

**SECOND SUPPLEMENT DATED 28 DECEMBER 2009  
TO THE BASE PROSPECTUS DATED 17 AUGUST 2009**

**CALYON**

*(a limited liability company incorporated in France as a “société anonyme”)*

and

**CALYON FINANCIAL PRODUCTS (GUERNSEY) LIMITED**

*(a limited liability company incorporated in Guernsey)*

and

**CALYON FINANCE (GUERNSEY) LIMITED**

*(a limited liability company incorporated in Guernsey)*

**Programme for the Issuance of Warrants and Certificates  
unconditionally and irrevocably guaranteed by**

**CALYON**

This supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 17 August 2009 (the “**Base Prospectus**”) and the Supplement to the Base Prospectus dated 17 November 2009 (the “**First Supplement**”), prepared in relation to the Programme of CALYON, Calyon Financial Products (Guernsey) Limited and Calyon Finance (Guernsey) Limited for the Issuance of Warrants and Certificates unconditionally and irrevocably guaranteed by CALYON.

This Second Supplement constitutes a supplement to the Base Prospectus for the purpose of article 13 of the Luxembourg Law on prospectuses for securities dated 10 July 2005.

CALYON accepts responsibility for the information contained in the Second Supplement. To the best of the knowledge of CALYON (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Supplement.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since its publication.

Copies of the Base Prospectus, the First Supplement and the Second Supplement can be obtained from the registered office of CALYON and the specified office of the Principal Paying Agent for the time being and is published on the Luxembourg Stock Exchange’s website: [www.bourse.lu](http://www.bourse.lu) and CALYON’s website: [www.calyon.com](http://www.calyon.com).

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for Securities before this Second Supplement is published have the right, exercisable within a time limit of minimum two working days after the publication of this Second Supplement, to withdraw their acceptances.

The purpose of this Second Supplement is:

**1 to incorporate by reference the following financial statements:**

- Financial review at 30 June 2009 of Calyon (update of shelf-registration document 2008)
- Half year financial statements ended 30 June 2009 of Calyon Financial Products (Guernsey) Limited
- Half year financial statements ended 30 June 2009 of Calyon Finance (Guernsey) Limited

**I. Financial review at 30 June 2009 of Calyon**

The following table indicates the page references corresponding to the main information headings required by regulation EC 809/2004 (annex XI) enacting the terms of the Prospectus Directive.

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The cross reference list includes only items of annex XI which are updated through this Supplement. Any information not listed in the cross reference list but included in the document incorporated by reference is given for information purpose only.

This document will be published on the Luxembourg Stock Exchange's website: [www.bourse.lu](http://www.bourse.lu)

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Any information not listed in the cross reference list but included in the document incorporated by reference is given for information purpose only.

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Any information not listed in the cross reference list but included in the document incorporated by reference is given for information purpose only.

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## **2 to amend the Base Prospectus to insert specific Finnish provisions**

The Base Prospectus is amended to insert specific Finnish provisions as follows (the amendments are underlined):

### **2.1 The last paragraph of the preamble of the Base prospectus included on page 2 of the Base Prospectus is amended as follows:**

“Each series of Warrants (other than Dematerialised Warrants (as defined below)) will be represented by one or more global warrants (each a **“Global Warrant”**) and each Series of Certificates (other than Dematerialised Certificates (as defined below)) will be represented by one or more global certificates (each a **“Global Certificate”**), which will, in each case, be issued and deposited with a common depository for Euroclear Bank S.A./N.V. (**“Euroclear”**) and Clearstream Banking, société anonyme (**“Clearstream, Luxembourg”**), or with a common depository for any additional or alternative clearing system which is specified in an applicable Final Terms, on the date of issue of the relevant Securities. For the purposes of allowing clearing of Securities in alternative clearing systems, Warrants or Certificates of any series may be issued in registered uncertificated and dematerialised book-entry form (respectively, **“Dematerialised Warrants”** and **“Dematerialised Certificates”** and, together, **“Dematerialised Securities”**) in accordance with all applicable laws of the relevant jurisdiction of such alternative clearing system and the rules and regulations of such alternative clearing system or any nominee thereof. Such Dematerialised Securities may include Dematerialised Securities cleared through Euroclear Sweden (**“Swedish Securities”**) in accordance with the Swedish Financial Instruments Act of 1998 (as amended from time to time), Dematerialised Securities cleared through and registered with a Norwegian securities depository which is expected to be Verdipapirsentralen ASA (**“VPS”**) (**“Norwegian Securities”**) in accordance with the Norwegian Securities Register Act of 2002 (as amended from time to time), Dematerialised Securities cleared through and registered with Euroclear Finland (« **Finnish Securities** ») in accordance with the Finnish Act on the Book-Entry System (826/1991) and the Finnish Act on Book-Entry Accounts (827/1991) (as amended from time to time) and Dematerialised Securities cleared through Monte Titoli (**“Italian Securities”**) in accordance with Article 28 of the Italian Legislative Decree no. 213/1998, the Legislative Decree no. 58 of 24 February 1998 (both as amended from time to time) and their implementing regulations”.

### **2.2 The section of the “Clearing Systems” included in the Summary on page 11 of the Base Prospectus is amended as follows:**

”Securities may be cleared through Euroclear, Clearstream, Luxembourg, Euroclear Sweden AB, Verdipapirsentralen ASA, Euroclear Finland Oy, Monte Titoli or such other clearing system as may be agreed between the Issuer, the Agents and the relevant Dealer”.

### **2.3 The Terms and Conditions of the Warrants on page 29 to 71 of the Base Prospectus are modified as follows :**

## **“TERMS AND CONDITIONS OF THE WARRANTS**

*The following is the text of the Conditions (as amended, supplemented or varied from time to time) of the Warrants which will (in the case of Warrants other than Dematerialised Warrants) be incorporated by reference into each Global Warrant and attached to each Definitive Warrant or (in the case of Dematerialised Warrants) will apply to such Dematerialised Warrants. The Final Terms in relation to an issue of Warrants supplements the following Conditions and may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Conditions supplement, replace or modify the following Conditions for the purpose of such Warrants.*

Unless otherwise specified in the relevant Global Warrant and Final Terms (as defined below), the Warrants of this series (such Warrants being hereinafter referred to as the **“Warrants”**) are, other than in the case of Dematerialised Warrants (as defined below) represented by one or more global warrants (each a **“Global Warrant”**) and, in the case of all Warrants, are issued pursuant to a master warrant and certificate agreement dated 17 August 2009 (as the same may be modified, amended, restated, varied or supplemented from time to time) (the **“Master Securities Agreement”**) between CALYON, Calyon Financial Products (Guernsey) Limited (**“CFP”**) and Calyon Finance (Guernsey) Limited (**“CFG”**) (each an **“Issuer”** and together the **“Issuers”**), CACEIS Bank Luxembourg as principal warrant agent (the **“Principal Warrant Agent”**) and as registrar (the **“Registrar”**), CACEIS Bank Luxembourg as Luxembourg warrant agent (in such capacity, the **“Luxembourg Warrant Agent”** and together with the Principal Warrant Agent, the **“Warrant Agents”** which expression shall include any additional or successor warrant agents) and CACEIS Bank Luxembourg as Transfer Agent (in such capacity, the **“Transfer Agent”** (which expression shall include any additional or successor transfer agents) and together with the Warrant Agents and the Registrar, the **“Agents”**). CALYON shall undertake the duties of calculation agent (the **“Calculation Agent”**) in respect of the Warrants, unless another entity is so specified as calculation agent in the applicable Final Terms. The expression **“Calculation Agent”** shall, in relation to the relevant Warrants, include such other specified calculation agent. In the case of CFP or CFG, the Warrants are subject to a deed of guarantee dated 17 August 2009 (the **“Guarantee”**) issued by CALYON as guarantor (the **“Guarantor”**).

In the event that the applicable Final Terms specifies that the Warrants are eligible for sale in the United States under Rule 144A (**“Rule 144A”**) under the U.S. Securities Act of 1933, as amended (the **“Securities Act”**), the Warrants (a) may be sold only to U.S. persons (as defined in Regulation S under the Securities Act) that are qualified institutional buyers (each a **“QIB”**) as defined in Rule 144A under the Securities Act who are also qualified purchasers (each a **“QP”**) within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the **“1940 Act”**), such Warrants being represented by a Rule 144A Global Warrant (the **“Rule 144A Global Warrant”**) or (b) may be sold only outside the United States to a non-U.S. person in an offshore transaction in compliance with Regulation S under the Securities Act, such Warrants being represented by a Regulation S Global Warrant (the **“Regulation S Global Warrant”**).

