in accordance with then current market conventions.

Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Noteholders have been paid to the satisfaction of the Issuer.

(f) Physical Delivery and Asset Transfer Notices

A Noteholder will not be entitled to any of the amounts or assets specified as being due to it in this Credit-Linked Condition 4(f) upon the satisfaction of the Conditions to Settlement unless it has presented or surrendered (as is appropriate) the relevant Credit-Linked Note and delivered an Asset Transfer Notice in accordance with the provisions set out below. For so long as the Credit-Linked Notes are held in any clearing system, any communication from such clearing system on behalf of the Noteholder containing the information required in an Asset Transfer Notice will be treated as an Asset Transfer Notice. For as long as Bearer Notes are represented by a Global Note, surrender of Credit-Linked Notes for such purpose will be effected by presentation of the Global Note and its endorsement to note the principal amount of Credit-Linked Notes to which the relevant Asset Transfer Notice relates.

(i) Asset Transfer Notices

In relation to Credit-Linked Notes to which Physical Settlement applies (including as Fallback Settlement Method) which are to be redeemed by Delivery of their pro rata share of the Deliverable Obligations, in order to obtain Delivery of such Deliverable Obligations in respect of any Credit-Linked Note, the relevant Noteholder must:

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

(Y) if such Credit-Linked Note is in definitive form, the relevant Noteholder must deliver (i) if this Credit-Linked Note is a Bearer Note, to any Paying Agent or (ii) if this Credit-Linked Note is a Registered Note, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent and the Delivery Agent (as defined above) not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement.

For the purposes hereof, "**Cut-off Date**" means the date specified as such in the applicable Final Terms or, if not so specified, the first Business Day immediately preceding the Physical Settlement Date.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Credit-Linked Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Credit-Linked Note is in definitive form, in writing.

If a Credit-Linked Note is in definitive form, such Credit-Linked Note must be delivered together with the duly completed Asset Transfer Notice. In the event that delivery of a Credit-Linked Note or, if applicable, a Deliverable Obligation in physical form is restricted or prohibited in any jurisdiction, alternative arrangements will be made and communicated to the relevant Noteholder at the relevant time for delivery of such Credit-Linked Note by, or such Deliverable Obligation to, such Noteholder.

"**Asset Transfer Notice**" means a notice which shall:

- (i) specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer or Delivery Agent may obtain details for the delivery or Delivery of the Deliverable Obligations;
 - (ii) specify the series number of the Credit-Linked Notes and the number of Credit-Linked Notes which are the subject of such notice;
 - (iii) in the case of Credit-Linked Notes represented by a Global Note, specify the nominal amount of Credit-Linked Notes which are the subject of such notice and the number of the Noteholder's account at the relevant clearing system to be debited with such Credit-Linked Notes and irrevocably instruct and authorise the relevant clearing system to debit the relevant Noteholder's account with such Credit-Linked Notes on or before the Physical Settlement Date;
 - (iv) include an undertaking to pay all expenses including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes (the "**Expenses**") and, in the case of Credit-Linked Notes represented by a Global Note, an authority to the relevant clearing system to debit a specified account of the Noteholder with the relevant clearing system in respect thereof and to pay such Expenses;
 - (v) include such details as are required for Delivery of the Deliverable Obligations which may include account details and/or the name and address of any person(s) into whose name evidence of the Deliverable Obligations is to be registered and/or any bank, broker or agent to whom documents evidencing the Deliverable Obligations are to be Delivered and specify the name and number of the Noteholder's account to be credited with any cash payable by the Issuer, including pursuant to Credit-Linked Condition 4;
 - (vi) certify that the beneficial owner of each Credit-Linked Note is not a U.S. person (as defined in the Asset Transfer Notice), the Credit-Linked Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;
 - (vii) authorise the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.
- (2) *Verification of the Noteholder*

In the case of Credit-Linked Notes represented by a Global Note, upon receipt of an Asset Transfer Notice, the relevant clearing system shall verify that the person delivering the Asset Transfer Notice is the holder of the Credit-Linked Notes described therein according to its records. Subject thereto, the relevant clearing system will confirm to the Principal Paying Agent the series number and number of Credit-Linked Notes the subject of such notice, the relevant account details and the details for the delivery of the Deliverable Obligations in respect of each Credit-Linked Note. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer and any Delivery Agent thereof. The relevant clearing system will on or before the Settlement Date debit the securities account of the relevant Noteholder with the relevant Credit-Linked Notes.

(3) *Determinations and Delivery*

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

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

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant clearing system, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Credit-Linked Notes which are the subject of such notice.

The Deliverable Obligations will be Delivered at the risk of the relevant Noteholder, in the manner provided below on the Physical Settlement Date, provided that the Asset Transfer Notice is duly delivered as provided above on or prior to the Cut-Off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Paying Agent and the Delivery Agent, on or prior to the Cut-Off Date, then the Deliverable Obligations will be Delivered as soon as practicable after the date fixed for redemption (in which case, such date of delivery shall be the Physical Settlement Date) at the risk of such Noteholder in the manner provided below. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such delivery date falling after the originally designated Physical Settlement Date and no liability in respect thereof shall attach to the Issuer or the Guarantor (if applicable), if any.

The Issuer (or any Delivery Agent on its behalf) shall, at the risk of the relevant Noteholder, Deliver the Deliverable Obligations in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms. All Expenses arising from the Delivery of the Deliverable Obligations in respect of such Credit-Linked Notes shall be for the account of the relevant Noteholder and no Delivery of Deliverable Obligations shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

(4) *General*

For such period of time after Delivery of Deliverable Obligations as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of such Deliverable Obligations (the "**Intervening Period**"), none of the Issuer, the Guarantor (if applicable), the Paying Agents, the Registrar, any Delivery Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such Deliverable Obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such Deliverable Obligations.

5. Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics

(a) Obligation Characteristics

If the Obligation Characteristic "Listed" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the 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.

(b) Deliverable Obligation Category and Characteristics

If:

- (i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category;
- (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category);
- (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category; and
- (iv) any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified in the applicable Final Terms as Deliverable Obligation Characteristics or is applicable in respect of the applicable Transaction Type, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

(c) Qualifying Guarantee

If an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

- (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
- (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms or applicable in respect of the relevant Transaction Type from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
- (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation

Characteristic of Not Subordinated, if specified in the applicable Final Terms or if applicable in respect of the relevant Transaction Type.

- (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms or applicable in respect of the relevant Transaction Type from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (vi) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in the Conditions, including without limitation, the definitions of "Cash Settlement Amount" and "Quotation Amount"), when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.
- (vii) For the avoidance of doubt the provisions of this Credit-Linked Condition 5 apply in respect of the definitions of "Obligation" and "Deliverable Obligation" as the context admits.

6. Succession Event

(a) Single Reference Entity

Where the Notes are Single Reference Entity CLNs and a Succession Event has occurred and more than one Successor has been identified, each Credit-Linked Note will be deemed for all purposes to have been divided into the same number of new Credit-Linked Notes as there are Successors, with the following terms:

- (i) each Successor will be a Reference Entity for the purposes of one of the deemed new Credit-Linked Notes;
- (ii) in respect of each deemed new Credit-Linked Note, the Reference Entity Notional Amount will be the Reference Entity Notional Amount applicable to the original Reference Entity divided by the number of Successors; and
- (iii) all other terms and conditions of the original Credit-Linked Notes will be replicated in each deemed new Credit-Linked Note except to the extent that modification is required, as determined by the Calculation Agent in its sole discretion, to preserve the economic effects of the original Credit-Linked Notes in the deemed new Credit-Linked Notes (considered in the aggregate).

(b) Nth-to-Default CLNs

Where the Notes are Nth-to-Default CLNs:

- (i) where a Succession Event has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) and more than one Successor has been identified, each Credit-Linked Note will be deemed for all purposes to have been divided into a number of new Credit-Linked Notes equal to the number of Successors. Each such new Credit-Linked Note shall include a Successor and each and every one of the Reference Entities unaffected by such Succession Event and the provisions of Credit-Linked Condition 6(a)(i) to (iii) (inclusive) shall apply thereto;
- (ii) if "Substitution" is specified as not being applicable in the Final Terms, where any Reference Entity (the "**Surviving Reference Entity**") (other than a Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to a Succession Event, such Surviving Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity; and

- (iii) if "Substitution" is specified as being applicable in the Final Terms, where the Surviving Reference Entity (other than a Reference Entity that is subject to the Succession Event) would be a Successor to a Legacy Reference Entity pursuant to a Succession Event:
 - (A) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and
 - (B) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity.
- (c) **Linear Basket CLNs**

Where the Credit-Linked Notes are Linear Basket CLNs, and one or more Successors have been identified in respect of a Reference Entity that has been the subject of a related Succession Event (the "**Affected Entity**"):

- (i) the Affected Entity will no longer be a Reference Entity (unless it is a Successor as described in (ii) below);
 - (ii) each Successor will be deemed a Reference Entity (in addition to each Reference Entity which is not an Affected Entity);
 - (iii) the Reference Entity Notional Amount for each such Successor will equal the Reference Entity Notional Amount of the Affected Entity divided by the number of Successors; and
 - (iv) the Calculation Agent may, at its discretion, make any modifications to the terms of the Notes which may be required to preserve the economic effects of the Notes prior to the Succession Event (considered in the aggregate).
- (d) **Substitute Reference Obligations**

Where:

- (i) a Reference Obligation is specified in the applicable Final Terms;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation".

7. Provisions relating to LPN Reference Entities

The following provisions shall apply if the relevant Final Terms provide that "LPN Reference Entity" is applicable:

- (a) Multiple Holder Obligation will not be applicable with respect to any Reference Obligation and any Underlying Loan;
- (b) each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit-Linked Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;
- (c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in these Credit-Linked Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;
- (d) 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; and
- (e) the "Not Subordinated" Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

8. Restructuring Credit Event

(a) Multiple Credit Event Notices

Upon the occurrence of a Restructuring Credit Event with respect to a Reference Entity for which Restructuring is an applicable Credit Event and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the relevant Transaction Type:

- (i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such notice setting forth the amount of the relevant Reference Entity Notional Amount to which such Restructuring Credit Event applies (the "**Exercise Amount**") provided that if the Credit Event Notice does not specify an Exercise Amount, the then outstanding Reference Entity Notional Amount (and not a portion thereof) will be deemed to have been specified as the Exercise Amount;
- (ii) the provisions of these Credit-Linked Conditions shall be deemed to apply to an aggregate outstanding principal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly;
- (iii) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the relevant Reference Entity Notional Amount (and not a portion thereof); and
- (iv) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the Specified Currency (or, if Japanese Yen, 100,000,000 units) in which the Reference Entity Notional Amount is denominated or any integral multiple thereof or the entire relevant Reference Entity Notional Amount.

In the case of an Nth-to-Default CLN, once the Conditions to Settlement have been satisfied in respect of the Nth Reference Entity where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity (save to the extent that the Credit-Linked Notes are deemed to have been divided into new Credit-Linked Notes pursuant to Credit-Linked Condition 6).

If any Credit-Linked Note is subject to partial redemption in accordance with this Credit-Linked Condition 8, the relevant Credit-Linked Note or, if the Credit-Linked Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

For the avoidance of doubt, this Credit-Linked Condition 8 shall not be applicable in respect of a Reference Entity for which Restructuring is an applicable Credit Event and neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the relevant Transaction Type.

(b) Restructuring Maturity Limitation and Fully Transferable Obligation

In respect of any Reference Entity for which Restructuring is an applicable Credit Event, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in a Notice of Physical Settlement, any NOPS Amendment Notice or, as applicable, selected by the Issuer to form part of the related Valuation Obligations Portfolio only if it:

- (i) is a Fully Transferable Obligation; and
- (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

(c) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable

In respect of any Reference Entity for which Restructuring is an applicable Credit Event, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable

Obligation or, as applicable, Valuation Obligation, may be specified in the Notice of Physical Settlement, any NOPS Amendment Notice or, as applicable, selected by the Issuer to form part of the related Valuation Obligations Portfolio, 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.

In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation 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, the Issuer shall, as soon as reasonably practicable, notify the relevant Noteholders of such refusal (or deemed refusal) and:

- (x) each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and
- (y) if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is three CLN Business Days after the Physical Settlement Date, then the Issuer will redeem the Notes which have not been Delivered by payment of the relevant Partial Cash Settlement Amount to such Noteholder.

(d) Multiple Holder Obligations

Notwithstanding anything to the contrary in the definition of "Restructuring" and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a)(i) to (iii) (inclusive) thereof shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, provided that any obligation that is a Bond shall be deemed to satisfy the requirements of sub-paragraph (b) of the definition of "Multiple Holder Obligation".

9. Miscellaneous Provisions relating to Credit-Linked Notes

(a) Determinations of the Calculation Agent

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Credit-Linked Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the Noteholders. In performing its duties pursuant to the Credit-Linked Notes, the Calculation Agent shall act in its sole and absolute discretion and, unless otherwise expressly stated, is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit-Linked Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor (if applicable) shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

(b) Change in Standard Terms and Market Conventions

The Calculation Agent, acting reasonably, may (but shall not be obligated to) modify these Credit-Linked Conditions from time to time with effect from a date designated by the Calculation Agent to the extent necessary to ensure consistency with prevailing market standards or market trading conventions, which are, pursuant to the agreement of the leading dealers in the credit derivatives market or any relevant committee established by ISDA, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system, applicable to any Notional Credit Derivative Transaction or Hedge Transaction entered into prior to such date or terms thereof. The Calculation Agent shall notify the Issuer and the Noteholders as soon as reasonably practicable upon making any such determination. For the avoidance of doubt, the Calculation Agent may not, without the consent of the Issuer and the Trustee, amend pursuant to this Credit-Linked Condition 9(b) any of the terms and conditions of the Credit-Linked Notes other than the Credit-Linked Conditions.

(c) **Delivery of Notices**

As soon as reasonably practicable after receiving a Credit Event Notice or Notice of Publicly Available Information from the Calculation Agent, the Issuer shall promptly inform, or shall procure that the Calculation Agent informs, the Noteholders in accordance with Condition 13. Resolutions of the Credit Derivatives Determinations Committee are, as of the date hereof, available on ISDA's website (www.isda.org/credit).

(d) **Effectiveness of Notices**

Any notice referred to in Credit-Linked Condition 9(c) above which is delivered on or prior to 5:00 p.m. (London time) on a London Business Day is effective on such date and if delivered after such time or on a day that is not a London Business Day, is deemed effective on the next following London Business Day.

10. Definitions

In these Credit-Linked Conditions, unless otherwise specified in the applicable Final Terms:

"Accelerated or Matured" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

"Accreted Amount" means, with respect to an Accreting Obligation, an amount 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 (a)(ii) above),

in each case calculated as of the earlier of:

- (i) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal; and
- (ii) the Delivery Date or applicable Valuation Date, as the case may be.

Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable in the relevant Final Terms. 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 the purposes of (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 the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of a Convertible Obligation or an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is convertible or 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.

"**Additional Credit Event**" means an additional credit event as defined in the Final Terms.

"**Additional LPN**" means any LPN issued by an LPN Issuer for the sole purpose of providing funds for the LPN Issuer to provide finance to the Reference Entity via an:

- (a) Underlying Loan; or
- (b) 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: Transferable, Not Bearer, Specified Currencies – 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 holders of the LPNs.

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php>.

"**Additional Provisions**" means any additional provisions from time to time published by ISDA for use in the over the counter credit derivatives market and specified as applicable in relation to a Reference Entity which may include:

- (a) the Additional Provisions for Physically Settled Default Swaps - Monoline Insurer as Reference Entity, as published by ISDA on 21 January 2005; or
- (b) any other provisions specified in relation to such Reference Entity.

"**Affected Entity**" has the meaning given to such term in Credit-Linked Condition 6(c) above.

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"**Asset Transfer Notice**" has the meaning given to such term in Credit-Linked Condition 4(f) above.

"**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 of 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 a Reference Entity is guaranteeing such Loan) or any agent, and if specified as applicable to a Deliverable

Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans.

"**Auction**" has the meaning set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Covered Transaction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Final Price**" has the meaning set forth in the Transaction Auction Settlement Terms or the Parallel Auction Settlement Terms identified by the Issuer in the Auction Settlement Amount Notice.

"**Auction Final Price Determination Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Settlement Amount**" means, in relation to any Reference Entity and unless otherwise specified in the Final Terms, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

$$\text{Auction Settlement Amount} = \text{Max } 0, [(A \times B) - C]$$

Where:

"**A**" means the Calculation Amount;

"**B**" means the relevant Auction Final Price; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero).