In the event that the applicable Final Terms do not specify that the Warrants are eligible for sale in the United States under Rule 144A, the Warrants will, other than in the case of Dematerialised Warrants (as defined below), be represented by a Permanent Global Warrant (a **“Permanent Global Warrant”**).

References herein to **“Global Warrant”** include, as the context so requires, a Rule 144A Global Warrant, a Regulation S Global Warrant and a Permanent Global Warrant.

Each Global Warrant has been deposited with a depository (the “**Common Depository**”) common to Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

If so specified in the applicable Final Terms, and for the purpose of allowing clearing of Warrants in alternative clearing systems, any series of Warrants may be issued in registered, uncertificated and dematerialised book-entry form (“**Dematerialised Warrants**”) in accordance with all applicable laws of the relevant jurisdiction of such alternative clearing system and the rules and regulations of such alternative clearing system or any nominee thereof (“**Local Clearing System Rules**”).

Warrants designated as “Swedish Warrants” in the relevant Final Terms will constitute Dematerialised Warrants issued in uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act of 1998 (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) and all other applicable Swedish laws, regulations and operating procedures applicable to and/or issued by the Swedish central securities depository (*central värdepappersförvarare*) from time to time (the “**Swedish CSD Rules**”) designated as Relevant Clearing System for the Swedish Warrants in the relevant Final Terms (which is expected to be Euroclear Sweden AB) (the “**Swedish CSD**”). No physical global or definitive warrants or certificates will be issued in respect of Swedish Warrants other than as provided below and the provisions relating to presentation, surrender or replacement of such bearer instruments shall not apply.

Warrants designated as “Norwegian Warrants” in the relevant Final Terms will constitute Dematerialised Warrants issued in uncertificated and dematerialised book-entry form in accordance with the Norwegian Securities Register Act of 2002 (*lov om registrering av finansielle instrumenter av 5 juli 2002 nr. 64 para. 2-1*) and all other applicable Norwegian laws, regulations and operating procedures applicable to and/or issued by the relevant Norwegian central securities depository (*verdipapirregister*) from time to time (the “**Norwegian CSD Rules**”) designated as Relevant Clearing System for the Norwegian Warrants in the relevant Final Terms (which is expected to be Verdipapirsentralen ASA (“**VPS**”)) (the “**Norwegian CSD**”). No physical global or definitive warrants or certificates will be issued in respect of Norwegian Warrants other than as provided below.

Warrants designated as “Finnish Warrants” in the relevant Final Terms will constitute Dematerialised Warrants issued in uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (826/1991) and the Finnish Act on Book-Entry Accounts (827/1991) (Fi: laki arvo-osuusjärjestelmästä 826/1991 and laki arvo-osuustileistä 827/1991) and all other applicable Finnish laws, regulations and operating procedures applicable to and/or issued by the Finnish central securities depository (arvopaperikeskus) from time to time (the “Finnish CSD Rules”) designated as Relevant Clearing System for the Finnish Warrants in the relevant Final Terms (which is expected to be Euroclear Finland Oy) (the “Finnish CSD”). No physical global or definitive warrants or certificates will be issued in respect of Finnish Warrants other than as provided below and the provisions relating to presentation, surrender or replacement of such bearer instruments shall not apply. Any payment made under the Finnish Warrants will be made through the Finnish CSD in accordance with the Finnish CSD Rules. The Finnish CSD will not have qualified intermediary status.

Warrants designated as “Italian Warrants” in the relevant Final Terms will constitute Dematerialised Warrants issued in dematerialised book-entry form in accordance with the Italian Legislative Decree no. 213/1998 as amended and its implementing provisions and all other applicable Italian laws, regulations and operating procedures applicable to and/or issued by the Italian central securities depository from time to time (the “**Italian CSD Rules**”) and are freely

transferable by way of book entries on the accounts registered on Monte Titoli S.p.A. (the “**Italian CSD**”). No physical global or definitive warrants or certificates will be issued in respect of Italian Warrants other than as provided below and the provisions relating to presentation, surrender or replacement of such bearer instruments shall not apply.

In the event that the Conditions of the Warrants are inconsistent with the Swedish CSD Rules, the Norwegian CSD Rules, the Finnish CSD Rules, the Italian CSD Rules or any other applicable Local Clearing System Rules, as the case may be, such Swedish CSD Rules, Norwegian CSD Rules, the Finnish CSD Rules, Italian CSD Rules or, as the case may be, Local Clearing System Rules shall prevail”.

“In the event that (in the case of Warrants other than Dematerialised Warrants) both Euroclear and Clearstream, Luxembourg are, or (in the case of Dematerialised Warrants) the Swedish CSD, the Norwegian CSD, the Finnish CSD, the Italian CSD or any other relevant alternative clearing system, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease business and no alternative clearing system satisfactory to the Issuer and the Principal Warrant Agent is available (i) Warrants represented by a Rule 144A Global Warrant or a Regulation S Global Warrant will be exchangeable in whole but not in part (free of charge to the Warranholders) for definitive warrants (“Definitive Registered Warrants”) in registered form and in which case the Issuer will deliver, or arrange delivery of, Definitive Registered Warrants in registered form, serially numbered to the Warranholders; (ii) Warrants represented by the Permanent Global Warrant and Dematerialised Warrants (following deregistration from the book-entry registers of the Swedish CSD, Norwegian CSD, Finnish CSD, the Italian CSD or, as the case may be, other alternative clearing system (or any nominee) will be exchangeable in whole but not in part (free of charge to the Warranholders) for definitive warrants (“Definitive Bearer Warrants” and together with the Definitive Registered Warrants, the “Definitive Warrants”) in bearer form and in which case the Issuer will deliver, or arrange delivery of, Definitive Bearer Warrants in bearer form, serially numbered to the Warranholders. In such event, the Issuer shall give notice to the Warranholders of such additional terms as it and the Principal Warrant Agent consider appropriate in respect of the transfers of such Definitive Registered Warrants or Definitive Bearer Warrants, the procedures and time for exercise and payment and/or delivery thereof or thereon and such other matters as it determines are necessary.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and, the Principal Warrant Agent as provided in the applicable Final Terms.

The Final Terms for the Warrants complete these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent that it is inconsistent with these Conditions, supplement, replace or modify these Conditions for the purposes of the Warrants. References herein to the “**Final Terms**” or the “**applicable Final Terms**” are to the Final Terms or (in the case of any further warrants issued pursuant to Condition 13 and forming a single series with the Warrants) the additional Final Terms attached, in the case of Warrants other than Dematerialised Warrants, to the Global Warrant or, as the case may be, the Definitive Warrant and, in the case of Dematerialised Warrants, prepared in connection with such Dematerialised Warrants and signed by or on behalf of the Issuer.

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

The Warrantholders (as defined in Condition 1(b)) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Master Securities Agreement and the applicable Final Terms.

Warrants will be issued in series (each a “**Series**”) and each Series may comprise one or more tranches (“**Tranches**” and each a “**Tranche**”).

## 1. **Type, Title and Transfer**

### (a) *Type*

The Warrants are Index Linked Warrants, Share Linked Warrants, Debt Linked Warrants, Currency Linked Warrants, Commodity Linked Warrants, Interest Rate Linked Warrants, Fund Linked Warrants or any other or further type of warrants as is specified in the applicable Final Terms or any combination thereof. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Linked Warrants and Share Linked Warrants or any combination thereof are set out in these Conditions.

The applicable Final Terms will indicate whether the Warrants are American Style Warrants, European Style Warrants, Bermudan Style Warrants or such other type as may be specified in the applicable Final Terms, Cash Settled Warrants or Physical Delivery Warrants, whether automatic exercise (“**Automatic Exercise**”) applies to the Warrants, whether the Warrants are Call Warrants or Put Warrants or such other type as may be specified in the applicable Final Terms and whether averaging (“**Averaging**”) will apply to the Warrants. If Averaging is specified as applying in the applicable Final Terms the applicable Final Terms will state the relevant Averaging Dates and, in the case of a Market Disruption Event occurring on an Averaging Date, whether Omission, Postponement or Modified Postponement (each as defined in Condition 20 below) applies.

The applicable Final Terms will specify whether Warrants allow holders to elect for settlement by way of cash payment or by way of physical delivery or by such other settlement as specified in the applicable Final Terms. Warrants where the holder has elected for cash payment will be “**Cash Settled Warrants**” and those Warrants where the holder has elected for physical delivery will be “**Physical Delivery Warrants**”. The rights of a holder as described in this Condition may be subject to the Issuer’s right to vary settlement if so indicated in the applicable Final Terms.

References in these Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to Physical Delivery Warrants which include an option (as set out in the applicable Final Terms) at the Issuer’s election to require cash settlement of such Warrants and where settlement is to be by way of cash. References in these Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants which include an option (as set out in the applicable Final Terms) at the Issuer’s election to request physical delivery of the relevant underlying asset in settlement of such Warrant and where settlement is to be by way of physical delivery.