"**Auction Settlement Amount Notice**" means a notice given by the Issuer to the Calculation Agent and the Noteholders in accordance with Condition 13 on or prior to the date which is 65 Business Days following the Final List Publication Date specifying:

- (a) the Transaction Auction Settlement Terms or Parallel Auction Settlement Terms which the Issuer has elected to apply to the Credit-Linked Notes (provided that the Issuer may only elect to apply any Parallel Auction Settlement Terms (which it may choose in its sole discretion) in the circumstances set out in sub-paragraph (b) of the definition of "No Auction Announcement Date"); and
- (b) the Auction Settlement Amount.

"**Auction Settlement Date**" means the date that is three Business Days following delivery by the Issuer of the Auction Settlement Amount Notice to the Calculation Agent and the Noteholders in accordance with Condition 13.

"**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 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, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:

- (i) 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
 - (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 sub paragraphs (a) to (g) (inclusive) above.

"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 or the Credit Derivatives Determinations Committee makes its determination for the purposes of the definition of "Successor", 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 or the Credit Derivatives Determinations Committee to allow it to make a determination for the purposes of the definition of "Successor",

provided that 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 obligation.

"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).

"Capped Reference Entity" means, unless otherwise specified in the Final Terms, a Reference Entity having a specified Transaction Type in respect of which "60 CLN Business Days Cap on Settlement" is expressed as applying in the Physical Settlement Matrix.

"Cash Settlement Amount" means, in relation to any Reference Entity and unless otherwise specified in the Final Terms, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

Cash Settlement Amount = Max 0, [(A x B) – C]

Where:

"A" means the Calculation Amount;

"B" means the Weighted Average Final Price, or if so specified in the applicable Final Terms, the Final Price or such other price specified therein; and

"C" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "C" means zero).

"Cash Settlement Date" means the date that is the number of Business Days specified in the Final Terms (or, if a number of Business Days is not specified, three Business Days) immediately following the determination of the Weighted Average Final Price.

"CLN Business Day" means, in respect of any Reference Entity, a day on which commercial banking and foreign exchange markets are generally open to settle payments in the place or places specified for that purpose with respect to such Reference Entity, a TARGET Settlement Day (if "TARGET Settlement Day" is specified for that purpose, or, if a place or places are not so specified, a day on which commercial banks and foreign exchange markets are generally open to settlement payments in the jurisdiction of the currency of the related Reference Entity Notional Amount). Business Days referenced in the Physical Settlement Matrix shall be deemed to be CLN Business Days.

"CLN Dealer" means a dealer in obligations of the type of Obligation(s) (as the case may be) for which quotations are to be obtained (as selected by the Calculation Agent) and may include the Calculation Agent or its Affiliate and a Noteholder or its Affiliate or as may otherwise be specified in the Final Terms.

"CLN Maturity Date" means either:

- (a) the Scheduled Maturity Date; or
- (b) where the Issuer delivers an Extension Notice in relation to a Reference Entity to the Calculation Agent and the Noteholders at or prior to 11:00 a.m. (London time) on the date falling two London Business Days prior to the Scheduled Maturity Date, either:
 - (i) the date falling two Business Days after the expiry of the Notice Delivery Period; or
 - (ii) if a Credit Event Resolution Request Date has occurred on or prior to the expiry of the Notice Delivery Period in relation to a Reference Entity and unless otherwise elected by the Issuer by written notice to the Calculation Agent and the Noteholders, the date falling 15 Business Days following any date on which the Credit Derivatives Determinations Committee Resolves that the relevant event does not constitute a Credit Event, or Resolves not to make such determination.

"Conditionally Transferable Obligation" means 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 this definition of "Conditionally Transferable Obligation".

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 Delivery 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 Issuer or the Guarantor (if applicable).

"Conditions to Settlement" means, in relation to any Reference Entity:

- (a) the occurrence of an Event Determination Date; and
- (b) where the applicable Settlement Method is Physical Settlement (or Physical Settlement is applicable as the Fallback Settlement Method), the delivery of the Notice of Physical Settlement on or following the occurrence of an Event Determination Date,

to the extent that, unless otherwise elected by the Issuer by written notice to the Calculation Agent and the Noteholders, such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, a Delivery Date or the CLN Maturity Date, as applicable.

"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 a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans.

"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 Derivatives Auction Settlement Terms" means, in relation to any Reference Entity, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, with respect to the relevant Reference Entity, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as may be amended from time to time in accordance with the Rules.

"Credit Derivatives Definitions" means the 2003 ISDA Credit Derivatives Definitions, as published by ISDA, as supplemented by the July 2009 Supplement and, in addition, if Additional Provisions are specified to be applicable with respect to the Credit-Linked Notes in the Final Terms, as supplemented by the Additional Provisions.

"Credit Derivatives Determinations Committee" means each committee established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions in the over-the-counter market, as more fully described in the Rules.

"Credit Event" means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring or Additional Credit Event as specified with respect to a Reference Entity.

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.

"Credit Event Backstop Date" means the date that is 60 calendar days prior to the Trade Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Credit Event Notice" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred, provided that where an Event Determination Date has occurred pursuant to sub-paragraph (b) of the definition thereof, a reference to the relevant DC Credit Event Announcement shall suffice. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"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:

- (a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof; 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 referred to in sub-paragraphs (a) and (b) above.

"Currency Amount" means with respect to:

- (a) a Deliverable Obligation specified in a Notice of Physical Settlement or a selected Valuation Obligation that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate; and
- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the relevant Deliverable Obligation into the currency of denomination of the relevant Replacement Deliverable Obligation.

"Currency Rate" means with respect to:

- (a) a Deliverable Obligation specified in the Notice of Physical Settlement or a selected Valuation Obligation, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either:
 - (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time; or
 - (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner after consultation with the parties; and
- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate.

"Currency Rate Source" means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

"DC Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that:

- (a) an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof); and
- (b) such event occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A DC Credit Event Announcement will be deemed not to have occurred unless:

- (i) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date, if specified in the Final Terms and if not, including prior to the Issue Date); and
- (ii) the Trade Date occurs on or prior to the Exercise Cut-off Date.

"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).

"DC Resolution" has the meaning given to that term in the Rules.

"Default Requirement" means the amount as may be specified as such in the Final Terms or, if a Transaction Type is specified, the amount specified as such in the Physical Settlement Matrix or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not so specified in the Final Terms, U.S.\$ 10,000,000, or its equivalent in the relevant Obligation Currency, in either case 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 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 Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, to the Issuer or the Noteholders, as the case may be, free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence as set out in the definition of "Credit Event") 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 Direct Loan Participations, **"Deliver"** means to create (or procure the creation of) a participation in favour of the Issuer or the Noteholders, as the case may be, and 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. Notwithstanding the previous sentence, in the case of a Loan, the Issuer and each Noteholder agrees to comply, for the purposes of the settlement of the Credit-Linked Notes with the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties hereunder. The Issuer agrees, and each Noteholder is deemed to further agree, that compliance by the Issuer with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for the purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the Issuer nor any Noteholder shall be permitted to request that any party take nor shall the Issuer or any Noteholder be required to take, any action or make any payment in connection with such Delivery, as applicable, unless otherwise contemplated by such documentation.

"Deliverable Obligation" means, subject to Credit-Linked Conditions 8(a), (b) and (c):

- (a) each obligation of a Reference Entity (either directly, or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable with respect thereto, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category, and, subject to Credit-Linked Condition 5, having each of the Deliverable Obligation Characteristics, if any, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that:
 - (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;
 - (ii) is not subject to any counterclaim, defence (other than as set out in the definition of "Credit Event") or right of set-off by or of a Reference Entity or any applicable Underlying Obligor;
 - (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery 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 or Due and Payable Amount 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;
- (b) subject to the last paragraph of the definition of "Not Contingent", each Reference Obligation, unless specified in the Final Terms as an Excluded Deliverable Obligation; and
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that:
 - (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;
 - (ii) is not subject to any counterclaim, defence (other than as set out in the definition of "Credit Event") or right of set-off by or of a Reference Entity or any applicable Underlying Obligor; and
 - (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, as at the Delivery 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 or Due and Payable Amount 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
- (d) any other obligation of a Reference Entity specified as such in the Final Terms.

"Deliverable Obligation Category" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan as specified in relation to a Reference Entity. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligations Only.

"Deliverable 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, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

"Deliverable Obligation Provisions", in relation to any Reference Entity, has the meaning set forth in the Credit Derivatives Auction Settlement Terms.

"Deliverable Obligation Terms", in relation to any Reference Entity, has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"Delivery Date" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

"Direct Loan Participation" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either:

- (a) the Issuer or the Guarantor (as applicable) (in either case, to the extent that the Issuer or the Guarantor (as applicable), is then a lender or member of the relevant lending syndicate); or
- (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

"Domestic Currency" means the currency specified as such in relation to a Reference Entity and any successor currency. If no currency is so 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 or the United States of America or 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 Delivery 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).

"Eligible Transferee" means each of the following:

- (a) each of:
 - (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 sub-paragraph (c)(ii) 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 U.S.\$ 500 million;
- (b) an Affiliate of an entity specified in (a) above;
- (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:
 - (A) has total assets of at least U.S.\$ 100 million; or
 - (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$ 100 million; or

- (ii) that has total assets of at least U.S.\$ 500 million; 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 (a), (b), (c)(ii) or (d) hereof; and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation,

and where references in this definition to U.S.\$ include equivalent amounts in other currencies.

"Enabling Obligation" means, in respect of a Reference Entity, an outstanding Deliverable 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 and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

"Equity Securities" means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing 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
- (b) 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.

"Escrow" means, if Escrow is specified in relation to a Reference Entity as applicable, either the Issuer or any Noteholder may require that physical settlement take place through the use of an Escrow Agent (in the case of any such request by a Noteholder, solely in relation to the Notes held by such Noteholder). Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the relevant Noteholder.

"Escrow Agent" means, unless otherwise specified in the Final Terms, an independent third party financial institution specified by the Issuer prior to the Physical Settlement Date, subject to the terms of the escrow arrangement.

"Event Determination Date" means, in respect of any Credit Event:

- (a) subject to sub-paragraph (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Issuer to the Calculation Agent and the Noteholders and are effective during either:
 - (i) the Notice Delivery Period; or
 - (ii) the period from, and including, the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" to and including, the date that is 15 Business Days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date, if specified in the Final Terms and if not, including prior to the Issue Date)); or
- (b) notwithstanding sub-paragraph (a) above, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date, provided that:

- (A) no Physical Settlement Date, or Cash Settlement Date (as applicable) has occurred on or prior to the date on which the DC Credit Event Announcement occurs;
- (B) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the DC Credit Event Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Reference Entity Notional Amount, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (C) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer:
 - (x) unless the Restructuring stated in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date; or
 - (y) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the then outstanding Reference Entity Notional Amount; and
- (D) if the Credit Event that is the subject of the DC Credit Event Announcement is a Restructuring, the Calculation Agent has delivered a Credit Event Notice to the Issuer on or prior to the Exercise Cut-off Date.

No Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, a DC No Credit Event Announcement occurs with respect to the event that, but for such DC No Credit Event Announcement, would have constituted a Credit Event prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date) or the Scheduled Maturity Date, as applicable.

"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).

"Excluded Deliverable Obligation" means any obligation of a Reference Entity specified as such or of a type described as such in relation thereto.

"Excluded Obligation" means any obligation of a Reference Entity specified as such or of a type described as such in relation thereto.

"Exercise Amount" has the meaning given to it in Credit-Linked Condition 8(a).

"Exercise Cut-off Date" means the date that is the later of:

- (a) 65 Business Days following the Final List Publication Date;
- (b) 15 CLN Business Days following the Auction Final Price Determination Date, if any;
- (c) 15 CLN Business Days following the Auction Cancellation Date, if any; or
- (d) the date that is 15 CLN Business Days following the No Auction Announcement Date, if any.

"Extended Physical Settlement Date" means:

- (a) in the case of a Capped Reference Entity, the 60th CLN Business Day following the Physical Settlement Date, provided that if, under the terms of a Hedge Transaction, the Original Bonds and Original Loans, may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof on or before the date falling three CLN Business Days (in a case

where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or ten CLN Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, such date may be further extended to a date falling up to three CLN Business Days or ten CLN Business Days, respectively, after the original Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may determine, in its absolute discretion; and

- (b) in the case of a Non-Capped Reference Entity, such date as the Calculation Agent may determine in its absolute discretion, provided that such date falls no later than the 120th CLN Business Day following the Physical Settlement Date or, in the absence of such determination, such 120th CLN Business Day.

"Extension Date" means the latest of:

- (a) the Scheduled Maturity Date;
- (b) the Grace Period Extension Date if:
 - (i) Failure to Pay is an applicable Credit Event in relation to any Reference Entity;
 - (ii) Grace Period Extension is specified as applicable in relation to such Reference Entity; and
 - (iii) the Issuer delivers an Extension Notice under sub-paragraph (b) of the definition thereof;
- (c) the Repudiation/Moratorium Evaluation Date if:
 - (i) Repudiation/Moratorium is an applicable Credit Event in relation to any Reference Entity; and
 - (ii) the Issuer delivers an Extension Notice under sub-paragraph (c) of the definition thereof.

"Extension Notice" means a notice from the Issuer to the Calculation Agent and the Noteholders giving notice of the following in relation to a Reference Entity:

- (a) without prejudice to sub-paragraphs (b), (c) or (d) below, that a Credit Event has occurred or may occur on or prior to the Scheduled Maturity Date; or
- (b) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or
- (c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or
- (d) that a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period.

"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.

"Fallback Settlement Event" means:

- (a) an Auction Cancellation Date occurs;

- (b) a No Auction Announcement Date occurs (and in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms on or prior to the date that is 65 Business Days following the Final List Publication Date or such earlier date as the Issuer may designate by notice to the Calculation Agent and the Noteholders in accordance with Condition 13);
- (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event for the purposes of credit derivatives transactions for such Reference Entity in the over-the-counter market (including any Hedge Transaction);
- (d) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that the relevant event that has occurred constitutes a Restructuring for the purposes of credit derivatives transactions for such Reference Entity in the over the counter market (including any Hedge Transaction) and that no Auction will be held with respect to such Reference Entity and Restructuring Credit Event; or
- (e) an Event Determination Date has occurred pursuant to sub-paragraph (a) of the definition of "Event Determination Date", and no Credit Event Request Resolution Date has occurred within two Business Days of such Event Determination Date.

"Fallback Settlement Method" means Cash Settlement or Physical Settlement, as specified in the Final Terms.

"Final List" has the meaning given to that term in the Rules.

"Final List Publication Date" means, in respect of a Credit Event, the date on which the last Final List in respect of such Credit Event is published by ISDA.

"Final Price" means the price of the Reference Obligation or, as applicable, any Valuation Obligation, Deliverable Obligation or Undeliverable Obligation, expressed as a percentage determined in accordance with the highest Quotation obtained by the Calculation Agent (or otherwise in accordance with the definition of "Quotation") with respect to the Relevant Valuation Date.

"Final Price Calculation Date" means with respect to a particular Valuation Obligation included in the Valuation Obligations Portfolio, the date on which the Final Price in respect of such Valuation Obligation is determined.

"First Ranking Interest" means an Interest which is expressed as being "first ranking", "first priority", or similar ("**First Ranking**") in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

"Full Quotation" means, in accordance with the bid quotations provided by the CLN Dealers, each firm quotation (expressed as a percentage of the Outstanding Principal Balance) obtained from a CLN Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, Deliverable Obligation or, as the case may be, Undeliverable Obligations with an Outstanding Principal Balance equal to the Quotation Amount.

"Fully Transferable Obligation" means a Deliverable 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 Obligation other than Bonds. 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 this definition of "Fully Transferable Obligation". For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of "Fully Transferable Obligation", such determination shall be made as of the Delivery Date for the relevant 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 Issuer or the Guarantor (as applicable).

"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 sub-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 applicable in relation to the relevant Reference Entity, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified, thirty calendar days; 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 in relation to the relevant Reference Entity in the Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity 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 relation to a Reference Entity in the Final Terms as applicable pursuant to the relevant Transaction Type; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)),

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

"Hedge Disruption Event" means the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction.

"Hedge Transaction" means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Credit-Linked Notes.

"Indicative Quotation" shall mean each bid quotation obtained from a CLN Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation equal to the Quotation Amount, which reflects such CLN Dealer's reasonable assessment of the price of such Undeliverable Obligation based on such factors as such CLN Dealer may consider relevant, which may include historical prices and recovery rates.

"Interest" means, for the purposes of the definition of "First Ranking Interest", a charge, security interest or other type of interest having similar effect.

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

"July 2009 Supplement" means the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on 14 July 2009.

"Latest Maturity Restructured Bond or Loan" means, in respect of a Reference Entity and a Credit Event that is a Restructuring, the Restructured Bond or Loan with the latest final maturity date.