### (b) *Title to Warrants*

Each person who is for the time being shown in the records of the Relevant Clearing System as the holder of a particular amount of Warrants represented by a Global Warrant (in which regard any certificate or other document issued by the Relevant Clearing System as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest error) shall be treated for all purposes by the Issuer, the Guarantor, any Agent, the Relevant Clearing System, and all other

persons dealing with such person as the holder of such amount of Warrants (and the expressions “**Warrantholder**” and “**holder of Warrants**” and related expressions shall be construed accordingly).

In the case of Swedish Warrants, “**Warrantholder**” and “**holder of Warrants**” means the person in whose name a Swedish Warrant is registered in the Swedish Register and the reference to a person in whose name a Swedish Warrant is so registered shall include also any person duly authorised to act as a nominee (*förvaltare*) and in whose name such warrants are so registered. In respect of Swedish Warrants, the “**Swedish Register**” means the register maintained by the Swedish CSD on behalf of the Issuer in accordance with the Swedish CSD Rules. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Swedish Warrants shall be deemed to be and may be treated as its absolute owner for all purposes, regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder. The Issuer and the Swedish Issuing Agent (as defined in Condition 9(a) below) shall be entitled to obtain information from the Swedish Register in accordance with the Swedish CSD Rules.

In the case of Norwegian Warrants, “**Warrantholder**” and “**holder of Warrants**” means the person in whose name a Norwegian Warrant is registered in the Norwegian Register and the reference to a person in whose name a Norwegian Warrant is registered shall also include any entities registered as nominee holder (*forvalter*) of such Warrants. In respect of Norwegian Warrants, the “**Norwegian Register**” means the register maintained with the Norwegian CSD on behalf of the Issuer in accordance with the Norwegian CSD Rules. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Norwegian Warrants shall be deemed to be and may be treated as its absolute owner for all purposes, regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder. In respect of Norwegian Warrants, each holder agrees and accepts to that the Norwegian CSD may provide the Issuer and the Norwegian Issuing Agent (as defined in Condition 9(a) below), upon request, information registered with the Norwegian CSD relating to the Norwegian Warrants and the holders thereof. Such information shall include, but not be limited to, the identity of the registered holder of the Norwegian Warrants, the residency of the registered holder of the Norwegian Warrants, the number of Norwegian Warrants registered with the relevant holder, the address of the relevant holder, identity of the registrar account administrator in respect of the relevant securities account (*Kontofører Investor*) and whether or not the Norwegian Warrants are registered in the name of a nominee and the identity of any such nominee.

In the case of Finnish Warrants, “**Warrantholder**” and “**holder of Warrants**” means the person in whose name a Finnish Warrant is registered in the Finnish Register and the reference to a person in whose name a Finnish Warrant is so registered shall include also any person duly authorised to act as a nominee (*hallintarekisterin hoitaja*) and in whose name such warrants are so registered. In respect of Finnish Warrants, the “**Finnish Register**” means the register maintained by the Finnish CSD on behalf of the Issuer in accordance with the Finnish CSD Rules. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Finnish Warrants shall be deemed to be and may be treated as its absolute owner for all purposes, regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder. The Issuer and the Finnish Issuing Agent (as defined in Condition 9(a) below) shall be entitled to obtain information from the Finnish Register in accordance with the Finnish CSD Rules.

In the case of Italian Warrants, “**Warrantholder**” and “**holder of Warrants**” means the person, other than another CSD, who is for the time being shown in the records of the Italian CSD in accordance with the Italian CSD Rules (the “**Italian Register**”) as holder of a particular number of Italian Warrants. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Italian Warrants shall be deemed to be and may be treated as its absolute owner for all purposes, regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder and any certificate or other document issued by the Italian CSD as to the number of Italian Warrants standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error. The Issuer and the Italian Issuing Agent (as defined in Condition 9(a) below) shall be entitled to obtain information from the Italian Register in accordance with the Italian CSD Rules.

Title to any other Dematerialised Warrants shall be governed by the relevant Local Clearing System Rules as specified in the applicable Final Terms.

In the case of Definitive Registered Warrants, the Issuer shall cause to be kept at the specified office of the Principal Warrant Agent a register (the “**Register**”) on which shall be entered, the names and addresses of all holders of Definitive Registered Warrants, the number and type of the Definitive Registered Warrants held by them and details of all transfers of Definitive Registered Warrants. The persons shown in the Register (each a “**Warrantholder**”) shall (except as otherwise required by law) be treated as the absolute owners of the relevant Definitive Registered Warrants for all purposes (regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person (and the expressions “**Warrantholders**” and “**holder of Warrants**” and related expressions shall be construed accordingly).

In the case of Definitive Bearer Warrant title passes by delivery and the bearer of such Definitive Bearer Warrant (each a “**Warrantholder**”) shall (except as otherwise required by law) be treated as the absolute owner of the relevant Definitive Bearer Warrant for all purposes (regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person (and the expressions “**Warrantholders**” and “**holder of Warrants**” and related expressions shall be construed accordingly).

(c) *Transfers of Warrants*

All transactions (including transfers of Warrants) in the open market or otherwise must be effected through, in the case of Warrants represented by a Global Warrant, an account at Euroclear or Clearstream, Luxembourg subject to and in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be and title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg, as the case may be.

In the case of Dematerialised Warrants, all transactions (including transfers of such Warrants), in the open market or otherwise must be effected on account with the Relevant Clearing System subject to and in accordance with the rules and procedures for the time being of such Relevant Clearing System and title will pass upon registration of the transfer in the books of such Relevant Clearing System or any nominee thereof which, in the case of Swedish Warrants, will be by registration in the Swedish Register in accordance with the Swedish CSD Rules, in the case of Norwegian Warrants, will be by registration in the Norwegian Register in accordance with the Norwegian CSD Rules, in the case of Finnish Warrants, will be by registration in the Finnish Register in accordance with the Finnish CSD

Rules and in the case of Italian Warrants, will be by registration in the Italian Register in accordance with the Italian CSD Rules.

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 5.

The number of Warrants which may be transferred by a Warrantholder must be equal to the Minimum Trading Lot and any integral multiple thereof or of such other number, each as specified in the applicable Final Terms.

In the case of Warrants represented by a Rule 144A Global Warrant, transfers of such Warrants to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant or a Regulation S Global Warrant, or, in the case of Warrants represented by a Regulation S Global Warrant, transfers of such Warrants to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant or a Regulation S Global Warrant, may be effected only to or through the Issuer or an affiliate of the Issuer, or upon certification (in the form from time to time available from the Principal Warrant Agent) to the Principal Warrant Agent by the transferor (or with respect to an exchange, the holder), and made:

- (i) to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act or (B) to a QIB who is also a QP who acquired such Warrants in a transaction meeting the requirements of Rule 144A; and
- (ii) to a transferee or an exchange representing or deemed to represent that it is not acquiring the Warrants, directly or indirectly, with assets of any Employee Benefit Plan within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), whether or not subject to Title I of ERISA, including any U.S. governmental or non-U.S. pension plan, or any “plan” subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”); and
- (iii) in accordance with any applicable rules and regulations from time to time of the Principal Warrant Agent, Euroclear and Clearstream, Luxembourg.

(iv)

The Warrantholder must send to Euroclear or Clearstream, Luxembourg, as the case may be, a free of payment instruction not later than 10.00 a.m. (Brussels or Luxembourg time, as the case may be) one Brussels business day or Luxembourg business day, as the case may be, prior to the date on which the transfer or exchange is to take effect.

In the case of a transfer, separate payment arrangements are required to be made between the transferor and the transferee.

On the transfer or exchange date, Euroclear or Clearstream, Luxembourg, as the case may be, will debit the account of its participant and will instruct the Principal Warrant Agent to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to credit the relevant account of the Euroclear or Clearstream, Luxembourg participant, as the case may be.

Upon any transfer or exchange date, the Principal Warrant Agent, in the case of transfer to and/or from a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant or Rule 144A Global Warrant held by a Common Depository on behalf of Euroclear or Clearstream, Luxembourg, will increase or decrease, if appropriate, the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant, whereupon the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.

If at any time the Principal Warrant Agent determines or is notified by the Issuer or any of its affiliates that (i) a transfer or attempted or purported transfer of any interest in a Warrant was not consummated in compliance with the provisions of Condition 1(c), or (ii) there was a breach of any representation (at the time given) or agreement set forth in any certificate or letter or any deemed representation or agreement delivered or deemed to be made (at the time deemed made) by such purchaser, the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in such purchaser (being in such case, a “**Disqualified Transferee**”) and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Warrantholder thereof retroactively to the date of purported transfer of such interest by such Warrantholder; alternatively, the Issuer may require any Disqualified Transferee to sell such interest to the Issuer or an entity designated by the Issuer that would not be a Disqualified Transferee.