"Latest Permissible Physical Settlement Date" means, in respect of partial cash settlement due to a Potential Cash Settlement Event, 30 calendar days following the Physical Settlement Date and, in respect of Partial Cash Settlement (as specified in the Final Terms) in respect of a Deliverable Obligation comprised of Loans, the date that is 15 CLN Business Days after the Physical Settlement Date.

"Legacy Reference Entity" has the meaning given to such term in Credit-Linked Condition (6)(b)(ii) above.

"Limitation Date" means, in respect of a Credit Event that is a Restructuring, the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **"2.5-year Limitation Date"**), 5 years (the **"5-year Limitation Date"**), 7.5 years, 10 years, 12.5 years, 15 years or 20 years (the **"20-year Limitation Date"**), as applicable. Limitation Dates shall not be subject to adjustment unless otherwise provided in the Final Terms.

"Linear Basket CLN" means Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the Listing Deliverable Obligation Characteristics shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

"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.

"London Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

"LPN" means any bond issued in the form of a loan participation note.

"LPN Issuer" means, in respect of any LPN, the entity which issued the relevant LPN.

"LPN Reference Obligation" means each Reference Obligation other than any Additional Obligation which is issued for the sole purpose of providing funds to the LPN Issuer to finance an Underlying Loan. 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.

"Maximum Maturity" means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than;

- (a) the period specified in relation to a Reference Entity or;
- (b) if no such period is so specified, 30 years.

"Merger Event" means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date the Issuer, the Guarantor (if applicable) or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity, the Issuer or the Guarantor as applicable, or (if applicable) the Guarantor and a Reference Entity or the Issuer and a Reference Entity become affiliates.

"Merger Event Redemption Date" means the date specified as such in the applicable Final Terms.

"Minimum Quotation Amount" means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of:

- (a) U.S.\$ 1,000,000 (or its equivalent in the relevant Obligation Currency); and
- (b) the Quotation Amount.

"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 Date" means with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. With respect to a Reference Entity for which Restructuring is an applicable Credit Event and for which "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type and for which the Scheduled Maturity Date 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 is either:

- (a) on or prior to 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 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.

"Multiple Holder Obligation" means an Obligation that:

- (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other; and
- (b) 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 Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above.

"N" or **"Nth"** means, where the relevant Final Terms specify that "Nth-to-Default CLN" is applicable, such number as may be specified in such Final Terms.

"Next Currency Fixing Time" means 4.00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPS Amendment Notice, as applicable, is effective or, as applicable, the date of selection of Valuation Obligations.

"No Auction Announcement Date" means, with respect to any Reference Entity, the date on which ISDA announces that:

- (a) no Transaction Auction Settlement Terms and, if applicable, Parallel Auction Settlement Terms will be published with respect to credit derivative transactions in the over-the-counter market and the relevant Credit Event and Reference Entity;

- (b) following the occurrence of a Credit Event which is a Restructuring in respect of such 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 Final Terms or is applicable in respect of the applicable Transaction Type, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held with respect to such Reference Entity and Credit Event for which any Hedge Transaction is an Auction Covered Transaction following a prior public announcement by ISDA to the contrary.

"Non-Capped Reference Entity" means a Reference Entity which is not a Capped Reference Entity.

"NOPS Amendment Notice" means a notice from the Issuer to the Calculation Agent notifying it, that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof.

"Not Bearer" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

"Not Contingent" means any obligation having as of the Delivery 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). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent 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 Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in (a) and (b) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery 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 sale 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.

"**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 Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity,

provided that, if any of the events set forth under sub-paragraph (a) of the definition of "Substitute Reference Obligation" have occurred with respect to all of the Reference Obligations or if the last paragraph of the definition of "Successor" applies with respect to 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 Obligations 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 an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable 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.

"**Notice Delivery Period**" means the period from and including the Trade Date to and including the date 15 CLN Business Days (or such other number of days as may be specified in the Final Terms) after the Extension Date (or, if the relevant 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 (or deemed specified) in the Final Terms, the later of:

- (a) such date; and
- (b) the date that is 65 Business Days following the Final List Publication Date).

"**Notice of Physical Settlement**" means a notice delivered from the Issuer to the Calculation Agent and the Noteholders on or prior to the later of:

- (a) 65 CLN Business Days following the Final List Publication Date;
- (b) subject to sub-paragraph (c) below, 25 CLN Business Days after the last to occur of the Auction Cancellation Date, the No Auction Announcement Date, the last Parallel Auction Cancellation Date and the last Parallel Auction Final Price Determination Date (in each case if any and if applicable); and
- (c) in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms to the Calculation Agent by the Restructuring Exercise Date, 5 CLN Business Days following such Restructuring Exercise Date,

that:

- (i) irrevocably confirms that the Issuer will redeem the Credit-Linked Notes by physical delivery in accordance with Credit-Linked Condition 4;
- (ii) contains a detailed description of the Deliverable Obligations that the Issuer will Deliver (or procure Delivery of) to the Noteholders, including the Outstanding Amount; and

- (iii) where the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation Date and Fully Transferable Obligation Applicable" and "Modified Restructuring Maturity Limitation Date and Conditionally Transferable Obligation Applicable" is specified (or deemed specified) in the Final Terms or is applicable in respect of the applicable Transaction Type and the Scheduled Maturity Date of the Credit-Linked Notes is later than:
- (A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any; or
 - (B) the 2.5 year Limitation Date,

contains a detailed description of at least one Enabling Obligation (if any such Enabling Obligation exists).

The Notice of Physical Settlement shall specify Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) on the Settlement Valuation Date equal to the Reference Entity Notional Amount (or, as applicable, Exercise Amount), subject to any Physical Settlement Adjustment.

The Issuer may, from time to time, deliver to the Calculation Agent in the manner specified above a NOPS Amendment Notice. A NOPS Amendment Notice shall contain a revised detailed description of each Replacement Deliverable Obligation) and shall also specify the Replaced Deliverable Obligation Outstanding Amount). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to the Calculation Agent (given in the manner specified above) prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice.

"Notice of Publicly Available Information" means an irrevocable notice from the Calculation Agent (which may be by telephone) to 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. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both sub-paragraphs (a) and (b) of the definition of "Repudiation/Moratorium". The notice 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 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.

"Notional Credit Derivative Transaction" means, with respect to any Credit-Linked Note and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the Issuer, as Buyer (as defined in the Credit Derivatives Definitions), incorporating the terms of the Credit Derivatives Definitions and under the terms of which:

- (a) the "Trade Date" is the Trade Date, if specified in the Final Terms and if not, the Issue Date;
- (b) the "Scheduled Termination Date" is the Scheduled Maturity Date;
- (c) the "Reference Entit(y)(ies)" thereunder is(are) such Reference Entit(y)(ies); and
- (d) the applicable "Transaction Type" is the Transaction Type for the purposes of such Credit-Linked Note.

"Nth-to-Default CLN" means any First-to-Default CLN or any other nth-to-default Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities, as specified in the Final Terms.

"Obligation" means:

- (a) each obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified in relation to a Reference Entity, as provider of any Qualifying Guarantee) described by the Obligation Category specified in the Final Terms, and having each of the Obligation Characteristics specified in the Final Terms (but excluding any Excluded Obligation), in each case, as of the date of the event which constitutes the Credit

Event which is the subject of the Credit Event Notice or a notice to ISDA which results in the occurrence of the Credit Event Resolution Request Date, as applicable, but excluding any Excluded Obligation;

- (b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and
- (c) any other obligation of a Reference Entity specified as such in the 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 a Reference Entity under one or more Obligations.

"Obligation Category" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in relation to a Reference Entity.

"Obligation Characteristic" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in relation to a Reference Entity.

"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 (howsoever described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"Officer's Certification" means a certificate signed by a director (or other substantively equivalent title) of the Issuer which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

"Original Bonds" means any Bonds comprising part of the relevant Deliverable Obligations.

"Original Loans" means any Loans comprising part of the relevant Deliverable Obligations.

"Outstanding Amount" means the Outstanding Principal Balance or Due and Payable Amount, as applicable.

"Outstanding Principal Balance" means:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof;
- (b) with respect to any Exchangeable Obligation that is not an Accreting Obligation, the outstanding principal balance of such obligation excluding any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable; and
- (c) with respect to any other Obligation, the outstanding principal balance of such Obligation.

"Parallel Auction" means "Auction" as defined in any relevant Parallel Auction Settlement Terms.

"Parallel Auction Cancellation Date" means "Auction Cancellation Date" as defined in any relevant Parallel Auction Settlement Terms.

"Parallel Auction Final Price Determination Date" means the "Auction Final Price Determination Date" as defined in any relevant Parallel Auction Settlement Terms.

"Parallel Auction Settlement Terms" means, in respect of a Credit Event with respect to a Reference Entity, following the occurrence of a Restructuring for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified (or deemed to be specified) in the Final Terms and Credit-Linked Notes, 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 are the same as the Deliverable Obligation Provisions which would be applicable to the Notional Credit Derivative Transaction (but the Permissible Deliverable Obligations are more limited than the Permissible Deliverable Obligations under the Transaction Auction Settlement Terms) and for which the Notional Credit Derivative Transaction would not be an Auction Covered Transaction.

"Partial Cash Settlement Amount" means, where the applicable Settlement Method is Physical Settlement, an amount determined by the Calculation Agent equal to the aggregate, for each Undeliverable Obligation, of:

- (a) the Final Price of such Undeliverable Obligations multiplied by;
- (b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of such Undeliverable Obligation.

"Partial Cash Settlement Date" means, the date falling three CLN Business Days (unless otherwise specified in relation to a Reference Entity) after the calculation of the Final Price.

"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 the amount specified as such the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the applicable Final Terms, U.S.\$ 1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"Permissible Deliverable Obligations" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

"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 Co-operation and Development and has a local currency long term debt rating of either "AAA" or higher assigned to it by S&P, "Aaa" or higher assigned to it by Moody's or "AAA" or higher assigned to it by Fitch Ratings.

"Physical Settlement Adjustment" means a reduction to the Outstanding Amount of Deliverable Obligations specified in a Notice of Physical Settlement, by an amount of Deliverable Obligations having a liquidation value equal to the Unwind Costs (only if positive) rounded upwards to the nearest whole denomination of a Deliverable Obligation, such amount to be determined by the Calculation Agent.

"Physical Settlement Adjustment Rounding Amount" means an amount (if any) equal to the difference between the absolute value of the Physical Settlement Adjustment and the liquidation value of such whole number of Deliverable Obligations as are not required to be Delivered by the Issuer by way of compensation for any Unwind Costs.

"Physical Settlement Date" means the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement as specified in relation to a Reference Entity as the Calculation Agent may designate in its discretion, provided that if the Final Price has not been determined by the CLN Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the first CLN Business Day after the Final Price is determined.

"Physical Settlement Matrix" means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Trade Date (unless otherwise specified in relation to a Reference Entity) and as published by ISDA, currently at <http://www.isda.org>, provided that any reference therein to:

- (a) "Confirmation" shall be deemed to be a reference to the applicable Final Terms;

- (b) "Floating Rate Payer Calculation Amount" shall be deemed to be a reference to the Specified Currency;
- (c) "Section 3.3 of the Definitions" shall be deemed to be a reference to "Credit Event Notice" as defined in this Part 5F;
- (d) "Section 3.9" shall be deemed to be a reference to Credit-Linked Condition 8(a); and
- (e) "Section 8.6" shall be deemed to be a reference to "Physical Settlement Period" as defined in this Part 5F.

"Physical Settlement Period" means, subject to Credit-Linked Condition 2(d), the number of CLN Business Days specified as such in relation to a Reference Entity or, if a number of CLN Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the longest number of CLN Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

"Potential Cash Settlement Event" means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, but excluding markets conditions or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Noteholder to give the Issuer details of accounts for settlement; or a failure of the Noteholder to open or procure the opening of such accounts or if the Noteholders are unable to accept Delivery of the portfolio of Deliverable Obligations for any other reason).

"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 sub paragraph (a) of the definition of "Repudiation/Moratorium".

"Public Source" means each source of Publicly Available Information specified as such in the applicable Final Terms (or, if a source is not so specified in the Final Terms, 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).

"Publicly Available Information" means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice has occurred and which:
 - (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer, the Guarantor (if applicable) or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the issuer, the guarantor of the Obligation (if applicable) or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent, facility agent or agent bank for an Obligation;
 - (ii) is information received from or published by (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent, facility agent or agent bank for an Obligation; or
 - (iii) is information contained in any petition or filing instituting a proceeding described in sub-paragraph (d) of the definition of "Bankruptcy" against or by a Reference Entity; or

- (iv) 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.
- (b) 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 an Obligation and;
 - (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver to the Issuer an Officer's Certification.
- (c) In relation to any information of any type described in sub-paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party disclosing 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 third parties.
- (d) Publicly Available Information need not state:
 - (i) in relation to the definition of "Downstream Affiliate", 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.

"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.

"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 Underlying Obligation on behalf of the Underlying Obligor. Qualifying Guarantees shall exclude any arrangement:

- (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement; or
- (b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered (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.

"Qualifying Participation Seller" means any participation seller that meets the requirements specified in relation to a Reference Entity. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"Quotation" means, in respect of Reference Obligations, Deliverable Obligations and Undeliverable Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five or more CLN Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same CLN Business Day within three CLN Business Days of a Relevant Valuation Date, then on the next following CLN Business Day (and, if necessary, on each CLN Business Day thereafter until the tenth CLN Business Day following the applicable Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more CLN Dealers

and, if two or more Full Quotations are not available, 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 CLN Business Day on or prior to the tenth CLN Business Day following the applicable Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth CLN Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from CLN Dealers at the Valuation Time on such tenth CLN Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation shall be deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

- (b) If:
- (i) "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;
 - (ii) "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and
 - (iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest, all Quotations shall be obtained in accordance with this determination.
- (c) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

"Quotation Amount" means:

- (a) with respect to a Reference Obligation, the amount specified in relation to a Reference Entity (which may be specified by reference to an amount in a currency or by reference to the Representative Amount) or, if no amount is so specified, the Reference Entity Notional Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);
- (b) with respect to each type or issue of Deliverable Obligation to be Delivered on or prior to the Physical Settlement Date, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Deliverable Obligation; and
- (c) with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Undeliverable Obligation.

"Reference Entity" or **"Reference Entities"** means the reference entity or reference entities specified in the Final Terms and any Successor to a Reference Entity either:

- (a) as identified by the Calculation Agent in accordance with the definition of "Successor" on or following the Trade Date; or
- (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has resolved that a Succession Event has occurred, in respect of a Succession Event Resolution Request Date. A Successor in accordance with the Rules shall in each case be a Reference Entity for the Notes, as the terms of which may be modified pursuant to Credit-Linked Condition 6.

"Reference Entity Notional Amount" means the amount in which the Issuer has purchased credit protection in respect of one or more Reference Entities, as set out in the Final Terms.

"Reference Obligation" means:

- (a) the Reference Obligation specified in relation to a Reference Entity; and
- (b) any Substitute Reference Obligation.

"Reference Obligations Only" means any obligation that is a Reference Obligation and no Obligation Characteristics or, as the case may be, Deliverable Obligation Characteristics shall be applicable where Reference Obligations Only applies.

"Relevant Obligations" means:

- (a) subject to sub-paragraph (b) below, 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 the Best Available Information. If the date on which the 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; and
- (b) where "LPN Reference Entity" is applicable to a Reference Entity, each of the obligations listed as a Reference Obligation of such Reference Entity in the relevant "LPN Reference Obligation List" 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, and each Additional Obligation.

"Reference Price" means the percentage specified as such in relation to a Reference Entity or, if a percentage is not so specified, 100 per cent.

"Relevant Valuation Date" means the Settlement Valuation Date, Valuation Date or Undeliverable Valuation Date, as the case may be.

"Replaced Deliverable Obligation Outstanding Amount" means the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced.

"Replacement Deliverable Obligation" means each replacement Deliverable Obligation that the Issuer will, subject to Credit-Linked Condition 4, Deliver to the Noteholders in lieu of each original Deliverable Obligation which has not been Delivered as at the date of such NOPS Amendment Notice.

"Replacement Reference Entity" means an entity selected by the Calculation Agent in its discretion which is incorporated in the same geographical area, has the same Transaction Type as the Legacy Reference Entity and which is of a similar or better credit quality than the Legacy Reference Entity, as measured by Standard & Poor's Ratings Services and/or by Moody's Investors Service Limited, at the date of the relevant Succession Event provided that in selecting any Replacement Reference Entity, the Calculation Agent is under no obligation to the Noteholders, the Issuer or any other person and, provided that the Successor selected meets the criteria specified above, is entitled, and indeed will endeavour, to select the least credit-worthy of the Successors. In making any selection, the Calculation Agent will not be liable to account to the Noteholders, the Issuer or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

"Repudiation/Moratorium" means the occurrence of both of the following events:

- (a) an authorised officer of a Reference Entity or a Governmental Authority:
 - (i) 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

- (ii) 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
- (b) 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 Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix) Tokyo time)):

- (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of:
 - (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium; and
 - (ii) 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
- (b) 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.