Definitive Registered Warrants may be transferred at the office of the Principal Warrant Agent in accordance with the terms set out in the Definitive Registered Warrant and the Master Warrant Agreement and for so long as the relevant Warrants are listed on the Luxembourg Stock Exchange and the rules of such exchange so requires, in the case of a transfer or exchange of Definitive Registered Warrants, a holder thereof may effect such transfer or exchange by presenting and surrendering such Warrant at, and obtaining a new Definitive Registered Warrant from the office of the Luxembourg Warrant Agent, in the case of a transfer of only a part of a Definitive Registered Warrant, a new Definitive Registered Warrant in respect of the balance of the principal amount of the Definitive Registered Warrant not transferred will be made available at the office of the Luxembourg Warrant Agent, and in the case of any lost, stolen, mutilated or destroyed Definitive Registered Warrant, a holder thereof may request a new Definitive Registered Warrant at office of the Luxembourg Warrant Agent.

## **2. Status of the Warrants**

The Warrants constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank *pari passu* among themselves and with all other existing or future direct, unsubordinated, unconditional and unsecured obligations of the Issuer (other than those preferred by law).

## **3. The Guarantee and Status of the Guarantee**

In the case of Warrants issued by CFP and CFG, the Guarantor, in accordance with the terms of the Guarantee, has agreed to irrevocably and unconditionally guarantee the payment and delivery obligations of CFP and/or CFG, as the case may be, under or in respect of the Warrants. The obligations of the Guarantor under the Guarantee will constitute direct, unsubordinated, unconditional and unsecured obligations of the Guarantor and will rank *pari passu* with all other existing or future direct, unsubordinated, unconditional and unsecured obligations of the Guarantor (other than those preferred by law).

## **4. Exercise Rights**

### **(a) Exercise Period**

#### **(i) American Style Warrants**

American Style Warrants are exercisable on any Business Day during the Exercise Period.

- (A) In the case of Warrants represented by a Global Warrant or Dematerialised Warrants:

- (I) the Business Day during the Exercise Period on which an Exercise Notice is received prior to (x) 10.00 a.m., Brussels or Luxembourg time (as appropriate), by Euroclear or Clearstream, Luxembourg, as the case may be, or (y) 10.00 a.m. (local time) by the Relevant Clearing System (including the Swedish CSD, in the case of Swedish Warrants, the Norwegian CSD in the case of Norwegian Warrants, the Finnish CSD in the case of Finnish Warrants and the Italian CSD in the case of Italian Warrants), as the case may be, and the copy thereof is so received prior to 10.00 a.m (Luxembourg time) by the Principal Warrant Agent; or
- (II) if Automatic Exercise is specified to apply in the applicable Final Terms and no Exercise Notice has been delivered in accordance with Condition 5, the Expiration Date;

is referred to herein as the “**Actual Exercise Date**”.

If any such Exercise Notice is received by Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System (including the Swedish CSD, in the case of Swedish Warrants, the Norwegian CSD in the case of Norwegian Warrants, the Finnish CSD in the case of Finnish Warrants and the Italian CSD in the case of Italian Warrants), as the case may be, or if the copy thereof is received by the Principal Warrant Agent, after 10.00 a.m., Brussels or Luxembourg time or other local time (as appropriate), on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date.

Any Warrant in respect of which (i) no Exercise Notice has been delivered in the manner set out in Condition 5 or the applicable Final Terms, at or prior to 10.00 a.m. (Brussels or Luxembourg time or other local time, as appropriate) on the Expiration Date, and (ii) the applicable Final Terms does not state that Automatic Exercise applies, shall become void on the Expiration Date.

- (B) In the case of Warrants represented by Definitive Warrants:
  - (I) the Business Day during the Exercise Period on which the Definitive Warrant representing such Definitive Warrants is delivered to the Principal Warrant Agent together with an Exercise Notice, amended as appropriate and completed to the satisfaction of the Principal Warrant Agent; or
  - (II) if Automatic Exercise is specified to apply in the applicable Final Terms and no Exercise Notice has been delivered in accordance with Condition 5, the Expiration Date;

is referred to herein as the “**Actual Exercise Date**”.

Any Exercise Notice which is delivered to the Principal Warrant Agent after 10.00 a.m., Luxembourg time, on any Business Day during the Exercise Period will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date.

Any Warrant in respect of which (i) no Exercise Notice has been delivered in the manner set out in Condition 5 or the applicable Final Terms at or prior to 10.00

a.m., Luxembourg time, on the Expiration Date and (ii) the applicable Final Terms does not state that Automatic Exercise applies, shall become void on the Expiration Date.

The expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Actual Exercise Date in accordance with this provision or the applicable Final Terms.

Notwithstanding the above, any Warrants in respect of which Automatic Exercise is specified to apply in the applicable Final Terms, shall not be automatically exercised (and the Expiration Date shall not be the Actual Exercise Date) if:

- (A) they are Physical Delivery Warrants and are not In-the-Money on the Expiration Date; and/or
- (B) in the case of Warrants represented by a Global Warrant, Dematerialised Warrants or a Definitive Warrant, the Warrantholder of such Warrants has notified the Principal Warrant Agent at or prior to 10.00 a.m. (Luxembourg time) on the Expiration Date that they do not wish Automatic Exercise to occur.

**(ii) European Style Warrants**

European Style Warrants are only exercisable on the Exercise Date.

- (A) In the case of European Style Warrants represented by a Global Warrant or Dematerialised Warrants:

- (I) the Exercise Date on which an Exercise Notice has been delivered in the manner set out in Condition 5 or the applicable Final Terms, and is received at or prior to (x) 10.00 a.m., Brussels or Luxembourg time (as appropriate), by Euroclear or Clearstream, Luxembourg, as the case may be, or (y) 10.00 a.m. (local time) by the Relevant Clearing System (including the Swedish CSD, in the case of Swedish Warrants, the Norwegian CSD in the case of Norwegian Warrants, the Finnish CSD in the case of Finnish Warrants and the Italian CSD in the case of Italian Warrants), as the case may be or other local time (as appropriate) on the Exercise Date; or
- (II) if Automatic Exercise is specified to apply in the applicable Final Terms, the Exercise Date;

is herein referred to as the “**Actual Exercise Date**”.

Any Warrant in respect of which (i) no Exercise Notice has been delivered in the manner set out in Condition 5 or the applicable Final Terms, at or prior to 10.00 a.m. (Brussels or Luxembourg time or other local time, as appropriate) on the Exercise Date and (ii) the applicable Final Terms does not state that Automatic Exercise applies, shall become void on the Exercise Date.

- (B) In the case of European Style Warrants represented by a Definitive Warrant:
  - (I) the Exercise Date on which the Definitive Warrant representing such Euroclear/Clearstream Definitive Warrants is delivered to the Principal Warrant Agent together with an Exercise Notice, amended as appropriate and completed to the satisfaction of the Principal Warrant Agent; or

- (II) if Automatic Exercise is specified to apply in the applicable Final Terms, the Exercise Date;

is referred to herein as the “**Actual Exercise Date**”.

Any Warrant in respect of which (i) no Exercise Notice has been delivered in the manner set out in Condition 5 or the applicable Final Terms, at or prior to 10.00 a.m., Luxembourg time, on the Exercise Date and (ii) the applicable Final Terms does not state that Automatic Exercise applies, shall become void on the Exercise Date.

The expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Expiration Date in accordance with this provision.

Notwithstanding the above, any Warrants in respect of which Automatic Exercise is specified to apply in the applicable Final Terms, shall not be automatically exercised (and the Exercise Date shall not be the Actual Exercise Date) if:

- (A) they are Physical Delivery Warrants and are not In-the-Money on the Exercise Date; and/or
- (B) in the case of Warrants represented by a Global Warrant, Dematerialised Warrants or a Definitive Warrant, the Warrantholder of such Warrants has notified the Principal Warrant Agent at or prior to 10.00 a.m. (Luxembourg time) on the Exercise Date that they do not wish Automatic Exercise to occur.

**(iii) Bermudan Style Warrants**

Bermudan Style Warrants are exercisable on the Exercise Dates specified in the applicable Final Terms.