"Resolve" has the meaning given to that term in the Rules, and **"Resolved"**, **"Resolves"** and **"Resolution"** shall be interpreted accordingly.

"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:

- (a) that, 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 the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of such 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 Credit Event Backstop 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 a Permitted Currency.
- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
 - (i) the payment in euros of interest or principal in relation to an 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 on the Functioning of the European Union;

- (ii) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) (inclusive) 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 (i) to (v) (inclusive) 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 (a) and (b) above and Credit-Linked Condition 8(d), 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 relation to a Reference Entity, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) above shall continue to refer to the Reference Entity.

"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 Exercise Date" means the date that is 65 Business Days following the Final List Publication Date.

"Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date 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 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 is later than:

- (a) either:
 - (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.

"Revised Currency Rate" means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either:

- (a) by reference to the Currency Rate Source as at the Next Currency Fixing time; or
- (b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner after consultation with the parties.

"Rules" means the Credit Derivatives Determinations Committee Rules, as 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.

"Scheduled Maturity Date" means the date specified as such in the applicable Final Terms which shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the applicable Final Terms.

"Senior Obligation" means, for the purposes of the definitions of "Subordination" and "Subordinated Obligation", an obligation of the Reference Entity to which the Subordinated Obligation is being compared.

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

"Settlement Method" means the settlement method specified as such in the Final Terms and if no Settlement Method is specified in the Final Terms, Auction Settlement.

"Settlement Valuation Date" means the date being three CLN Business Days prior to the Delivery Date provided that if a Notice of Physical Settlement is given or, as the case may be, changed at any time after the third CLN Business Day prior to the Physical Settlement Date, the Settlement Valuation Date shall be the date which is three CLN Business Days after such Notice of Physical Settlement is given.

"Single Reference Entity CLN" means Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only 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 relation to a Reference Entity,

and, subject as set out in the definition of "Deliverable Obligation Category", having each of the Deliverable Obligation Characteristics, if any, specified in the 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.

"Specified Currency" means, for the purposes of determining compliance with the Obligations Characteristics and Deliverable Obligation Characteristics only an obligation that is payable in the currency or currencies specified as such in relation to a Reference Entity (or, if Specified Currency is specified in the Final Terms and no currency is so specified, any of the Standard Specified Currencies).

"Standard Specified Currencies" means the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies.

"Subordinated Obligation" means, for the purposes of the definitions of "Subordination" and "Senior Obligation", an obligation of the Reference Entity which is being compared to such Senior Obligation.

"Subordination" means, with respect to a Subordinated Obligation and a Senior Obligation, a contractual, trust or other similar arrangement providing that (a) 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 (b) 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" means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in relation to a Reference Entity, 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 a 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 such 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 a 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:
 - (i) ranks pari passu (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligations and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date);
 - (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Credit-Linked Notes; and
 - (iii) 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 relation to a Reference Entity, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If:

- (i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or
 - (ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to the Credit-Linked Notes, any of the events set forth under (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date.
- (f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

"**succeed**" for the purposes of the provisions relating to the determination of Successor and the definitions of "Successor" and "Succession Event", means, 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 clause (a) of 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 an 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 (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)).

"**Succession Event Backstop Date**" means:

- (a) for purposes of any event that constitutes a Succession Event in relation to the Reference Entity, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or
- (b) otherwise, the date that is 90 calendar days prior to the earlier of:
 - (i) the date on which the Issuer determines that a Succession Event has occurred; and
 - (ii) the Succession Event Resolution Request Date, if:

- (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules;
- (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters; and
- (C) the Issuer and/or the Calculation Agent determines, not more than fifteen CLN Business Days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, that a Succession Event has occurred.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless the parties specify in the Final Terms that the Succession Event Backstop Date will be adjusted in accordance with a specified Business Day Convention.

"Succession 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:

- (a) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred:
 - (i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event; or
 - (ii) with respect to a Reference Entity that is a Sovereign, 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 date on which such notice is effective.

"Successor" means in relation to any Reference Entity, each Successor that ISDA has publicly announced, including prior to the Trade Date, that the relevant Credit Derivatives Determinations Committee has Resolved is a Successor to the original Reference Entity pursuant to a Succession Event that occurred on or following the Succession Event Backstop Date in accordance with the Rules; or if no Successor has been identified by a Credit Derivatives Determinations Committee:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set out below:
 - (i) if one entity directly or indirectly succeeds to 75 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 in respect of the relevant Reference Entity;
 - (ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor in respect of the relevant Reference Entity;
 - (iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor;
 - (iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 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;

- (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 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor; and
 - (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 25 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.
- (b) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (a) above, 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 14 calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set out in (a)(i) to (vi) (inclusive) above have been met, or which entity qualifies under (a)(vi) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set out in (a) 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 the matters described in sub-paragraph (a) above and sub-paragraphs (a) and (b) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor); or
- (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of any Hedge Transaction has occurred.

In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under sub-paragraph (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 and shall notify the parties of such calculation, 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 and shall notify the Issuer and the Noteholders of such calculation.

"Supranational Organisation" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the 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 the European Bank for Reconstruction and Development.

"Surviving Reference Entity" has the meaning given to such term in Credit-Linked Condition (6)(b)(ii) above.

"Trade Date" means the date specified as such in the applicable Final Terms.

"Transaction Auction Settlement Terms" means, in respect of any Reference Entity and a related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA in respect of such Credit Event and in respect of which the Notional Credit Derivative Transaction would be an Auction Covered Transaction.

"Transaction Type" means, unless otherwise specified in the Final Terms, each "Transaction Type" specified as such in the Physical Settlement Matrix from time to time.

"Transferable" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall 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,

and, if specified as applicable to a Deliverable Obligation Category, the Transferable Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are not Loans.

"Undeliverable Obligation" means a Deliverable Obligation included in the Notice of Physical Settlement which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure by the Noteholder to deliver an Asset Transfer Notice, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Physical Settlement Date.

"Undeliverable Valuation Date" means the date that is five CLN Business Days after the Latest Permissible Physical Settlement Date or, as applicable, the Extended Physical Settlement Date.

"Underlying Finance Instrument" means where the LPN Issuer provides finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument.

"Underlying Loan" means where the LPN Issuer provides a loan to the Reference Entity.

"Underlying Obligation" means an obligation in respect of which the Reference Entity has agreed to pay all the amounts due thereunder.

"Underlying Obligor" means, the party which is the actual obligor of an Underlying Obligation.

"Unwind Costs" means the amount specified in the applicable Final Terms or if **"Standard Unwind Costs"** are specified in the applicable Final Terms (or in the absence of any such specification), an amount, subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Credit-Linked Notes and the related termination, settlement or re-establishment of any Hedge Transaction, such amount to be apportioned pro rata amongst the nominal amount of each Credit-Linked Note equal to the Calculation Amount set out in the applicable Final Terms.

"Valuation Date" means:

- (a) any CLN Business Day falling between the 55th and the 122nd CLN Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later CLN Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or
- (b) if "Cash Settlement" is applicable as a Fallback Settlement Method, any CLN Business Day falling between the 55th and the 122nd CLN Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later CLN Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or
- (c) if Partial Cash Settlement applies, the date which is up to fifteen CLN Business Days after the Latest Permissible Physical Settlement Date or, as applicable the Extended Physical Settlement Date (as selected by the Calculation Agent in its sole and absolute discretion).

"Valuation Obligation" means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit-Linked Conditions, one or more obligations of such Reference Entity (either directly or as provider of a Qualifying Guarantee or, as the case may be, Qualifying Affiliate Guarantee), which would constitute a "Deliverable Obligation" if Physical Settlement were the

applicable Settlement Method as selected by the Issuer in its sole and absolute discretion on the applicable Valuation Date, provided that, for such purpose:

- (a) any reference to the words "Delivery Date" in the definitions of "Conditionally Transferable Obligation", "Deliverable Obligation", within any of the terms comprising "Deliverable Obligation Category" or "Deliverable Obligation Characteristic" and "Due and Payable Amount" shall be deemed to be a reference to the words "Relevant Valuation Date";
- (b) the deletion of the words "being Delivered" in the definition of "Deliverable Obligation"; and
- (c) the deletion of the whole of the second paragraph within the definition of "Not Contingent" and replacing it with the following:

"If an Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Obligation may only be included in the Valuation Obligations Portfolio if the rights referred to in clauses (i) and (ii) above have not been exercised (or such exercise has been effectively rescinded) on or before the Relevant Valuation Date."

For the avoidance of doubt, the use of Deliverable Obligation terms in the definition of "Valuation Obligation" is for convenience only and is not intended to amend the selected settlement method.

"Valuation Obligations Portfolio" means one or more Valuation Obligations of a Reference Entity selected by the Calculation Agent in its discretion, each in an Outstanding Principal Balance selected by the Calculation Agent in its sole and absolute discretion provided that the aggregate of such Outstanding Principal Balances (or in each case the equivalent in the Specified Currency thereof (converted at the foreign exchange rate prevailing on any date from (and including) the Event Determination Date to (and including) the Valuation Date, as selected by the Calculation Agent in its sole and absolute discretion)), shall not exceed the relevant Reference Entity Notional Amount.

"Valuation Time" means the time specified in relation to a Reference Entity or, if no time is so specified, 11.00 a.m. in the principal trading market for the relevant Valuation Obligation or Undeliverable Obligation, as the case may be.

"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.

"Weighted Average Final Price" means the weighted average of the Final Prices determined for each selected Valuation Obligation in the Valuation Obligations Portfolio, weighted by the Currency Amount of each such Valuation Obligation (or its equivalent in the Settlement Currency, converted by the Calculation Agent, in a commercially reasonable manner, by reference to exchange rates in effect at the time of such determination).

"Weighted Average Quotation" means, in accordance with the bid quotations provided by the CLN Dealers, the weighted average of firm quotations obtained from the CLN Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation, Deliverable Obligation or Undeliverable Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (in the case of Deliverable Obligations only, but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

ANNEX TO PART 5F: CREDIT-LINKED NOTES

AUCTION SETTLEMENT TERMS ANNEX

If an Event Determination Date occurs with respect to the Credit-Linked Notes and Auction Settlement applies, the Settlement Amount with respect to the Credit-Linked Notes may be calculated based on the Auction Final Price for the Reference Entity (if any). This Annex contains a summary of certain provisions of the Form of Credit Derivatives Auction Settlement Terms set forth at Annex B to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions, published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") on 12 March 2009 (the "**Form of Auction Settlement Terms**") and is qualified by reference to the detailed provisions thereof and is subject to amendment from time to time in accordance with the Rules, including any amendment following the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement dated 14 July 2009, as published by ISDA (the "**July 2009 Supplement**"). The July 2009 Supplement extended the auction hardwiring process to Restructuring credit events. Following a Restructuring credit event, more than one auction may be held and there may be more than one Auction Final Price and credit default swaps are grouped into buckets by maturity and depending on which party triggers the credit default swap. Deliverable obligations will be identified for each bucket (any deliverable obligations included in a shorter bucket will also be deliverable for all longer buckets). If the Credit Derivatives Determinations Committee determines to hold an auction for a particular bucket, then that auction will be held according to the existing auction methodology that has previously been used for Bankruptcy and Failure to Pay credit events as described in the summary below, except that the deliverable obligations will be limited to those falling within the relevant maturity bucket.

The following does not purport to be a complete summary and prospective investors must refer to the Form of Auction Settlement Terms for detailed information regarding the auction methodology set forth therein (the "**Auction Methodology**"). The Auction and the Auction Methodology apply to credit default swaps on the Reference Entity and do not apply specifically to the Credit-Linked Notes. A copy of the Form of Auction Settlement Terms may be inspected at the offices of the Issuer and is also currently available at www.isda.org.

Noteholders should be aware that this summary of the Form of Auction Settlement Terms is accurate only as of the date hereof and the Form of Auction Settlement Terms may be amended from time to time without consultation with Noteholders. At any time after the date hereof, the latest Form of Auction Settlement Terms will be available on the ISDA website at www.isda.org (or any successor website thereto). Further, notwithstanding the fact that the Form of Auction Settlement Terms (as may be amended from time to time) appears on the ISDA website, Noteholders should note that the Credit Derivatives Determinations Committees have the power to amend the form of Credit Derivatives Auction Settlement Terms for a particular auction and that this summary may therefore not be accurate in all cases.

Capitalized terms used but not defined in this summary have the meaning specified in the Rules and the Form of Auction Settlement Terms. All times of day in this summary refer to such times in London.

Publication of Credit Derivatives Auction Settlement Terms

Pursuant to the Credit Derivatives Determinations Committees Rules set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on March 12, 2009) (the "**Rules**"), a Credit Derivatives Determinations Committee may determine that a Credit Event has occurred in respect of a Reference Entity (such entity, an "**Affected Reference Entity**") and that one or more auctions will be held in order to settle affected transactions referencing such Affected Reference Entity based upon an Auction Final Price determined in accordance with an auction procedure as set forth in the Form of Auction Settlement Terms (each, an "**Auction**"). If an Auction is to be held, the Credit Derivatives Determinations Committee will publish Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, based upon the Form of Auction Settlement Terms. In doing so, the Credit Derivatives Determinations Committee will make several related determinations, including the date on which the Auction will be held (the "**Auction Date**"), the institutions that will act as participating bidders in the Auction (the "**Participating Bidders**") and the supplemental terms that are detailed in Schedule 1 to the Form of Auction Settlement Terms. The Credit Derivatives Determinations Committee may also amend the Form of Auction Settlement Terms for a particular auction and may determine that a public comment period is necessary in order to effect such an amendment if such amendment is not contemplated by the Rules.

Auction Methodology

Determining the Auction Currency Rate

On the Auction Currency Fixing Date, the Administrators will determine the rate of conversion (each, an "**Auction Currency Rate**") as between the Relevant Currency and the currency of denomination of each Deliverable Obligation (each, a "**Relevant Pairing**") by reference to a Currency Rate Source or, if such Currency Rate Source is unavailable, by seeking mid-market rates of conversion from Participating Bidders (determined by each such Participating Bidder in a commercially reasonable manner) for each such Relevant Pairing. If rates of conversion are sought from Participating Bidders and more than three such rates are obtained by the Administrators, the Auction Currency Rate will be the arithmetic mean of such rates, without regard to the rates having the highest and lowest values. If exactly three rates are obtained, the Auction Currency Rate will be the rate remaining after disregarding the rates having the highest and lowest values. For this purpose, if more than one rate has the same highest or lowest value, then one of such rates shall be disregarded. If fewer than three rates are obtained, it will be deemed that the Auction Currency Rate cannot be determined for such Relevant Pairing.

Initial Bidding Period

During the Initial Bidding Period, Participating Bidders will submit to the Administrators: (a) Initial Market Bids; (b) Initial Market Offers; (c) Dealer Physical Settlement Requests; and (d) Customer Physical Settlement Requests (to the extent received from customers).

Initial Market Bids and Initial Market Offers are firm quotations, expressed as percentages, to enter into credit derivative transactions in respect of the Affected Reference Entity on terms equivalent to the Representative Auction-Settled Transaction.

The Initial Market Bid and Initial Market Offer submitted by each Participating Bidder must differ by no more than the designated Maximum Initial Market Bid-Offer Spread and must be an integral multiple of the Relevant Pricing Increment (each as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity). The Initial Market Bid must be less than the Initial Market Offer.

Dealer Physical Settlement Requests and Customer Physical Settlement Requests are firm commitments, submitted by a Participating Bidder, on its own behalf or on behalf of a customer, as applicable, to enter into a Representative Auction-Settled Transaction, in each case, as seller (in which case, such commitment will be a "**Physical Settlement Buy Request**") or as buyer (in which case, such commitment will be a "**Physical Settlement Sell Request**"). Each Dealer Physical Settlement Request must be, to the best of such Participating Bidder's knowledge and belief, in the same direction as, and not in excess of, its Market Position. Each Customer Physical Settlement Request must be, to the best of the relevant customer's knowledge and belief (aggregated with all Customer Physical Settlement Requests submitted by such customer), in the same direction as, and not in excess of, its Market Position.

If the Administrators do not receive valid Initial Market Bids and Initial Market Offers from at least a minimum number of Participating Bidders (as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity), the timeline will be adjusted and the Initial Bidding Period extended, with the Auction recommencing at such time(s) specified by the Administrators, otherwise it will proceed as follows.

Determination of Open Interest, Initial Market Midpoint and Adjustment Amounts

The Administrators will calculate the Open Interest, the Initial Market Midpoint and any Adjustment Amounts in respect of the Auction.

The Open Interest is the difference between all Physical Settlement Sell Requests and all Physical Settlement Buy Requests.

To determine the Initial Market Midpoint, the Administrators will: (a) sort the Initial Market Bids in descending order and the Initial Market Offers in ascending order, identifying non-tradeable markets for which bids are lower than offers; (b) sort non-tradeable markets in terms of tightness of spread between Initial Market Bid and Initial Market Offer; and (c) identify that half of the non-tradeable markets with the tightest spreads. The Initial Market Midpoint is determined as the arithmetic mean of the Initial Market Bids and Initial Market Offers contained in the half of non-tradeable markets with the tightest spreads.

Any Participating Bidder whose Initial Market Bid or Initial Market Offer forms part of a tradeable market will be required to make a payment to ISDA on the third Business Day after the Auction Final Price Determination Date (an "**Adjustment Amount**"), calculated in accordance with the Auction Methodology. Any payments of Adjustment Amounts shall be used by ISDA to defray any costs related to any auction that ISDA has coordinated, or that ISDA will in the future coordinate, for purposes of settlement of credit derivative transactions.

If for any reason no single Initial Market Midpoint can be determined, the procedure set out above may be repeated.

At or prior to the Initial Bidding Information Publication Time on any day on which the Initial Bidding Period has successfully concluded, the Administrators publish the Open Interest, the Initial Market Midpoint and the details of any Adjustment Amounts in respect of the Auction.

If the Open Interest is zero, the Auction Final Price will be the Initial Market Midpoint.

Submission of Limit Order Submissions

In the event that the Open Interest does not equal zero, a subsequent bidding period will be commenced during the Initial Bidding Period which: (a) if the Open Interest is an offer to sell Deliverable Obligations, Participating Bidders submit Limit Bids; or (b) if the Open Interest is a bid to purchase Deliverable Obligations, Limit Offers, in each case, on behalf of customers and for their own account.

Matching bids and offers

If the Open Interest is a bid to purchase Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Offers and Limit Offers, as further described in the Auction Methodology. If the Open Interest is an offer to sell Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Bids and Limit Bids, as further described in the Auction Methodology.

(a) Auction Final Price when the Open Interest is Filled

The Auction Final Price will be the price associated with the matched Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, that is the highest offer or the lowest bid, as applicable, provided that: (a) if the Open Interest is an offer to sell and the price associated with the lowest matched bid exceeds the Initial Market Midpoint by more than the "Cap Amount" (being the percentage that is equal to one half of the Maximum Initial Market Bid-Offer Spread (rounded to the nearest Relevant Pricing Increment)), then the Auction Final Price will be the Initial Market Midpoint plus the Cap Amount; and (b) if the Open Interest is a bid to purchase and the Initial Market Midpoint exceeds the price associated with the highest offer by more than the Cap Amount, then the Auction Final Price will be the Initial Market Midpoint minus the Cap Amount.

(b) Auction Final Price when the Open Interest is Not Filled

If, once all the Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, have been matched to the Open Interest, part of the Open Interest remains, the Auction Final Price will be: (a) if the Open Interest is a bid to purchase Deliverable Obligations, the greater of (i) zero, and (ii) the highest Limit Offer or Initial Market Offer received; or (b) if the Open Interest is an offer to sell Deliverable Obligations, zero.

100 per cent. Cap to Auction Final Price

In all cases, if the Auction Final Price determined pursuant to the Auction Methodology is greater than 100 per cent., then the Auction Final Price will be deemed to be 100 per cent.

Publication of Auction Final Price

At or prior to the Subsequent Bidding Information Publication Time on any day on which the subsequent bidding period has successfully concluded, the Administrators will publish on their websites: (a) the Auction Final Price; (b) the names of the Participating Bidders who submitted bids, offers, valid Dealer Physical Settlement Requests and valid Customer Physical

Settlement Requests, together with the details of all such bids and offers submitted by each; and (c) the details and size of all matched trades.

Execution of Trades Formed in the Auction

Each Participating Bidder whose Limit Bid or Initial Market Bid (or Limit Offer or Initial Market Offer if applicable) is matched against the Open Interest, and each Participating Bidder that submitted a Customer Physical Settlement Request or Dealer Physical Settlement Request, is deemed to have entered into a Representative Auction-Settled Transaction, and each customer that submitted such a Limit Bid, Limit Offer, or Physical Settlement Request is deemed to have entered into a Representative Auction-Settled Transaction with the dealer through whom the customer submitted such bid or offer. Accordingly, each such Participating Bidder or customer that is a seller of Deliverable Obligations pursuant to a trade formed in the auction must deliver to the buyer to whom such Participating Bidder or customer has been matched a Notice of Physical Settlement indicating the Deliverable Obligations that it will deliver, and such Deliverable Obligations will be sold to the buyer in exchange for payment of the Auction Final Price.

Timing of Auction Settlement Provisions

If an Auction is held in respect of an Affected Reference Entity, it is expected that the relevant Auction Date will occur on the third Business Day immediately prior to the 30th calendar day after which the relevant Credit Derivatives Determinations Committee received the request from an eligible market participant (endorsed by a member of the relevant Credit Derivatives Determinations Committee) to resolve whether a Credit Event has occurred with respect to such Reference Entity.

In respect of an Affected Reference Entity for which an Auction is held, the Auction Settlement Date will occur on a Business Day following the Auction Final Price Determination Date, as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

AMENDED FORM OF FINAL TERMS

This Supplement amends and restates the "Form of Final Terms" set out on pages 297 to 325 of the Base Prospectus as follows:

FORM OF FINAL TERMS

Final Terms dated [•]

[FORTIS BANK NV/SA

(incorporated as a public company with limited liability (naamloze vennootschap/société anonyme) under the laws of Belgium, having its registered office in Montagne du Parc 3, B-1000 Brussels, and registered with the register of legal entities of Brussels under enterprise No. 0403.199.702]

[BNP PARIBAS FORTIS FUNDING

(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under No. B 24.784)]

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
[Guaranteed by FORTIS BANK NV/SA]
under the EUR 30,000,000,000
Euro Medium Term Note Programme**

[[[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 43 of Part A below, provided such person is one of the persons mentioned in Paragraph 39 of Part A below and that such offer is made during the Offer Period specified for such purposes therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]¹.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligations arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]^{2]]³}

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 17 June 2010 [and the supplement[s] to the Base Prospectus dated 26 October 2010 [and [•]]] which [together] constitute[s] a

¹ Include this legend where a non-exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated.

² Include this legend where only an exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated

³ Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented] (together, the “**Base Prospectus**”).

[Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus⁴] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange (www.bourse.lu)] and copies may be obtained from BNP Paribas Fortis Funding at [65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg] and Fortis Bank NV/SA at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, BNP Paribas Securities Services, Luxembourg Branch at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands and Citibank, N.A. at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

The applicable Final Terms (in the case of Notes listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange (“**Luxembourg Regulated Market**”)) will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Principal Paying Agent and Luxembourg Paying Agent at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg. [Copies of the applicable Final Terms (in the case of Notes listed and admitted to trading on Euronext Paris S.A., which is the regulated market of [•] (the “**French Regulated Market**”)) may be obtained from the registered office of [•] as [•] at [•].⁵⁶

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 [date] Conditions (the “**Conditions**”) incorporated by reference in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [•]]. This document contains the Final Terms of the Notes 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 [current date] [and the supplement to the Base Prospectus dated [•]] (together, the “**Base Prospectus**”) which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive.

[Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus⁴] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange (www.bourse.lu)] and copies may be obtained from BNP Paribas Fortis Funding at [65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg,] Grand Duchy of Luxembourg and Fortis Bank NV/SA at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, BNP Paribas Securities Services, Luxembourg Branch at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands and Citibank, N.A. at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

The applicable Final Terms (in the case of Notes listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange (“**Luxembourg Regulated Market**”)) will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Principal Paying Agent and Luxembourg Paying Agent at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg. Copies of the applicable Final Terms (in the case of Notes listed and admitted to trading on Euronext Paris S.A., which is the regulated market of [•] (the “**French Regulated Market**”)) may be obtained from the registered office of [•] as [•] at [•].⁷

These Final Terms do not constitute, and may not be used for the purposes of, 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, and no action is being taken to permit an offering of the Notes or the distribution of these Final Terms in any jurisdiction where such action is required.

⁴ Only include details of a supplement to the Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

⁵ Complete if applicable.

⁶ Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

⁷ Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors included in the Base Prospectus and any complementary risk considerations included in these Final Terms prior to investing in the Notes. Each prospective investor should also carefully consider the tax considerations relating to the Notes included in the Base Prospectus and any other up-to-date tax considerations that would be relevant for such prospective investor.

Moreover, prospective investors and purchasers of Notes must inform themselves about all the relevant applicable and up-to-date restrictions, including but not limited to, selling and transfer restrictions relating to the Notes, prior to investing in the Notes.

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, prospective investors should consult a specialised financial advisor or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on its own independent review of the information included in the Base Prospectus and in this Final Terms.

[Risk Warning⁸

Investment in the Notes is directed at sophisticated investors who are conversant with the considerable risks involved in credit derivatives, who are willing to assume such risks, and who can absorb a partial or complete loss of principal and interest. The Notes carry various risks including, without limitation, the insolvency risk of the Issuer [and the Guarantor] and the insolvency, payment default and credit risk of the Reference [Entity/Entities]. There may be little or no secondary market for the Notes.

If a Credit Event occurs, the principal amount of the Notes will be reduced in accordance with the provisions hereof. Accordingly, the amount payable to investors on redemption may be substantially less than the initial principal amount of the Notes, and may even be zero. Consequently, you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms or 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.]

Unless stated otherwise, include all the items listed in Part A — Contractual Terms of these Final Terms in connection with all Notes.

- | | | |
|----|-------------------------|---|
| 1. | [(i) Issuer: | Fortis Bank NV/SA/BNP Paribas Fortis Funding |
| | [(ii) Guarantor: | Fortis Bank NV/SA] |
| 2. | [(i) Series Number: | [•] |
| | [(ii) Tranche Number: | [•] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]</i> |
| 3. | Currency or Currencies: | [•] [(being equivalent of [•] Units)] |
| 4. | Form: | [Bearer Notes][Exchangeable Bearer Notes][Registered Notes] |
| 5. | Principal Amount: | |
| | [(i) Series: | [•] |
| | [(ii) Tranche: | [•] |

⁸ to be inserted in the case of an issuance of Credit-Linked Notes.

6. Issue Price: [•] per cent. of the Principal Amount of Tranche [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
7. Specified Denominations and Units:
- [(i)] Specified Denomination(s): [•]
- (Notes issued by Fortis Bank under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms “regulated market” and “offer to the public” are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency)*
- [EUR 50,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 99,000. No notes in definitive form will be issued with a denomination above EUR 99,000.]*
- [(ii)] Calculation Amount: [•]
- [The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations, the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).]*
- [(iii)] Trading in Units: [Applicable/Not Applicable]
- [If Trading in Units is specified as being Applicable then the Notes will be tradeable (only whilst such Notes are in global form and interests therein are reflected in the records of the relevant clearing systems) by reference to the number of Notes being traded (each having the Specified Denomination) as opposed to the aggregate principal amount of Notes being traded. [Trading in Units may only be specified as being Applicable if the Notes have a single Specified Denomination.]]*
- [(iv)] Minimum Trading Size: [specify]]
8. [(i)] Issue Date: [•]
- [(ii)] Interest Commencement Date: [•]
9. Maturity Date: [•], [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention for which the Relevant Business Day(s) [is/are] [specify cities]]/[The Interest Payment Date falling in or nearest to [specify month and year]] [subject as provided in Part 5 – "Credit Linked Notes"] (include for Credit Linked Notes).
- [The Notes are Junior Subordinated Notes and accordingly have no Maturity Date]
- [If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or*

(b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]

10. Interest Basis: [Not Applicable]
 [[•] per cent. Fixed Rate]
 [[specify reference rate] +/-
 [•] per cent. Floating Rate]
 [Zero Coupon]
 [Variable Coupon Amount]
 [Index-Linked Interest]
 [Equity-Linked Interest]
 [Fund-Linked Interest]
 [Non Interest Bearing]
 [specify other]
 (further particulars specified below)
11. Redemption Amount: [Principal Amount]
 [Index-Linked Redemption]
 [Equity-Linked Redemption]
 [Credit-Linked Redemption]
 [Variable-Linked Redemption]
 [specify other]
 (further particulars specified below)
12. Change of Interest or Redemption Amount: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
13. Terms of redemption at the option of the [•]
 Issuer/Noteholders or other
 Issuer’s/Noteholders’ option: [(further particulars specified below)]
14. [(i)] Status of the Notes: [Senior/Senior Subordinated/Junior Subordinated]⁹
 [(ii)] Status of the Guarantee: [Senior/Senior Subordinated/Junior Subordinated/Not applicable]¹⁰

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
 [If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Interest Rate[s]: [•] per cent. per annum [payable
 [annually/semiannually/quarterly/monthly] in arrear]
 [Subject to adjustment in accordance with the [name of applicable Business Day Convention] for which the Relevant Business Day is [] or [Not subject to adjustment]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of “Business Day”]/not adjusted]

⁹ In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by BP2F) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.

¹⁰ Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee (delete accordingly where the Issuer is Fortis Bank NV/SA:.) Date of [BNP Paribas Fortis Funding’s Board and Guarantor’s Fortis Bank NV/SA’s Management Committee approval for issuance of Notes [and Guarantee] obtained: [•] [and [•], respectively]

- (iii) Interest Period Dates: [•]
- (iv) Fixed Coupon Amount[(s)]: [•] per Calculation Amount [*Do not specify a Fixed Coupon Amount for Credit-Linked Notes*]
- (v) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (vi) Day Count Fraction: [30/360/Actual/Actual (ICMA)/other]
- (vii) Other terms relating to the method of calculating interest for Fixed Interest Rate Notes: [Not Applicable/give details]

16. Floating Rate Note Provisions

[Applicable/Not Applicable]

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

- (i) Interest Payment Date(s): [•]
- (ii) Interest Accrual Period: [•]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (iv) Additional Business Centre(s): [*Specify/Not Applicable*] [*Note that this item relates to the definition of "Relevant Business Day" (Condition 4(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 4(b)).*]
- (v) Reference Banks: [*specify four*]
- (vi) Spread (if applicable): [•] per cent. per annum
- (vii) Spread Multiplier (if applicable): [•]
- (viii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]): [•]
- (ix) Relevant Time (if applicable): [•]
- (x) Screen Rate Determination:
 - Benchmark: [EURO BBA LIBOR, EURIBOR or other benchmark]
 - Interest Determination Date(s): [[•] Business Days in [*specify city*] prior to] [the first day in each Interest Period/each Interest Payment Date]

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

 - Relevant Screen Page: [•]
 - [For example, *Reuters LIBOR 01/EURIBOR 01*]
 - Relevant Financial Centre: [•]
 - [For example, *London/Euro-zone (where Euro-zone means the region comprised of countries whose lawful currency is the euro)*]

- (xi) ISDA Determination:
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (xii) Minimum Interest Rate: [[•] per cent. per annum]/[Not Applicable]
- (xiii) Maximum Interest Rate: [[•] per cent. per annum]/[Not Applicable]
- (xiv) Day Count Fraction: [•]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]

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

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

- (i) *Amortisation Yield (Zero Coupon/High Interest/Low Interest Note):* [•] per cent. per annum
- (ii) Reference Price (Zero Coupon/High Interest/Low Interest Note): [•]
- (iii) Any other formula/basis of determining amount payable: [•]

18. **Index-Linked Interest Note/Equity-Linked Interest Note/Fund-Linked Note/other interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Index/Shares/Fund variable: Interest/formula/other [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [•]
- (iii) Provisions for determining coupon where calculated by reference to Index/Shares/Fund Interest/formula and/or other variable: [•]
- (iv) Interest Determination Date(s): [•]
 [Subject to adjustment in accordance with the *[name of applicable Business Day Convention]* for which the Relevant Business Day is [] or [Not subject to adjustment]
- (v) Provisions for determining Coupon where calculation by reference to Index/Shares/Fund Interest/formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]

[Need to include a description of market disruption or settlement]

disruption events and adjustment provision]

- (vi) Interest or Calculation Period Dates/Interest [•]
Payment Dates: [Subject to adjustment in accordance with the *[name of applicable Business Day Convention]* for which the Relevant Business Day is [] or [Not subject to adjustment]
- (vii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (viii) Additional Business Centre(s): [*specify/Not Applicable*]
[*Note that this item relates to the definition of “Relevant Business Day” (Condition 4(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 4(b)).*]
- (ix) Minimum Interest Rate: [[•] per cent. per annum]/[Not Applicable]]
- (x) Maximum Interest Rate: [[•] per cent. per annum]/[Not Applicable]]
- (xi) Day Count Fraction: [•]
- (xii) Description of any market disruption or [•]
settlement disruption events that affect the
underlying:

PROVISIONS RELATING TO REDEMPTION

19. Redemption at the option of the Issuer or other Issuer’s option [Applicable/Not Applicable]

[In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by BP2F) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (i) Issuer’s Option Period: [•]
[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]
- (ii) Redemption Amount(s) of each Note and [•] per Calculation Amount *[For Credit-Linked Notes, specify method, if any, of calculation of such "Principal Amount Outstanding" unless the Redemption Amount is to be determined in accordance with another method]*
- (iii) If redeemable in part: [Applicable/Not Applicable]
— minimum redemption amount: [•] per Calculation Amount
— maximum redemption amount: [•] per Calculation Amount

20. Redemption at the option of the Noteholder or other Noteholder’s option [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*

- (i) Noteholder's Option Period: [•]
[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]
- (ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount

21. Final Redemption Amount of each Note

[[•] per Calculation Amount]/[Par]/[Other]]

[For Credit-Linked Notes, specify "Principal Amount Outstanding on the date fixed for redemption, after any adjustment thereto on such date." Or cross-refer to Part 5 and the provisions of Paragraph 38 below.]