- (A) In the case of Warrants represented by a Global Warrant:

- (I) the Exercise Date on which an Exercise Notice is received at or prior to 10.00 a.m., Brussels or Luxembourg time (as appropriate), by Euroclear or Clearstream, Luxembourg, as the case may be, or the Luxembourg Warrant Agent, as the case may be or (y) 10.00 a.m. (local time) by the Relevant Clearing System (including the Swedish CSD, in the case of Swedish Warrants, the Norwegian CSD in the case of Norwegian Warrants, the Finnish CSD in the case of Finnish Warrants and the Italian CSD in the case of Italian Warrants), as the case may be or other local time (as appropriate) on the Exercise Date and the copy thereof is so received prior to 10.00 a.m. (Luxembourg time) by the Principal Warrant Agent; or
- (II) if Automatic Exercise is specified to apply in the applicable Final Terms and no Exercise Notice has been delivered in accordance with Condition 5, the Expiration Date;

is referred to herein as the “**Actual Exercise Date**”.

If an Exercise Notice is received by Euroclear or Clearstream, Luxembourg, as the case may be, or the Luxembourg Warrant Agent, as the case may be, or if the copy thereof is received by the Principal Warrant Agent, after 10.00 a.m., Luxembourg time, on the applicable Exercise Date, such Exercise Notice shall (i) if the immediately succeeding Business Day is not an Exercise Date be void or (ii) if the immediately succeeding Business Day is an

Exercise Date be deemed to have been delivered on the immediately succeeding Business Day which Business Day shall be deemed to be the Actual Exercise Date.

Any Warrant in respect of which (i) no Exercise Notice has been delivered in the manner set out in Condition 5 or the applicable Final Terms, at or prior to 10.00 a.m. (Brussels or Luxembourg time or other local time, as appropriate) on the Expiration Date and (ii) the applicable Final Terms does not state that Automatic Exercise applies, shall become void on the Expiration Date.

- (B) In the case of Warrants represented by Definitive Warrants:
- (I) the Exercise Date on which the Definitive Warrant representing such Definitive Warrants is delivered to the Principal Warrant Agent or the Luxembourg Warrant Agent, as the case may be, together with an Exercise Notice, amended as appropriate and completed to the satisfaction of the Principal Warrant Agent or the Luxembourg Warrant Agent, as the case may be; or
  - (II) if automatic exercise is specified to apply in the applicable Final Terms the first Exercise Date and no Exercise Notice has been delivered in accordance with Condition 5, the Expiration Date, is referred to herein as the “**Actual Exercise Date**”.

Any Exercise Notice which is delivered to the Principal Warrant Agent or the Luxembourg Warrant Agent, as the case may be, after 10.00 a.m., Luxembourg time, on an Exercise Date shall (i) if the immediately succeeding Business Day is not an Exercise Date be void or (ii) if the immediately succeeding Business Day is an Exercise Date be deemed to have been delivered on the immediately succeeding Business Day which Business Day shall be deemed to be the Actual Exercise Date.

Any Warrant in respect of which (i) no Exercise Notice has been delivered in the manner set out in Condition 5 or the applicable Final Terms, at or prior to 10.00 a.m., Luxembourg time, on the Expiration Date and (ii) the applicable Final Terms does not state that Automatic Exercise applies, shall become void on the Expiration Date.

The expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Actual Exercise Date in accordance with this provision.

Notwithstanding the above, any Warrants in respect of which Automatic Exercise is specified to apply in the applicable Final Terms, shall not be automatically exercised (and the Expiration Date shall not be the Actual Exercise Date) if:

- (A) they are Physical Delivery Warrants and are not In-the-Money on the Expiration Date; and/or
- (B) in the case of Warrants represented by a Global Warrant, Dematerialised Warrants or a Definitive Warrant, the Warrantholder of such Warrants has notified the Principal Warrant Agent or the Luxembourg Warrant Agent, as the case may be, at or prior to 10.00 a.m. (Brussels or Luxembourg time or other local time, as appropriate) on the Expiration Date that they do not wish Automatic Exercise to occur.

(b) *Cash Settlement Amount and Alternative Cash Settlement Amount*

(i) Unless otherwise specified in the applicable Final Terms, the holder of a Cash Settled Warrant (including for the avoidance of doubt a Cash Settled Warrant in definitive form), upon due exercise and subject, in the case of Warrants represented by a Regulation S Global Warrant or a Permanent Global Warrant, to certification as to non-U.S. beneficial ownership, will receive from the Issuer in respect of each Cash Settled Warrant on the Settlement Date, a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

(A) where Averaging is not specified in the applicable Final Terms:

- (I) if such Warrants are Call Warrants,  
(Settlement Price less Strike Price), multiplied by the Multiplier (if any) specified in the applicable Final Terms, and multiplied by, in the case of Debt Warrants only, the Nominal Amount;
- (II) if such Warrants are Put Warrants,  
(Strike Price less Settlement Price), multiplied by the Multiplier (if any) specified in the applicable Final Terms, and multiplied by, in the case of Debt Warrants only, the Nominal Amount; and
- (III) if such Warrants are neither Call Warrants nor Put Warrants, the Cash Settlement Amount will be as specified in the applicable Final Terms;

(B) where Averaging is specified in the applicable Final Terms:

- (I) if such Warrants are Call Warrants,  
(the arithmetic average of the Settlement Price for all the Averaging Dates less Strike Price), multiplied by the Multiplier (if any) specified in the applicable Final Terms, and multiplied by, in the case of Debt Warrants only, the Nominal Amount;
- (II) if such Warrants are Put Warrants,  
(Strike Price less the arithmetic average of the Settlement Prices for all the Averaging Dates), multiplied by the Multiplier (if any) specified in the applicable Final Terms, and multiplied by, in the case of Debt Warrants only, the Nominal Amount; and
- (III) if such Warrants are neither Call Warrants nor Put Warrants, the Cash Settlement Amount will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount rounding upwards to the nearest whole unit of the Settlement Currency.

(c) *Physical Settlement*

(i) Exercise rights in relation to Physical Delivery Warrants (including for the avoidance of doubt Physical Delivery Warrants in definitive form):

Each Physical Delivery Warrant entitles its holder, upon due exercise and subject, where appropriate, to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date, the Entitlement subject to payment of the

relevant Strike Price. The method of delivering the Entitlement is set out in the applicable Final Terms.

Warrants exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants PROVIDED THAT the aggregate Entitlement in respect of the same Warrantholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Accordingly, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustments will be made in respect thereof.

(ii) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event PROVIDED THAT the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. Where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Strike Price to be paid by the relevant Warrantholder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant by payment to the relevant Warrantholder of the Disruption Cash Settlement Amount on the third Business Day following the date that notice of such election is given to the Warranholders in accordance with Condition 11. Payment of the Disruption Cash Settlement Amount will be made in such manner as shall be notified to the Warranholders in accordance with Condition 11. The Calculation Agent shall give notice as soon as practicable to the Warranholders in accordance with Condition 11 that a Settlement Disruption Event has occurred. No Warrantholder shall be entitled to any payment in respect of the relevant Warrant in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

(iii) Failure to Deliver due to Illiquidity

If "**Failure to Deliver due to Illiquidity**" is specified as applicable in the applicable Final Terms and, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when

due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets, then:

- (a) subject as provided elsewhere in these Terms and Conditions as amended by the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 4(c) and the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Strike Price to be paid by the relevant Warrantheader in respect of that partial settlement; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant, by payment to the relevant Warrantheader of the Failure to Deliver Settlement Amount on the fifth Business Day following the date that notice of such election is given to the Warrantheaders in accordance with Condition 11. Payment of the Failure to Deliver Settlement Amount will be made in such manner as shall be notified to the Warrantheaders in accordance with Condition 11. The Calculation Agent shall give notice as soon as practicable to the Warrantheaders in accordance with Condition 11 that the provisions of this Condition 4(c)(iii) apply.

(d) *Issuer’s Option to Vary Settlement*

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of Warrants in accordance with these Conditions, the Issuer may in its sole and absolute discretion, in respect of each such Warrant elect not to pay the relevant Warrantheaders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Warrantheaders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Alternative Cash Settlement Amount on the Settlement Date to the relevant Warrantheaders, as the case may be. Notification of such election will be given to Warrantheaders (or, in the case of American Style Warrants and Bermudan Style Warrants, the exercising Warrantheaders) no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date. In the event a Settlement Disruption Event had occurred or is continuing in the period commencing on the Actual Exercise Date and ending on such second Business Day, notification of such election may be postponed up to the earlier of (i) eight Business Days following such Actual Exercise Date so long as such Settlement Disruption Event is continuing, (ii) two Business Days after the end of such Settlement Disruption Event, and (iii) one Business Day prior to the Settlement Date (as may be adjusted in accordance with these Conditions in respect of such Settlement Disruption Event).