In cases where the Final Redemption Amount is linked to an index, shares, fund interests, formula or other variable-linked:

- (i) Index/Shares/Fund variable: Units/formula/other *[Indicate, inter alia, the ISIN and the exchanges (if any) on which the underlying(s) is (are) listed. If Business Days is to be defined with respect to countries on whose exchanges the underlying(s) is(are) listed, indicate all countries to be taken into account for the purposes of figuring out the Determination Date and other relevant dates.]*
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount *[give or annex details]*
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index/Shares/Fund Interests/formula and/or other variable: [•]
- [(iv) Determination Date(s): [•]]
 Subject to adjustment in accordance with the *[name of applicable Business Day Convention]* for which the Relevant Business Day is [] or [Not subject to adjustment]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index/Shares/Fund Interests/formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) Payment Date: [•]
 Subject to adjustment in accordance with the *[name of applicable Business Day Convention]* for which the Relevant Business Day is [] or [Not subject to adjustment]
- (vii) Minimum Final Redemption Amount: [[•] per Calculation Amount/Not Applicable]
- (viii) Maximum Final Redemption Amount: [[•] per Calculation Amount/Not Applicable]

22. Redemption Amount

- (i) Early redemption for taxation reasons and method of calculating the same (if required or if *[Applicable/Not Applicable/As per Conditions]*)

different from that set out in the Conditions):

[(If not applicable delete the remaining sub-paragraphs of this paragraph) and insert "do not apply" in paragraph 33 (Taxation)]

(a) Redemption Amount of each Note payable on redemption:

[specify amount/Not Applicable/The Early Redemption Amount shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) based on the market value of the Notes as determined by the Calculation Agent and by deducting the cost to the Issuer of unwinding any contractual or swap arrangements/As per Conditions/Not Applicable]

[For Credit-Linked Notes, specify "Principal Amount Outstanding" unless the Redemption Amount is to be determined in accordance with another method]

(b) Method of calculating (if required or if different from that set out in the Conditions):

[Applicable/Not Applicable/As per Conditions] [The Issuer will not pay any additional amount in case of tax changes.] [specify other method/arrangements]

(ii) Early redemption on event of default and method of calculating the same (if required or if different from that set out in the Conditions):

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

(a) Redemption Amount of each Note payable on redemption:

[specify amount/Not Applicable/The Redemption Amount of any Note shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) based on the market value of the Notes as determined by the Calculation Agent and by deducting the cost to the Issuer of unwinding any contractual or swap arrangements/As per Conditions]

(b) Method of calculating (if required or if different from that set out in the Conditions):

[Applicable/Not Applicable/As per Conditions]

[specify other method/arrangements]

(iii) Early redemption for other reasons (specify) and/or the method of calculating the same (if required or if different from that set out in the Conditions):

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

(a) Redemption Amount of each Note payable on redemption:

[Applicable/Not Applicable] [specify amount]

(b) Method of calculating (if required or if different from that set out in the Conditions):

[Applicable/Not Applicable] [specify method/arrangements]

23. Instalment Date(s) (if applicable):

24. Instalment Amount(s) (if applicable):

25. Unmatured Coupons to become void upon early redemption:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes (other than Notes cleared

through Euroclear Nederland) in the limited circumstances specified in the Permanent Global Note.]

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

[Permanent Global Note exchangeable for Definitive Notes (other than Notes cleared through Euroclear Nederland) in the limited circumstances specified in the Permanent Global Note]. *[Insert this option for Notes issued by Fortis Bank NV/SA and cleared through the X/N System.]*

[In the case of Notes listed on the SIX Swiss Exchange (“SIX Notes”) only, the following should be included:

Certification of the Notes in Switzerland will be made as follows:

(i) A Temporary Global SIS Note will be issued;

(ii) The Temporary Global SIS Note will be exchanged against a Permanent Global SIS Note after a period of 40 days after the Temporary Global SIS Note's issuance.]

[Registered Notes]

[If applicable, in case of SIX Notes, please insert:

“See under “Certification” of the Swiss Base Prospectus”]

27. New Global Note:

[Applicable/Not Applicable]

[If “Not Applicable” is specified, ensure that “Not Applicable” is also specified for Eurosystem eligibility in the relevant paragraph of section 11 of Part B of these Final Terms, and if “Applicable” is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem eligibility.]

28. Business Day Jurisdictions for Condition 6(g) and any special provisions relating to payment dates:

[Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iii) and 18(viii) relate]

29. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon:

[No/Yes, maturing every [•] Interest Payment Dates]

30. Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made:

[Not Applicable/give details] *(with respect to dates, indicate whether they are subject to adjustment in accordance with the applicable Business Day Convention)*

31. Consolidation provisions:

[Not Applicable/The provisions annexed to these Final Terms] apply]

32. Exchange for Definitive Notes at the request of the holder at the expense of:

[the Issuer/Holder]

33. Taxation:

The provisions in Condition 7 of the Terms and Conditions of the Notes [do not] apply

34. Other final terms:

[Not Applicable/give details/See Swiss Base Prospectus *(in the case of SIX Notes only)*]

(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and

consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

INDEX LINKED NOTE PROVISIONS

35. Index Linked Note Provisions

[Applicable/Not Applicable]

[If “Not Applicable” delete remaining sections of this paragraph]

[The following provisions in items (i) to (xv) apply to Notes linked to a single index only (delete all of these items if not applicable):

- (i) Additional Disruption Event: [None/Specify]
- (ii) Averaging Dates: [specify dates or delete if not applicable]
- (iii) Barrier Level: [[•] per cent. of [Initial Index Level] (or delete if not applicable)]
- (iv) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Settlement Day]]
- (v) Business Day Convention: []
- (vi) Constant Monitoring: [specify as applicable and delete “Valuation Time Only” below, or delete if not applicable]
- (vii) Exchange(s): [specify relevant exchange if “Non-Multi Exchange Index” is specified below, otherwise delete]
- (viii) Expiration Date: [specify date or delete if not applicable]
- (ix) Final Index Level: [specify if the fallback provisions in Part 2A of the Terms and Conditions of the Notes are not applicable, or delete if not applicable]
- (x) Index: [specify]
- (xi) Initial Index Level: [specify the Index Level on the Strike Date or delete if not applicable]
- (xii) Multi-Exchange Index: [Yes/No]
- (xiii) Non Multi-Exchange Index: [Yes/No]
- (xiv) Observation Date(s): [specify or delete if not applicable]
- (xv) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xvi) Strike Date: [specify or delete if not applicable]
- (xvii) Strike Price: [specify or delete if not applicable]
- (xviii) Valuation Date(s): []
- (xix) Valuation Time: []
- (xx) Other: [insert any other relevant terms]]

[The following provisions in items (i) to (xiii) apply to Notes linked to a basket of indices only (delete all of these items if not applicable):

- (i) Additional Disruption Event: [None] *[Specify]*
- (ii) Averaging Dates: *[specify dates or delete if not applicable]*
- (iii) Barrier Level: *[[*] per cent. of Initial Index Level (or delete if not applicable)]*
- (iv) Basket/Weight: *[specify names of Indices and their respective weightings] [indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices]*
- (v) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [*] [and (ii) which is a TARGET Settlement Day]]
- (vi) Business Day Convention: []
- (vii) Constant Monitoring: *[specify as applicable and delete “Valuation Time Only” below, or delete if not applicable]*
- (viii) Exchange(s): *[specify relevant exchange if “Non-Multi Exchange Index” is specified below, otherwise delete]*
- (ix) Expiration Date: *[specify date or delete if not applicable]*
- (x) Final Index Level: []
- (xi) Initial Index Level: *[specify the Index Level on the Strike Date or delete if not applicable]*
- (xii) Observation Date(s): *[specify date or delete if not applicable]*
- (xiii) Observation Period: [The period from and including [the Issue Date/the Strike Date/[*]] to and including [the Expiration Date/[*]] *[or delete if not applicable]*
- (xiv) Strike Date: *[specify or delete if not applicable]*
- (xv) Strike Price: *[specify or delete if not applicable]*
- (xvi) Valuation Date(s): []
- (xvii) Valuation Time: []
- (xviii) Other: *[insert any other relevant terms]*

EQUITY LINKED NOTE PROVISIONS

36. Equity Linked Note Provisions

[Applicable/Not Applicable]

[If “Not Applicable” delete remaining sections of this paragraph]

[The following provisions in items (i) to (xxi) apply to Notes linked to a single share only (delete all of these items if not applicable)]

- (i) Additional Disruption Event: *[specify]*
- (ii) Averaging Dates: *[Specify dates or delete if not applicable]*
- (iii) Business Day: [A day on which [(i)] commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [*] [and (ii) which is a TARGET Settlement Day]]

- (iv) Barrier Level: [] per. cent of Initial Share Price (or delete if not applicable)]
- (v) Constant Monitoring: [*specify as applicable and delete “Valuation Time Only” below, or delete if not applicable*]
- (vi) Exchange: [*specify*]
- (vii) Expiration Date: [*specify date or delete if not applicable*]
- (viii) Final Share Price: [*specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable*]
- (ix) Initial Share Price: [*specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable*]
- (x) Observation Date(s): [*specify date(s) or delete if not applicable*]
- (xi) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [*or delete if not applicable*]
- (xii) Share Amount: [*specify formula or delete if not applicable*]
- (xiii) Share Currency: [*specify*]
- (xiv) Share Delivery: [*specify as applicable or delete if no applicable*]
 [*if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)*]
 [*if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes*]
- (xv) Share Delivery Date: [[*specify date*], subject to Condition 5(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (*or delete if not applicable*)
- (xvi) Share Issuer: [*specify*]
- (xvii) Shares: [*provide name and short description of type of shares issued by the Share Issuer*] (ISIN: [•]) (Bloomberg Code: [•])
- (xviii) Strike Date: [*specify or delete if not applicable*]
- (xix) Strike Price: [*specify or delete if not applicable*]
- (xx) Valuation Time Only: [*specify as applicable and delete “Constant Monitoring” above, or delete if not applicable*]
- (xxi) Other Terms: [*Insert any other relevant terms*]
- [*The following provisions at items (i) to (xxi) apply to Notes linked to a Basket of Shares only (delete all of these items if not applicable):*]
- (i) Additional Disruption Event: [*specify*]
- (ii) Averaging Dates: [*Specify dates or delete if not applicable*]
- (iii) Barrier Level: [[] per. cent of Initial Share Price (or delete if not applicable)]
- (iv) Basket: “**Basket**” means a basket composed of Shares in the relative

[proportions/numbers of Shares] of each Share Issuer specified below:

[Insert details of:

* *Share Issuer*

* [*Proportion/number of Shares*]

* *ISIN number*

* *Exchange*]

* *Bloomberg Code*

- (v) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Settlement Day]]
- (vi) Constant Monitoring: [*specify as applicable and delete “Valuation Time Only” below or delete if not applicable*]
- (vii) Expiration Date: [*specify date or delete if not applicable*]
- (viii) Final Share Price: [*specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable*]
- (ix) Initial Share Price: [*specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable*]
- (x) Observation Date(s): [*specify date(s) or delete if not applicable*]
- (xi) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xii) Share Amount: [*specify formula or delete if not applicable*]
- (xiii) Share Currency: [*specify*]
- (xiv) Share Delivery: [*specify as applicable or delete if no applicable*]
[*if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)*]
[*if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes*]
- (xv) Share Delivery Date: [[*specify date*], subject to Condition 5(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (*or delete if not applicable*)]
- (xvi) Share Issuer: [*specify*]
- (xvii) Shares: [*provide name and a short description of type of shares issued by the Share Issuer*] (ISIN: [•])
- (xviii) Strike Date: [*specify or delete if not applicable*]
- (xix) Strike Price: [*specify or delete if not applicable*]
- (xx) Valuation Time Only: [*specify as applicable and delete “Constant Monitoring” above or delete if not applicable*]
- (xxi) Other terms: [*insert any other relevant terms*]]

FUND-LINKED NOTE PROVISIONS

37. Fund-Linked Note Provisions: [Not Applicable/Applicable]

The following provisions at items (i) to (xlix) apply to Notes linked to a single fund interests only (delete all of these items if not applicable).

- (i) Additional Fund Document(s): [specify or delete if not applicable]
- (ii) Additional Fund Service Provider(s): [specify or delete if not applicable]
- (iii) Additional Type 1 Fund Event: [specify or delete if not applicable]
- (iv) Additional Type 1 Hedge Fund Event: [specify or delete if not applicable]
- (v) Additional Type 2 Fund Event: [specify or delete if not applicable]
- (vi) Automatic Early Redemption: [Applicable][Not Applicable]

[If Applicable:

Automatic Early Redemption Amount: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*

Automatic Early Redemption Date: []

Automatic Early Redemption Event: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*

Automatic Early Redemption Price: []

Automatic Early Redemption Rate: []

Automatic Early Redemption Valuation Date: []

Automatic Early Redemption Valuation Time: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*

- (vii) Averaging Date: [specify or delete if not applicable]
- (viii) Company: [specify or delete if not applicable]
- (ix) Cut-off Period: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (x) Eligible Fund Interest: [specify or delete if not applicable]
- (xi) ETF and Exchange: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xii) Extraordinary Dividend: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xiii) Final Cut-off Date: [specify or delete if not applicable]
- (xiv) Fund Administrator: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xv) Fund Adviser: *[specify if the fallback provisions in Part 4A of the Terms and*

- Conditions are not applicable, or delete if not applicable]*
- (xvi) Fund Business Day: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xvii) Fund Custodian: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xviii) Fund Interest: [] *[specify ISIN (if any) and Bloomberg page (if any)]*
- (xix) Fund Interest Performance: *[specify or delete if not applicable]*
- (xx) Fund Interest Units: []
- (xxi) Fund Subscription Date: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xxii) Hedge Fund: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xxiii) Hypothetical Investor: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xxiv) Hypothetical Investor Jurisdiction: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xxv) Initial Fund Interest Unit Price: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xxvi) Key Personnel: *[specify or delete if not applicable]*
- (xxvii) Knock-in Event: [Applicable][Not Applicable]
[If Applicable:
 Knock-in Determination Day: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
 Knock-in Price: []
 Knock-in Reference Asset: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
 Knock-in Valuation Time: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xxviii) Knock-out Event: [Applicable][Not Applicable]
[If Applicable:
 Knock-out Determination Day: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
 Knock-out Price: []
 Knock-out Reference Asset: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
 Knock-out Valuation Time: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*

- (xxix) Maximum Allocation to Single Hedge Fund *[specify or delete if not applicable]*
Percentage:
- (xxx) Maximum Borrowing Allocation Percentage: *[specify or delete if not applicable]*
- (xxxix) Maximum Quarterly Plus Liquidity Allocation *[specify or delete if not applicable]*
Percentage:
- (xxxii) Minimum Monthly Liquidity Allocation *[specify or delete if not applicable]*
Percentage:
- (xxxiii) Minimum Number of Underlying Hedge *[specify or delete if not applicable]*
Funds:
- (xxxiv) Minimum Volatility Percentage: *[specify or delete if not applicable]*
- (xxxv) NAV Trigger Percentage: *[specify or delete if not applicable]*
- (xxxvi) NAV Trigger Period: *[specify or delete if not applicable]*
- (xxxvii) Protected Amount: *[specify or delete if not applicable]*
- (xxxviii) Redemption Notice Date: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
- (xxxix) Reference Price: *[specify method of determination if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
- (xl) Relevant Fund Interest Unit Price: *[specify method of determination if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
- (xli) Scheduled Redemption Payment Date: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
- (xlii) Settlement Cycle: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
- (xlili) Strike Date: *[specify or delete if not applicable]*
- (xliv) Strike Price: *[specify or delete if not applicable]*
- (xlv) Subscription Notice Date: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
- (xlvi) Type 1 Hedge Fund Event: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
- (xlvii) Valuation Date(s): []
- (xlviii) Valuation Time: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*
- (xlix) Other terms /modifications: *[insert any other relevant terms]*

The following provisions at items (i) to (lii) apply to Notes linked to a basket of fund interests only (delete all of these items if not applicable).