(e) *FX Disruption*

- (i) Where the applicable Final Terms specifies that this Condition 4(e) is applicable, if the Calculation Agent determines that on any Valuation Date an FX Disruption Event (as defined below) has occurred and is continuing, the date for determination of the FX Rate shall be postponed until the first Business Day on which such FX Disruption Event ceases to exist (the “**FX Date**”), provided that where on the tenth Business Day following the Valuation Date (the “**FX Cut-Off Date**”) such FX Disruption Event continues to exist, the Issuer may elect to

terminate its obligations under the Warrant by (x) paying an amount in a currency not subject to the FX Disruption Event; or (y) delivering or procuring the delivery of an amount of Relevant Assets, to each Warrantholder the value of which corresponds to the fair market value of each Warrant held by the Warrantholder each as determined by the Calculation Agent in its sole and absolute discretion.

- (ii) Where an FX Disruption Event occurs, the Settlement Date in respect of the Warrants shall be postponed to the Business Day which falls the same number of Business Days after the FX Date or the FX Cut-Off Date, where the Issuer elects to terminate its obligations under the Warrant in accordance with (e)(i) above, as the Settlement Date was originally scheduled to be after the Valuation Date (the **"Postponed Settlement Date"**).
- (iii) If an FX Disruption Event has occurred and is continuing on the Settlement Date or the Postponed Settlement Date (including any Settlement Date postponed due to a prior FX Disruption Event), then the Settlement Date or the Postponed Settlement Date, as the case may be, shall be postponed until the first Business Day on which such FX Disruption Event ceases to exist, provided that where on the tenth Business Day following the Settlement Date or the Postponed Settlement Date, as the case may be, an FX Disruption Event exists the Issuer may elect to terminate its obligations under the Warrant by (x) paying an amount in a currency not subject to the FX Disruption Event, or (y) delivering or procuring the delivery of an amount of Relevant Assets, to each Warrantholder the value of which corresponds to the fair market value of each Warrant held by the Warrantholder each as determined by the Calculation Agent in its sole and absolute discretion.

For the avoidance of doubt, if an FX Disruption Event coincides with a Market Disruption Event, a Settlement Disruption Event or a Failure to Deliver due to Illiquidity, the provisions of this Condition 4(e) shall take effect only after such postponements or adjustments have been made as a result of such Market Disruption Event in accordance with Conditions 16, 17 and 18 as the case may be, or a Settlement Disruption Event in accordance with Condition 4(c)(ii) or a Failure to Deliver due to Illiquidity in accordance with Condition 4(c)(iii), as the case may be, and, notwithstanding the provisions of Condition 4(c)(ii) or Condition 4(c)(iii), the Issuer's payment obligation of the Cash Settlement Amount shall continue to be postponed in accordance with the provisions of this Condition 4(e).

For the purposes of this Condition 4(e):

**"FX Disruption Event"** means the occurrence of an event that makes it impossible through legal channels for the Issuer or its affiliates to either:

- (i) convert the Relevant Currency into the Settlement Currency; or
- (ii) deliver the Settlement Currency from accounts within the Relevant Country to accounts outside such jurisdiction; or
- (iii) deliver the Relevant Currency between accounts within the Relevant Country to a person that is a non-resident of that jurisdiction;

**"Relevant Country"** has the meaning ascribed to it in the applicable Final Terms; and

**"Relevant Currency"** has the meaning ascribed to it in the applicable Final Terms.

(f) *General*

None of the Calculation Agent, the Issuer, the Guarantor, any Dealer or any Warrant Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount, Alternative Cash Settlement Amount, Disruption Cash Settlement Amount, Board Lot Payment, Failure to Deliver Settlement Amount or of any Entitlement or other amount whatsoever.

The purchase of Warrants does not confer on the Warrantholder any rights (whether in respect of voting, distributions or otherwise) attaching to the Relevant Asset.

All references in this Condition to “Luxembourg or Brussels time” shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

**5. Exercise Procedure**

(a) *Exercise Notice*

Subject as provided in Condition 5(f) (in the case of Dematerialised Warrants) and 5(g) (in the case of Automatic Exercise), Warrants may be exercised by the delivery, or the sending by tested telex (confirmed in writing) (or, if the Warrants are held in Euroclear, by the Euroclear Bank Information Distribution System (“**Euclid**”)), or such other method as is acceptable to the Relevant Clearing System, of a duly completed exercise notice (an “**Exercise Notice**”) in the form set out in the Master Warrant Agreement or such other form as the Issuer shall determine (copies of which form may be obtained from the Relevant Clearing System and the Warrant Agents) to the Relevant Clearing System and with a copy to the Principal Warrant Agent in accordance with the provisions set out in Condition 4 and this Condition 5.

(i) In the case of Cash Settled Warrants, the Exercise Notice shall:

- (A) specify the name(s) of the Warrantholder(s) exercising the Warrants;
- (B) specify the address(es) of the Warrantholder(s) exercising the Warrants;
- (C) specify the series number of the Warrants being exercised;
- (D) specify the number of Warrants being exercised;
- (E) in the case of Warrants represented by a Global Warrant:
  - (I) specify the number of the Warrantholder’s account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised;
  - (II) irrevocably instruct Euroclear or Clearstream, Luxembourg as the case may be, to debit on or before the Settlement Date the Warrantholder’s account with the Warrants being exercised; or
  - (III) specify the number of the Warrantholder’s account at Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant being exercised;
- (F) include an undertaking to pay all costs, taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise of such Warrants (“**Exercise Expenses**”), and in the case of Warrants represented by a Global Warrant, an authority to Euroclear or Clearstream, Luxembourg

to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Exercise Expenses to the Issuer or as it may direct;

- (G) include an undertaking to indemnify the Issuer and the Warrant Agents in respect of their respective losses in respect of any transfer or attempt to transfer such Warrants on or following exercise, as described in Condition 5(e) below;
- (H) certify, where appropriate, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised in the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America or other jurisdiction as indicated and set out in the applicable Final Terms; and
- (I) authorise the production of such Exercise Notice in any applicable administrative or legal proceedings,

all as provided in the Master Warrant Agreement.

(ii) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (A) specify the name(s) of the Warrantholder(s) exercising the Warrants;
- (B) specify the address(es) of the Warrantholder(s) exercising the Warrants;
- (C) specify the series number of the Warrants;
- (D) specify the number of Warrants being exercised;
- (E) in the case of Warrants represented by a Global Warrant:
  - (I) specify the number of the Warrantholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised;
  - (II) irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised;
  - (III) irrevocably instruct Euroclear or Clearstream, Luxembourg to debit on the Actual Exercise Date a specified account of the Warrantholder with Euroclear or Clearstream, Luxembourg, as the case may be, with the aggregate Strike Prices in respect of such Warrants (together with any other amounts payable);
- (F) include an undertaking to pay all costs, taxes, duties and/or expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise of such Warrants or the delivery or transfer of the Entitlement pursuant to the terms of such Warrants ("**Exercise Expenses**"), and in the case of Warrants

represented by a Global Warrant, an authority to Euroclear or Clearstream, Luxembourg to debit a specified account of the Warrantheader at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Exercise Expenses to the Issuer or as it may direct;

- (G) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and in the case of Warrants represented by a Global Warrant, specify the name and the number of the Warrantheader's account with Euroclear or Clearstream, Luxembourg to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Amount, the Alternative Cash Settlement Amount or the Failure to Deliver Settlement Amount;
- (H) include an undertaking to indemnify the Issuer and the Warrant Agents in respect of their respective losses in respect of any transfer or attempt to transfer such Warrants in or following exercise, as described in Condition 5(e) below;
- (I) in the case of Currency Linked Warrants only and, in the case of Warrants represented by a Global Warrant, specify the number of the Warrantheader's account at Euroclear or Clearstream, Luxembourg to be credited with the amount due upon exercise of the Warrants;
- (J) certify, where appropriate, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised in the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (K) authorise the production of such Exercise Notice in any applicable administrative or legal proceedings,  
all as provided in the Master Warrant Agreement.

- (iii) In the case of Definitive Warrants or if Condition 4(d) applies, the form of Exercise Notice required to be delivered in the manner set out above will be different. Copies of such Exercise Notice may be obtained from Euroclear, Clearstream, Luxembourg and the Warrant Agents.

*(b) Verification of the Warrantheader*

Upon receipt of an Exercise Notice, the Relevant Clearing System shall verify that the person exercising the Warrants is the holder thereof according to the records of the Relevant Clearing System. Subject thereto, and by 10.00 a.m. (Luxembourg time) on the Exercise Date, the Relevant Clearing System or Luxembourg Warrant Agent, as the case

may be, will confirm by tested telex (or such other method as may be agreed from time to time) to the Principal Warrant Agent the number of Warrants being exercised and if the Warrants are Cash Settled Warrants the account details, if applicable, for the payment of the Cash Settlement Amount of each Warrant being exercised or, if the Warrants are Physical Delivery Warrants, the name and address of the person or bank or broker to whom the Entitlement is to be transferred and, if applicable, the name and address of the person or bank or broker to whom the documents evidencing the Entitlement are to be delivered. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer thereof.