- (i) Additional Fund Document(s): *[specify or delete if not applicable]*
- (ii) Additional Fund Service Provider(s): *[specify or delete if not applicable]*

- (iii) Additional Type 1 Fund Event: *[specify or delete if not applicable]*
- (iv) Additional Type 1 Hedge Fund Event: *[specify or delete if not applicable]*
- (v) Additional Type 2 Fund Event: *[specify or delete if not applicable]*
- (vi) Aggregate NAV Trigger Period: *[specify or delete if not applicable]*
- (vii) Aggregate NAV Trigger Value: *[specify or delete if not applicable]*
- (viii) Automatic Early Redemption: [Applicable][Not Applicable]

[If Applicable:

Automatic Early Redemption Amount: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*

Automatic Early Redemption Date: [] Automatic Early Redemption Event: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*

Automatic Early Redemption Price: []

Automatic Early Redemption Price: []

Automatic Early Redemption Valuation Date: []

Automatic Early Redemption Valuation Time: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*

- (ix) Averaging Date: *[specify or delete if not applicable]*

- (x) Basket: A basket composed of Fund Interests in the relative proportions or numbers of Fund Interest Units specified below:

Fund Interest	Fund Interest Unit (if other than a share)	Proportion / number of Fund Interest Units	ISIN (if any) and Bloomberg page (if any)	Exchange (if any)
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- (xi) Company: *[specify or delete if not applicable]*

- (xii) Cut-off Period: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*

- (xiii) Eligible Fund Interest: *[specify or delete if not applicable]*

- (xiv) ETF and Exchange: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*

- (xv) Extraordinary Dividend: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*

- (xvi) Final Cut-off Date: *[specify or delete if not applicable]*

- (xvii) Fund Administrator: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*

- (xviii) Fund Adviser: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*

- delete if not applicable]*
- (xix) Fund Business Day: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
- (xx) Fund Custodian: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
- (xxi) Fund Interest: See “Basket” above
- (xxii) Fund Interest Performance: *[specify or delete if not applicable]*
- (xxiii) Fund Interest Units: See “Basket” above
- (xxiv) Fund Subscription Date: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
- (xxv) Hedge Fund: *[specify if the fallback provisions in Schedule 6 are not applicable]*
- (xxvi) Hypothetical Investor: *[specify if the fallback provisions in Schedule 6 are not applicable]*
- (xxvii) Hypothetical Investor Jurisdiction: *[specify if the fallback provisions in Schedule 6 are not applicable]*
- (xxviii) Initial Fund Interest Unit Price: *[specify if the fallback provisions in Schedule 6 are not applicable]*
- (xxix) Key Personnel: *[specify or delete if not applicable]*
- (xxx) Knock-in Event: [Applicable][Not Applicable]
 [If Applicable:
 Knock-in Determination Day: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
 Knock-in Price: []
 Knock-in Reference Asset: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
 Knock-in Valuation Time: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
- (xxxi) Knock-out Event: [Applicable][Not Applicable]
 [If Applicable:
 Knock-out Determination Day: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
 Knock-out Price: []
 Knock-out Reference Asset: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
 Knock-out Valuation Time: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
- (xxxii) Maximum Allocation to Single Hedge Fund Percentage: *[specify or delete if not applicable]*
- (xxxiii) Maximum Borrowing Allocation Percentage: *[specify or delete if not applicable]*
- (xxxiv) Maximum Quarterly Plus Liquidity Allocation Percentage: *[specify or delete if not applicable]*

- (xxxv) Minimum Monthly Liquidity Allocation *[specify or delete if not applicable]*
Percentage:
- (xxxvi) Minimum Number of Underlying Hedge *[specify or delete if not applicable]*
Funds:
- (xxxvii) Minimum Volatility Percentage: *[specify or delete if not applicable]*
- (xxxviii) NAV Trigger Percentage: *[specify or delete if not applicable]*
- (xxxix) NAV Trigger Period: *[specify or delete if not applicable]*
- (xl) Number of Fund Interest Units: *[specify method of determination if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xli) Protected Amount: *[specify or delete if not applicable]*
- (xlii) Redemption Notice Date: *[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]*
- (xliii) Reference Price: *[specify method of determination if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xliv) Relevant Fund Interest Unit Price: *[specify method of determination if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xlv) Scheduled Redemption Payment Date: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xlvi) Settlement Cycle: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
- (xlvii) Strike Date: *[specify or delete if not applicable]*
- (xlviii) Strike Price: *[specify or delete if not applicable]*
- (xlix) Subscription Notice Date: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
- (l) Type 1 Hedge Fund Event: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
- (li) Valuation Date(s): []
- (lii) Valuation Time: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
- (liii) Other terms /modifications: *[insert any other relevant terms]*

CREDIT-LINKED NOTE PROVISIONS

38. **Credit-Linked Note Provisions:** *[Not Applicable/Applicable]*
[If “Not Applicable” delete remaining sections of this paragraph]
- (i) First-to-Default Credit-Linked Notes with Auction Settlement *[Part 5A shall apply /Not Applicable] [specify all the relevant data of the CDS Confirmation and review and amend Part 5A as applicable]*
- (ii) First-to-Default Credit-Linked Notes with *[Part 5B shall apply /Not Applicable] [specify all the relevant data of*

- Physical Settlement *the CDS Confirmation and review and amend Part 5B as applicable*
- (iii) First-to-Default Credit-Linked Notes with Cash Settlement [Part 5C shall apply /Not Applicable] [*specify all the relevant data of the CDS Confirmation and review and amend Part 5C as applicable*]
- (iv) [Cash Settled/ Auction Settled] Credit-Linked Notes with a static portfolio of reference entities as underlying (*amend as applicable*) [Part 5D shall apply /Not Applicable] [*specify all the relevant data of the CDS Confirmation including the Reference Portfolio and review and amend Part 5D as applicable*]
- (v) Credit-Linked Notes: [Part 5F shall apply /Not Applicable] [*specify all the relevant data below and review and amend Part 5F as applicable*]
- (i) Type of Credit-Linked Notes: [Single Reference Entity CLN]
[Nth-to-Default CLN
N: [●]]
[Linear Basket CLN]
[Other]
- Substitution: [Not Applicable] [Applicable]
- (ii) Transaction Type: [●]
- (iii) Trade Date: [●]
- (iv) Scheduled Maturity Date: [●]
- (v) Calculation Agent responsible for making calculation and determinations pursuant to Part 5F (Credit-Linked Conditions): [●]
- (vi) Reference Entity(ies): [●]
[Reference Entity Notional Amount [●]]
- (vii) Reference Obligation(s):
The obligation identified as follows
Primary Obligor: [●]
Maturity: [●]
Coupon: [●]
CUSIP/ISIN: [●]
Original Issue Amount: [●]
- (viii) Settlement Method: [Auction Settlement] [Cash Settlement] [Physical Settlement]
- (ix) Fallback Settlement Method: [Cash Settlement] [Physical Settlement]
- (x) Settlement Currency: [●]
- (xi) [Credit Event(s): [●]
[Restructuring: Applicable/Not Applicable]
[Restructuring Maturity Limitation and Fully Transferable Obligation Applicable]
[Modified Restructuring Maturity Limitation and Conditionally

- Transferable Obligation Applicable]
- (xii) Merger Event: [Credit-Linked Condition 2(c) [Applicable/Not Applicable]]
(*If Applicable*):
[Merger Event Redemption Date: [●]]
- (xiii) LPN Reference Entities: [Not Applicable] [Applicable]
- (xiv) Terms relating to Cash Settlement: [As per the Credit-Linked Conditions] [Not Applicable] [*Specify variations or additions to Credit Linked Conditions*]
- (xv) Terms relating to Physical Settlement: [As per the Credit-Linked Conditions] [Not Applicable] [*Specify variations or additions to Credit-Linked Conditions*]
- (xvi) Interest:
- (xvii) Additional provisions/amendments: [*Insert relevant details*]

DISTRIBUTION

39. (i) If syndicated, names [and addresses]** of Managers [and underwriting commitments]**: [*Not Applicable/give names [and addresses and underwriting commitments]***] (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)**
- (ii) [Date of [Subscription] Agreement:]** []**
- (iii) Stabilising Manager (if any): [Not Applicable/*give name*]
40. If non-syndicated, name [and address]** of relevant Dealer: [*Name [and address]***]
41. [Total commission and concession:** [] per cent. of the Aggregate Nominal Amount]**
42. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
43. Non-Exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] (“**Public Offer Jurisdictions**”) during the period from [specify date] until [specify date] (“**Offer Period**”). See further Paragraph 12 of Part B below.]
44. Additional selling restrictions: [Not Applicable/*give details*]
45. Delivery Agent: [Not Applicable/*give details*]

[LISTING AND ADMISSION TO TRADING

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdiction and for the Notes described herein to be [[listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Regulated Market] [listed and admitted to trading on Euronext Brussels] [listed and admitted to trading on Euronext Paris] pursuant to the EUR 30,000,000,000 Euro Medium Term Note Programme of Fortis Bank NV/SA and BNP Paribas Fortis Funding guaranteed by Fortis Bank NV/SA.]¹¹

¹¹ Only include where the Notes are listed and a Prospectus is required to be published under the Prospectus Directive 2003/71/EC.

RESPONSIBILITY

The Issuer [and the Guarantor]¹² accept responsibility for the information contained in these Final Terms.

[[•] has been extracted from [•]. [Each of the/The]* Issuer [and the Guarantor]* confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]**¹³

Signed on behalf of the Issuer:

By:

Director

By:

Director

[Signed on behalf of the Guarantor:

By:

Duly authorised†¹⁴

¹² Delete where the Issuer is Fortis Bank NV/SA.

* Delete in each case as applicable.

* Delete in each case as applicable.

** Include where any information sourced from a third party has been reproduced, and provide necessary details.

¹³ Not required where Notes will not be admitted to trading on a regulated market and/or offered to the public in the European Economic Area.

¹⁴ Delete where the Issuer is Fortis Bank NV/SA.

PART B – OTHER INFORMATION

[For Notes which are not to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area only parts 1(i), 1(ii), 5(ii), 11(i) — (viii) and, in the case of derivative securities, part 10 should be included in “Part B — Other Information”]

1. LISTING AND ADMISSION TO TRADING

(i) Listing and admission to trading:

[[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [listing on the official list and to trading on the Luxembourg Stock Exchange/trading on the Luxembourg Regulated Market] with effect from [•.]] [listing on the official list and to trading on Euronext Brussels/trading on [•]] with effect from [•.] [listing on the official list and to trading on Euronext Paris/trading on [•]] with effect from [•.] [Listing on the official list and to trading on SIX/trading on [•]] with effect from [•].]¹⁵

[Not Applicable.]

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

[(ii) Estimates of total expenses related to admission [•]]¹⁶
to trading:

2. [RATINGS]

Ratings:

The Notes to be issued have been rated:

[S & P: [•]]

[Moody's: [•]]

[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]¹⁷

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)¹⁸

the above mentioned ratings are the credit ratings [Yes/No]
assigned to the Programme:

the above mentioned ratings are specific credit ratings [Yes/No]
only assigned to this Tranche of Notes:

¹⁵ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

¹⁶ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC

¹⁷ Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

¹⁸ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as disclosed in “Plan of Distribution”, so far as the Issuer [and the Guarantor] [is/are] aware, no person involved in the offer of the Notes has an interest material to the offer”

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)¹⁹

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

[(i) 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.)²⁰

[(ii) 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.)

[(iii) Estimated total expenses: [•].

[Include breakdown of expenses.]²¹

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5. [Fixed Rate Notes only — YIELD

(only for Fixed Rate Notes, not relevant for Fixed to Floating Rate Notes or for Fixed to Variable Rate Notes or for variable redemption Notes).

Indication of yield: [•].

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

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.²²

6. [Floating Rate Notes only — HISTORIC INTEREST RATES]²³

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

7. [Index-linked or other variable-linked Notes only — PERFORMANCE OF INDEX/SHARE(S)/FUND INTEREST(S)/FORMULA/OTHER VARIABLE,— EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (TO BE INCLUDED FOR DERIVATIVE SECURITIES TO WHICH ANNEX XII TO THE PROSPECTIVE DIRECTIVE

¹⁹ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

²⁰ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

²¹ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

²² Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

²³ Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

REGULATIONS APPLIES)]²⁴

[Need to include details of where past and future performance and volatility of the index/share(s)/fund interest(s)/formula/other variable can be obtained [and 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]. [Where the underlying is an index need to include the name of the index 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 index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

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

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information] (including information about corporate actions or other events affecting the underlying and adjustments or substitutions to the underlying resulting therefrom), except if required by any applicable laws and regulations].

- (i) [Name of index/share] [specify]
- (ii) [Description of index (if composed by [specify] Issuer)/share:]
- (iii) [Information on index (if not composed by [specify] Issuer)/share:]
- (iv) The underlying is a security/share: [name of the issuer of the security/share]
[ISIN Code or other identification code]
- (v) The underlying is a basket of underlyings: [disclosure of relevant weightings of each underlying in the basket]
- (vi) 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.)
- (vii) Estimated total expenses: [•]
[Include breakdown of expenses.]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

8. [[Dual Currency Notes only — PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]²⁵

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and 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.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the

²⁴ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

²⁵ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

Prospectus Directive.])

9. [Derivatives only – OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/[ADMITTED TO TRADING]]

Name of the issuer of the underlying security/securities: [•]

ISIN Code: [•]

Underlying interest rate: [•]

Relevant weightings of each underlying in the basket: [•]

Adjustment rules with relation to events concerning the [•] underlying:

Place where information relating to the [•] [underlying]/[Index]/[Indices] can be obtained:

Name and address of entities which have a firm [•] commitment to act as intermediaries in secondary trading:

Details of any market disruption/settlement disruption [•] events affecting the underlying:

Exercise price/find reference price of underlying: [•]

Details of how the value of investment is affected by the [•] value of the underlying instrument(s):

Details of settlement procedure of derivative securities: [•]

Details of how any return on derivative securities takes [•] place, payment or delivery date, and manner of calculation:

Details of any post-issuance information relating to the [•] underlying to be provided and where such information can be obtained:

10. OPERATIONAL INFORMATION

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) New Global Note intended to be held in a manner [Not Applicable/Yes/No] which would allow Eurosystem eligibility:

[Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if “Yes” selected in which case the Notes must be issued in NGN form]*

- (iv) X/N Note intended to be held in a manner which [Not Applicable/Yes/No] would allow Eurosystem eligibility²⁶:

[Note that the designation “Yes” simply means that the X/N Notes are intended upon issue to be deposited with the National Bank of Belgium and does not necessarily mean that such X/N Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if “Yes” selected]

- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): [X/N System/Euroclear Nederland (give numbers)/Not Applicable/give name(s) and number(s)]

- (vi) Delivery: Delivery [against/free of] payment

- (vii) Names and addresses of additional Paying Agent(s) (if any): [•] [In the case of SIX Notes, specify names and addresses of each of the Swiss Paying Agents] [In the case of Notes deposited with or delivered to Euroclear Nederland, specify name and address of the Dutch Paying Agent]

- (viii) Name and address of Calculation Agent: [BNP Paribas Securities Services, Luxembourg Branch/Fortis Bank NV/SA/the Dealer/any other third party]

- (x) Total amount of the offer: [•]

(If the amount is not fixed, provide a description of the arrangements and time for announcements to the public the amount of the offer)

- (xi) An offer to the public: [An offer to the public will be made in [specify] from (and including) [date] to (and including) [date]/Not Applicable].

[other details]

[11. TERMS AND CONDITIONS OF THE OFFER

- (i) Offer Price: [Issue Price] [specify]

- (ii) Conditions to which the offer is subject: [The Issuer reserves the right to withdraw the present offer, if the minimum amount is not placed or if there are market or other disruptions not enabling a smooth settlement of the Notes, as determined by the Issuer in its sole discretion/Not Applicable/[other]]

- (iii) Description of the application process: [Not Applicable/give details] (Specify the manner chosen by the Issuer to publish the Base Prospectus and the Final Terms.)