The Relevant Clearing System will on or before the Settlement Date debit the account of the relevant Warrantholder with the Warrants being exercised. If the Warrants are American Style Warrants or Bermudan Style Warrants, upon exercise of less than all the Warrants constituted by the Global Warrant, the Principal Warrant Agent, shall note such exercise on the Schedule to the Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

(c) *Settlement*

(i) Cash Settled Warrants

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant to the Warrantholder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses;

(ii) Physical Delivery Warrants

Subject to payment of the applicable Strike Price(s) with regard to the relevant Warrants (including Warrants in definitive form) and any Exercise Expenses, the Issuer shall on the Settlement Date deliver, or procure delivery on its behalf, the Entitlement to or to the order of the Warrantholder as specified in the Exercise Notice together with any documents evidencing the Entitlement (if any). The Entitlement shall be evidenced by customary documents of title in respect of the Relevant Asset, details of which are set out in the applicable Final Terms.

(d) *Determinations*

- (i) In the case of Warrants represented by a Global Warrant or Dematerialised Warrants, any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Relevant Clearing System or Luxembourg Warrant Agent, as the case may be, in consultation with the Principal Warrant Agent and shall be conclusive and binding on the Issuer, the Guarantor, the Warrant Agents and the relevant Warrantholder. Subject as set out below, if (i) the number of Warrants specified in an Exercise Notice exceeds the number of Warrants held in the relevant account or (ii) any Exercise Notice is determined to be incomplete or not in proper form, or is not copied to the Principal Warrant Agent immediately after being delivered or sent to the Relevant Clearing System or Luxembourg Warrant Agent, as the case may be, as provided in paragraph (a) above, such Exercise Notice shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Relevant Clearing System or Luxembourg Warrant Agent, as the case may be, in consultation with the Principal Warrant Agent, or is copied to the Principal Warrant Agent, as the case may be, it shall be deemed to be a new Exercise Notice

submitted at the time such correction was delivered to the Relevant Clearing System or Luxembourg Warrant Agent, as the case may be, and the Principal Warrant Agent or such time as the Exercise Notice is copied to the Principal Warrant Agent, as the case may be.

- (ii) In the case of Warrants represented by Definitive Warrants, any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Principal Warrant Agent and shall be conclusive and binding on the Issuer and the relevant Warrantholder. If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Warrant Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the Principal Warrant Agent.

If the applicable Final Terms specifies that Automatic Exercise does not apply, any Warrant with respect to which the Exercise Notice has not been duly completed in the manner set out above on or before the cut off time specified, in the case of American Style Warrants, in Condition 4(a)(i), in the case of European Style Warrants, in Condition 4(a)(ii) or in the case of Bermudan Style Warrants, in Condition 4(a)(iii) shall in each case become void.

The Relevant Clearing System or Luxembourg Warrant Agent, as the case may be, shall use its best efforts promptly to notify the Warrantholder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent, it has determined that such Exercise Notice is incomplete or not in proper form. In the case of Warrants represented by Definitive Warrants, the Principal Warrant Agent will use its best efforts promptly to notify the Warrantholder which has submitted an Exercise Notice if it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Warrant Agents and the Relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Warrantholder.

(e) *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice such exercising Warrantholder may not otherwise transfer such Warrants.

If any Warrantholder does so transfer or attempt to transfer such Warrants, such Warrantholder will be liable to the Issuer for any losses, costs and expenses suffered or incurred by the Issuer, including, without limitation, those suffered or incurred as a consequence of it having terminated any related hedging operations in reliance on the relevant Exercise Notice and subsequently (i) entering into replacement hedging operations in respect of such Warrants or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging operations.

(f) *Dematerialised Warrants*

(i) General

Subject as provided in Condition 5(g) below or as otherwise provided in the applicable Final Terms, Dematerialised Warrants will be exercised in accordance with the provisions of this Condition 5(f).

(ii) Swedish Warrants

Swedish Warrants may only be exercised by delivery of a duly completed Exercise Notice to the Swedish Issuing Agent in respect of the relevant issue of Swedish Warrants, with a copy to the Principal Warrant Agent, *mutatis mutandis*, in accordance with the relevant provisions of this Condition 5, and such provisions shall be construed accordingly with references to the “Relevant Clearing System” and/or “Euroclear Bank” or “Clearstream Luxembourg”, as the case may be, being deemed to be references to the Swedish Issuing Agent and references to any action be required to be taken by a specified time, being deemed to be to Stockholm time. The Swedish Issuing Agent (or such other person designated by the then applicable Swedish CSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in this Condition 5 (or, as the case may be under the then applicable Swedish CSD Rules), request and/or effect the transfer by the holder of the relevant Swedish Warrants to a blocked account preventing further transfers of such Warrants until such debiting may occur). Cash Settlement and, to the extent applicable, Physical Settlement will occur in accordance with the Swedish CSD Rules and payments will be effected to the holder recorded as such on the fifth business day (as defined by the then applicable Swedish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the Swedish CSD Rules (such date being the “**Record Date**” for the purposes of the Swedish Warrants).

(iii) Norwegian Warrants

Norwegian Warrants may only be exercised by delivery of a duly completed Exercise Notice to the Norwegian Issuing Agent in respect of the relevant Norwegian Warrants, with a copy to the Principal Warrant Agent, *mutatis mutandis*, in accordance with the provisions of this Condition 5, and such provisions shall be construed accordingly with references to the “Relevant Clearing System” and/or “Euroclear Bank” or “Clearstream Luxembourg”, as the case may be, being deemed to be references to the Norwegian Issuing Agent and references to any action be required to be taken by a specified time, being deemed to be to Oslo time. The Norwegian Issuing Agent (or such other entity designated in accordance with then applicable Norwegian CSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in this Condition 5. Cash Settlement and, to the extent applicable, Physical Settlement in respect of Norwegian Warrants will not be take effect against the Issuer before the date on which the Norwegian Issuing Agent can request and/or effect the transfer of the relevant Norwegian Warrants to an account designated by the Norwegian Issuing Agent or blocked preventing further transfer by the Norwegian Issuing Agent. Cash Settlement and, to the extent applicable, Physical Settlement, will occur in accordance with the Norwegian CSD Rules and payments will be effected to the Holder recorded as such on the fifth business day (as defined by the then applicable Norwegian CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the Norwegian CSD Rules (such date being the “**Record Date**” for the purposes of the Norwegian Warrants).

(iv) Finnish Warrants

Finnish Warrants may only be exercised by delivery of a duly completed Exercise Notice to the Finnish Issuing Agent in respect of the relevant issue of Finnish

Warrants, with a copy to the Principal Warrant Agent, *mutatis mutandis*, in accordance with the relevant provisions of this Condition 5, and such provisions shall be construed accordingly with references to the “Relevant Clearing System” and/or “Euroclear Bank” or “Clearstream Luxembourg”, as the case may be, being deemed to be references to the Finnish Issuing Agent and references to any action be required to be taken by a specified time, being deemed to be to Helsinki time. The Finnish Issuing Agent (or such other person designated by the then applicable Finnish CSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in this Condition 5 (or, as the case may be under the then applicable Finnish CSD Rules), request and/or effect the transfer by the holder of the relevant Finnish Warrants to a blocked account preventing further transfers of such Warrants until such debiting may occur). Cash Settlement and, to the extent applicable, Physical Settlement will occur in accordance with the Finnish CSD Rules and payments will be effected to the holder recorded as such on the fifth business day (as defined by the then applicable Finnish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the Finnish CSD Rules (such date being the “**Record Date**” for the purposes of the Finnish Warrants).

(v) Italian Warrants

Italian Warrants may only be exercised by delivery of a duly completed Exercise Notice to the Italian Issuing Agent in respect of the relevant Italian Warrants, with a copy to the Principal Warrant Agent, *mutatis mutandis*, in accordance with the provisions of this Condition 5, and such provisions shall be construed accordingly with references to the “Relevant Clearing System” and/or “Euroclear Bank” or “Clearstream Luxembourg”, as the case may be, being deemed to be references to the Italian Issuing Agent and references to any action be required to be taken by a specified time, being deemed to be to Rome time. The Italian Issuing Agent (or such other entity designated in accordance with then applicable Italian CSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in this Condition 5. Cash Settlement and, to the extent applicable, Physical Settlement in respect of Italian Warrants will not take effect against the Issuer before the date on which the Italian Issuing Agent can request and/or effect the transfer of the relevant Italian Warrants to an account designated by the Italian Issuing Agent or blocked preventing further transfer by the Italian Issuing Agent. Cash Settlement and, to the extent applicable, Physical Settlement, will occur in accordance with the Italian CSD Rules and payments will be effected to the Holder recorded as such on the fifth business day (as defined by the then applicable Italian CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the Italian CSD Rules (such date being the “**Record Date**” for the purposes of the Italian Warrants).