- (iv) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]

- (v) Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

²⁶ Only applicable in relation to X/N Notes issued by Fortis Bank NV/SA

- (vi) Details of the method and time limits for paying up [Not Applicable/give details] and delivering the Notes:
- (vii) Manner in and date on which results of the offer [Not Applicable/give details] are to be made to the public:
- (viii) Procedure for exercise of any right of pre-emption, [Not Applicable/give details] negotiability of subscription rights and treatment of subscription rights not exercised:
- (ix) Categories of potential investors to which the [Not Applicable/give details] Notes are offered and whether tranche(s) have been reserved for certain countries:
- (x) Process for notification to applicants of the amount [Not Applicable/give details] allotted and the indication whether dealing may begin before notification is made;
- (xi) Amount of any expenses and taxes specifically [Not Applicable/give details] charged to the subscriber or purchaser:
- (xii) Name(s) and address(es), to the extent known to [None/give details]]²⁷ the Issuer, of the placers in the various countries where the offer takes place.

[In the case of SIX Notes only, the following should be included:]

12. REPRESENTATIVES

Representatives: []

13. TRADING ON THE SIX

Last trading date and time: []

14. MATERIAL CHANGES

[Any material changes in the assets and liabilities, financial position and profits and losses of the Issuer which may have arisen since the close of the most recent fiscal year or the effective date of the interim financial report are to be disclosed. Otherwise, a corresponding negative declaration is to be included here.]²⁸

15. [INFORMATION ON UNDERLYING INSTRUMENTS

[Upon issuance of derivatives to be listed on the SIX Swiss Exchange, these Final Terms shall be supplemented by appropriate information on underlying instruments in accordance with prospectus Scheme 4, Section 4]²⁹

²⁷ Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

²⁸ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

²⁹ Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

AMENDMENTS RELATING TO FORTIS BANK NV/SA

This Supplement amends the information contained in the sections entitled "*Risk Factors relating to the business of Fortis Bank NV/SA*" and "*Description of Fortis Bank NV/SA*" as follows. All page references are to pages of the Base Prospectus:

(1) Amendment to "*Risk factors relating to the business of Fortis Bank NV/SA*"

The second paragraph under the heading "*(s) Litigation or other proceedings or actions may adversely affect Fortis Bank's business, financial condition and results of operations*" (page 17) is deleted and replaced by the following paragraph:

"In particular, proceedings are still pending in Belgium and The Netherlands initiated by several shareholders of Fortis SA/NV and Fortis N.V. against, amongst others, Fortis Bank SA/NV in connection with the restructuring of Fortis end September and beginning October 2008."

(2) Amendments to "*Description of Fortis Bank NV/SA*"

- (i) The last sentence of the first paragraph under the heading "*2. Business Overview*" (page 247) is deleted and replaced by the following sentence:

"In the insurance sector, Fortis Bank works closely with the Belgian market leader AG Insurance, in which it owns a 25 per cent. + 1 share stake. Fortis Bank currently employs 28,300 people."

- (ii) The number "163,000" on the third line of the fourth paragraph under the heading "*2. Business Overview*" (page 247) is deleted and replaced by "158,800".

- (iii) The word "Investement" on the last line of the fourth paragraph under the heading "*2. Business Overview*" (page 247) is deleted and replaced by "Investment".

- (iv) The last sentence of the sixth paragraph under the heading "*4. The business of Fortis Bank*" (page 249) is deleted and replaced by the following sentence:

"In the insurance sector, Fortis Bank entered into a strategic partnership with Belgian market leader AG Insurance, in which it holds a 25 per cent. + 1 share stake."

- (v) The second bullet point under the heading "*Market position*" under the heading "*(i) Retail & Private Banking*" (page 249) is deleted and replaced by the following:

"• In Belgium 1,013 branches operating under the BNP Paribas Fortis brand are complemented by 311 franchises under the Fintro brand and 650 points of sale of the 50/50 joint venture with Banque de La Poste."

- (vi) The following paragraphs shall be added after the section headed "*5. Fortis Bank NV/SA 2009 Financial Results*" (page 253):

"Fortis Bank NV/SA 2010 half-year results

During the first half of 2010 BNP Paribas Fortis booked a consolidated net result attributable to shareholders of EUR 671 million, compared with a loss of EUR 17 million during the same period of 2009. This positive result has been achieved thanks to a strong commercial performance and very good results in capital markets activities, while at the same time the result has been impacted by the change of the perimeter of the bank, by exceptional low levels of provisions and by restructuring costs.

Net interest income amounted to EUR 2.082 million, up 31% in comparison to the first half of 2009, on the back of a strong increase of interest revenues in treasury and trading activities. Net interest income on interest bearing products increased by 5%, mainly thanks to growing volumes in Retail & Private Banking Belgium and lower funding costs, partly offset by lower margins on deposits.

Net fee and commission income reached EUR 546 million in the first half of 2010, compared to EUR 525 million in the first half of 2009 or 4% higher.

Changes in impairments were EUR 405 million lower than in the first half of 2009, leading to a net release of impairments of EUR 29 million in 2010. This decrease was more specifically related to a decrease in credit risk related impairments with EUR 359 million, mainly reflecting the overall economic recovery.

Total expenses stood at EUR 2.257 billion in the first half of 2010, up by 6% or EUR 130 million compared to the first half of 2009, mainly due to restructuring costs in the frame of the integration within the BNP Paribas group. Expenses are also impacted by EUR 36 million mainly due to BNP Paribas Luxembourg entering the scope.

The liquidity position of Fortis Bank continued to improve during the first half-year of 2010, even in a volatile and uncertain market environment.

The ratio naked deposits/loans (excluding secured loans and –deposits) has further improved from 98% at the end of 2009 to 111% at 30 June 2010. This ratio measures to what extent loans given to customers are funded by deposits coming from customers.

Solvency remained very strong and progressed further compared to 31 December 2009. Fortis Bank's Tier 1 capital ratio amounted to 14,8%, compared to 12,3% at the end of last year. At 30 June 2010, the total capital ratio stood at an exceptionally high 21,4%, where the regulatory required minimum is 8%.

The further positive evolution of the Tier 1 capital ratio can mainly be explained by a material reduction in Risk Weighted Assets (RWA) of EUR 17 billion, mostly driven by the sale of entities and activities related to the integration and reallocation of activities between Fortis Bank and BNP Paribas. The increase in Tier 1 capital, driven by the positive result of the year is also supporting the Tier 1 capital ratio.

BNP Paribas Fortis is in full roll-out of its new strategy, aiming to become the core banking partner of its clients, an attractive employer and a responsible contributor to society.

In 2010, the first priority was to implement the new business models and to bring new offerings to clients. BNP Paribas Fortis is focusing on its core businesses, securing its current market positions and increasing client satisfaction. The multi-channel distribution strategy remains the cornerstone of the customer approach.

Following last year's phase of defining the integration projects to be carried out, the implementation phase has now been fully launched in 2010, involving all the business lines and activities to the concrete reality of the integration, with 1,150 projects launched."

- (vii) The second sentence of the first paragraph under the heading "*Board of Directors*" under the heading "*6. Governance*" (page 253) is deleted and replaced by the following sentence:

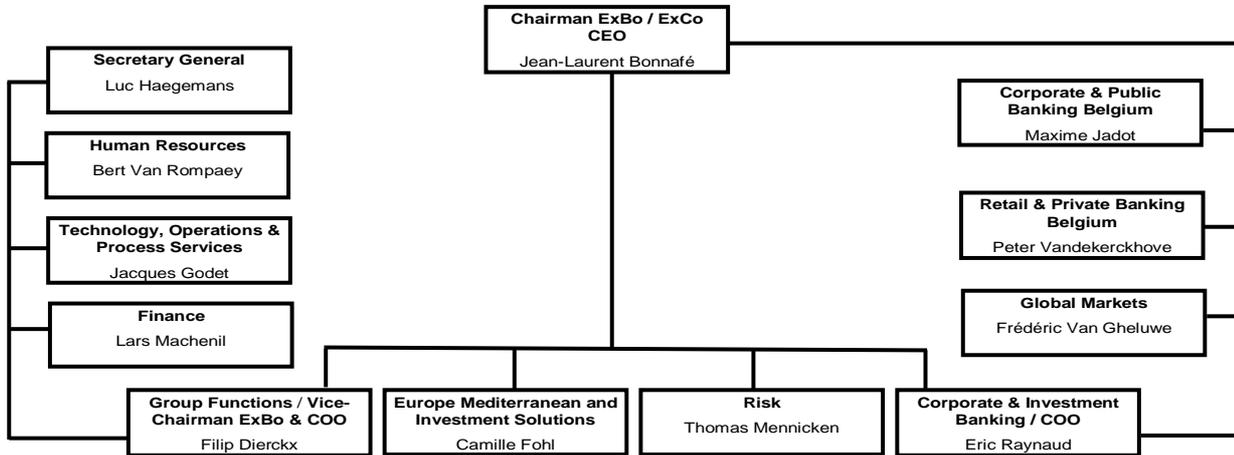
"The Board of Directors has 16 members, of which 11 members are non-executive and 5 members are executive. For the purpose of the Base Prospectus, the business address for each of the members of the Board of Directors is Montagne du Parc 3, 1000 Brussels."

- (viii) The list of names set out under "Non-Executive Members" under the heading "*Board of Directors*" under the heading "*6. Governance*" (page 253) is amended by the deletion of "Gérard Lamarche" and the addition of the word "(invitee)" next to "Luc Vansteenkiste".

- (ix) The list of names set out under "*Executive Committee*" under the heading "*6. Governance*" (page 254) is amended by the deletion of "Lieve Mostrey" and its replacement by "Jacques Godet", and the diagram depicting the Executive Committee (ExCo) (page 255) is deleted and replaced by the following diagram:

Fortis Bank governance

Executive Committee (ExCo)



- (x) The section entitled "*Principal activities performed by members of the members of the Board of Directors and the Executive Committee outside Fortis Bank which are significant with respect to Fortis Bank*" (pages 255 and 256) is deleted in its entirety and replaced by the following:

"Principal activities performed by members of the members of the Board of Directors and the Executive Committee outside Fortis Bank which are significant with respect to Fortis Bank"

- Herman Daems: Barco, Chairman of the Board of Directors; Crossbow, Partner; Domo Chemicals, Permanent Representative of Crossbow; GIMV, Chairman of the Board of Directors; Vanbreda Risk and Benefits, Director; Vlaamse Participatiemaatschappij, Chairman; IPEV, Chairman; Heijmans Group, Member of the International Consultative Committee; UZ Leuven, Director; VOKA, Director.
- Georges Chodron de Courcel: Alstom, Director; BNP Paribas, Chief Operator Officer; BNP Paribas (Suisse), Chairman; Bouygues, Director; Compagnie d'Investissement de Paris, Chairman; Erbé, Director; Exane, Non voting Director; F.P.F.(Société Foncière,Financière et de Participations), Director; Financière BNP Paribas, Chairman; Lagardère, Member of the Supervisory Board; Groupe Bruxelles Lambert, Director; Nexans, Director; Safran, Non voting Director; Scor, Non voting Director; Scor Global Life Rückversicherung Schweiz, Director; Scor Holding (Switzerland), Director; Scor Switzerland, Director; Verner Investissements, Director; GIMV, Director; VRWI (Vlaamse Raad voor Wetenschap & Innovatie), Chairman.
- Dirk Boogmans: DAB Management, Partner; Caesar Real Estate Fund, Chairman of the Board of Directors (via DAB); CFE, Advisor; Collibra, Director; Ethias Finance, Director; Global Lifting Partners, Director; Lijninvest, Director; NIBC, Advisor; Fonds de Pension du Secteur de la Construction, Member of the Financial Committee; P & V Verzekeringen, Director and President of the Audit committee (via DAB Management); QAT Group, President of the Consultative Advisors; THV Noriant, Chairman; Vinçotte, Director; Vivium, Director and President of the Audit committee (via DAB).
- Wim Coumans: De Post, Commissaire du gouvernement.
- Frédéric Lavenir: BNP Paribas, Member of the Executive Committee.

- Alain Papiasse: BNP Paribas, Member of the Executive Committee; BNP Paribas Investment Partners, Director; BNP Paribas UK Holdings, Director; Exane, Director; BGL BNP Paribas S.A., Vice Chairman.
 - Jean-Paul Pruvot: L'Ardenne Prévoyante, Managing Director; BGL BNP Paribas, Director.
 - Jean Stéphane: Aseptic Technologies, Director; BESIX Group, Chairman of the Board of Directors; GlaxoSmithKline Biologicals, President & General Manager; GlaxoSmithKline Biologicals Manufacturing, Director; Groupe Bruxelles Lambert, Director; Ion Beam Applications, Director; Nanocyl, Director; Vesalius Biocapital I, President of the Board of Directors.
 - Luc Vansteenkiste: Compagnie Immobilière & Foncière du Bois Sauvage, Director; Delhaize Group, Director ; LMCL, Partner; Rec-Hold, Director (via VEAN); Recticel, Director-délégué (via VEAN); Sioen Industries, Director (via LMCL); Spector Photo Group, Director (via VEAN); Telindus Group, President of the Board of Directors (via LMCL); Ter Beke, Director (via LMCL); VEAN, Vice-Director.
 - Thierry Varène: BNP Paribas UK Holdings, Director; BNP Paribas, Member of the Executive Committee.
 - Serge Wibaut: Gambit Financial Solutions, President of the Board of Directors; Reacfin, Director; Eurinvest, Director; Compagnie Européenne d'Assurance des Marchandises et des Bagages/Europese Goederen- en Reisbagageverzekeringsmaatschappij, Director; Nationale Suisse Assurance, Director.
 - Jean-Laurent Bonnafé: BNP Paribas, Director & Chief Operator Officer; BNP Paribas Personal Finance, Director; Banca Nazionale del Lavoro, Director; Carrefour, Director.
 - Filip Dierckx: I.V.D. NV, Director; S.D. WORX for Society CVBA, Director; S.D. VZW, Director; S.D. Private Stichting, Director; S.D. Diensten NV, Director; BNP Paribas Bruxelles Branch, Chairman; BNP Paribas Fortis Foundation, Chairman.
 - Camille Fohl: FOGA, Active Partner; BGL BNP Paribas, Director; Fortis Bank Polska, Director.
 - Thomas Mennicken: None.
 - Eric Raynaud: BNP Paribas Fortis Foundation, Director.
 - Bert Van Rompaey: BNP Paribas Fortis Foundation, Director.
 - Maxime Jadot: BNP Paribas Lease Group SA, Director; Bekaert NV, Director; Stichting Administratiekantoor NV Bekaert, Director; Finheuster NV, Director; BNP Paribas Fortis Foundation, Director; BNP Paribas Fortis Factor NV, Director.
 - Lars Machenil: BNP Paribas Bruxelles Branch, Director; Fortis Bank Polska, Director.
 - Jacques Godet: None.
 - Peter Vandekerckhove: Finedit NV, Director; AG Insurance SA, Director; BNP Paribas Fortis Factor NV, Director; BNP Paribas Fortis Foundation, Director.
 - Frédéric Van Gheluwe: None.
 - Luc Haegemans: FainFood NV, Director; Genfinance, Director."
- (xi) The number "16" on the second line of the first paragraph under "(b) Trends" under the heading "8. Trend information" (page 258) is deleted and replaced by "15.96".
- (xii) The following words are added at the end of the second paragraph under "(b) Trends" under the heading "8. Trend information" (page 258):

"and in the Fortis Bank Consolidated Interim Financial Statements for the first half-year 2010 under the heading 'Acquisitions and disposals' (pages 45 to 48)."

- (xiii) The paragraph headed "*12. Interim Financial Statements*" (page 258) is deleted in its entirety and replaced by the following:

"12. Interim Financial Statements

Fortis Bank has published Consolidated Interim Financial Statements for the first half-year of 2010, which can be downloaded from its website:

(http://media-cms.bnpparibas.com/file/94/0/financial_report_first_half_year_2010.10940.pdf) .

The Fortis Bank Consolidated Interim Financial Statements should be read in conjunction with the audited Fortis Bank Consolidated Financial Statements 2009, which are available from <http://www.bnpparibasfortis.com>."

AMENDMENTS RELATING TO BNP PARIBAS FORTIS FUNDING

This Supplement amends the information contained in the section entitled "*Description of BNP Paribas Fortis Funding*" as follows. All page references are to pages of the Base Prospectus:

- (i) The words "Director ALM, Funding and Treasury of BNP Paribas Fortis" next to the name of "Christian Pithsy" under the heading "*(a) Board of Directors*" under the heading "*6. Administrative, management and supervisory bodies*" (page 261) are deleted and replaced by the words "Director Risk ALM and Treasury of BNP Paribas Fortis".
- (ii) The paragraph headed "*(e) Interim Financial Statements*" under the heading "*9. Financial information concerning BP2F assets and liabilities, financial position and profits and losses*" (page 262) is deleted in its entirety and replaced by the following:

"(e) Interim and other financial information

In August 31 2010, BP2F published audited interim financial statements for the six-months period ending 30 June 2010. These documents could be consulted on the website of the Bourse de Luxembourg."