(g) *Automatic Exercise*

This paragraph only applies if Automatic Exercise is specified to apply in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 4(a)(i) to 4(a)(iii).

Where the Warrants are Physical Settlement Warrants, in order to receive the Entitlement where the Warrants have been exercised automatically, the relevant Warrantholder must either:

- (i) where the relevant Warrants are represented by a Global Warrant or are Dematerialised Warrants, send by tested telex (confirmed in writing) (or, if the Warrants are held in Euroclear, by the Euroclear Bank Information Distribution System (“**Euclid**”)), or such other method as is acceptable to the Relevant Clearing System, a duly completed settlement notice (“**Settlement Notice**”) which shall set out the matters required in respect of an Exercise Notice under Conditions 5(a)(ii)(A) to 5(a)(ii)(C) and 5(a)(ii)(E) to 5(a)(ii)(K) (with necessary changes to refer to the “Settlement” where such condition requires reference to “Exercise”), to the Relevant Clearing System, with a copy to the Issuer and the Principal Warrant Agent on any Business Day until not later than 10.00a.m., Brussels or Luxembourg or other local time (as appropriate), on the day (the “**Cut-off Date**”) falling 30 days after the Actual Exercise Date; or
- (ii) where the relevant Warrants are represented by Definitive Warrants, the Warrantholder should deliver the Definitive Registered Warrant or Definitive Bearer Warrant representing such Definitive Warrants together with a duly completed Settlement Notice to the Principal Warrant Agent on any Business Day until not later than 10.00a.m. Luxembourg time on the Cut-off Date.

The Business Day falling during the period from the Actual Exercise Date until the Cut-off Date on which a Settlement Notice is delivered in accordance with this Condition 5(g) is referred to herein as the “**Settlement Notice Delivery Date**”, provided that if the Settlement Notice is delivered to Euroclear or Clearstream, Luxembourg or other Relevant Clearing System or the Principal Warrant Agent (as the case may be) after 10.00 a.m., Brussels or Luxembourg or other local time (as appropriate) on a Business Day the Settlement Notice Delivery Date shall be deemed to be the next succeeding Business Day.

Where the Warrants are Cash Settled Warrants no Settlement Notice will be required to be delivered.

Subject to the relevant Warrantholder performing its obligations in respect of the relevant Warrant, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrant shall be:

- (i) in the case of Cash Settled Warrants, the fifth Business Day following the Actual Exercise Date; and
- (ii) in the case of Physical Delivery Warrants and subject to Condition 4(c)(ii), the fifth Settlement Business Day following the Settlement Notice Delivery Date.

In the event that a Warrantholder does not so deliver a Settlement Notice in accordance with this Condition 5(g) at or prior to 10.00 a.m. Brussels or Luxembourg or other local time (as appropriate), on the Cut-off Date the Issuer’s and the Guarantor’s obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer and the Guarantor.

*(h) Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and neither the Issuer nor the Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after

using all reasonable efforts as a result of any such laws, regulations or practices. Neither the Issuer nor the Guarantor nor any Dealer nor the Warrant Agents shall under any circumstances be liable for any acts or defaults of the Relevant Clearing System in relation to the performance of their duties in relation to the Warrants.

(i) *Restrictions*

If the Final Terms for the Warrants so indicates, the exercise of such Warrants will be conditional upon the person exercising such Warrant providing to the Principal Warrant Agent, or such other person as may be specified, a certification in the form set out in such Final Terms.

**6. Minimum and Maximum of Warrants Exercisable**

(a) *American Style Warrants*

This Condition 6(a) applies only to American Style Warrants.

(i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number and any integral multiple thereof or of such other number, each as specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in an amount less than the Minimum Exercise Number or the relevant integral multiple shall be void and of no effect.

(ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”) as specified in the applicable Final Terms, the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days, until all such Warrants have been attributed with an Actual Exercise Date; provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(b) *European Style Warrants*

This Condition 6(b) applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on any Exercise Date must be equal to the Minimum Exercise Number or any integral multiple thereof or of such other number, in each case as specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and be of no effect.

(c) *Bermudan Style Warrants*

This Condition 6(c) applies only to Bermudan Style Warrants.

(i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number and any integral multiple thereof or of such other number, each as specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in an

amount less than the Minimum Exercise Number or the relevant integral multiple shall be void and of no effect.

- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”) as specified in the applicable Final Terms, the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer to be such day and (a) if the immediately succeeding Business Day is an Exercise Date, the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) shall be each of the immediately succeeding Business Days that is an Exercise Date until either (A) all such Warrants have been attributed with an Actual Exercise Date or (B) the immediately succeeding Business Day is not an Exercise Date (in which case the exercise of such remaining Warrants (not selected by the Issuer for exercise on the applicable Actual Exercise Date) by a Warrantholder or group of Warrantholders shall be deemed to be void and of no effect) or (b) if the immediately succeeding Business Day is not an Exercise Date, the exercise of the remaining Warrants (not selected by the Issuer for exercise on the applicable Actual Exercise Date) by a Warrantholder or group of Warrantholders shall be void and of no effect. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(d) *Minimum Board Lot for Physical Delivery Warrants*

Notwithstanding Conditions 6(a), 6(b) and 6(c) and where applicable, where Warrants are Physical Delivery Warrants they may only be exercised in such amounts as will ensure that the number of Relevant Assets to be delivered to a Warrantholder is equal to an integral multiple of a Board Lot (as defined below). Relevant Assets will be delivered by or on behalf of the Issuer to each Warrantholder only in integral multiples of the minimum board lot for the trading of the Relevant Assets on the relevant Exchange as from time to time specified by such Exchange (the “**Board Lot**”). In circumstances where any Physical Delivery Warrants held by a Warrantholder are not capable of being exercised in amounts which would result in the purchase of a number of Relevant Assets equal to an integral multiple of the relevant Board Lot (each an “**Undeliverable Warrant**”), the Warrants (or such number thereof, as the case may be) shall be treated as Cash Settled Warrants and the Issuer shall pay the Warrantholder an amount (a “**Board Lot Payment**”) equal to the Market Value (as defined in Condition 20 below) of the Relevant Assets attributable to each Undeliverable Warrant.

If the Calculation Agent determines that the amount of any such Board Lot Payment is of a *de minimis* amount such Warrantholder shall not receive any payment in respect of the Warrants which are not capable of being exercised in amounts which would result in the purchase of a number of Relevant Assets equal to an integral multiple of the relevant Board Lot.

## 7. **Force Majeure**

The Issuer shall have the right to terminate its obligations under the Warrants, subject to the following sentence, if the Issuer shall have determined that the performance of such obligations or the obligations of the Guarantor under the Guarantee in respect of such Warrants shall have become illegal or impracticable, in either such case whether in whole or in part, in particular as a result of compliance with any applicable present or future law,

rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power. In such circumstances, the Issuer will give notice to Warrantheolders of such termination in accordance with Condition 11 and, if and to the extent permitted by applicable law, pay to each Warrantheolder in respect of each Warrant held by it an amount determined by the Calculation Agent as representing the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any related Hedge Positions plus, if already paid by or on behalf of the Warrantheolder, the Strike Price, all as determined by the Calculation Agent in its sole and absolute discretion.

Payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 11.

## 8. Purchases

The Issuer, the Guarantor and any of their respective affiliates shall have the right to purchase or otherwise acquire Warrants at such times, in such manner and for such consideration as it may deem appropriate. Any Warrants so purchased may be held or resold or surrendered for cancellation and, if cancelled, may be reissued by the Issuer at such time and in such manner as it may deem appropriate.

## 9. Agents and Determination

### (a) Agents

The specified offices of the Agents are as set out at the end of these Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint further or additional Agents provided that no termination of appointment of the Principal Warrant Agent or the Registrar shall become effective until a replacement Principal Warrant Agent or, as the case may be, the Registrar shall have been appointed and provided that (i) so long as any of the Warrants are listed on a stock exchange, there shall be a Warrant Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange, (ii) so long as there are any Swedish Warrants outstanding, there will at all times be a Swedish CSD duly authorised as a central securities depository under the Swedish Financial Instruments Accounts Act and an issuing agent duly authorised as such under the Swedish CSD Rules (the "**Swedish Issuing Agent**") appointed in respect of such Swedish Warrants, (iii) so long as there are any Norwegian Warrants outstanding, there will at all times be a Norwegian CSD duly authorised as a central securities depository under the Norwegian Securities Register Act and an issuing agent duly authorised as such under the Norwegian CSD Rules (the "**Norwegian Issuing Agent**") (*Kontofører Utsteder*) appointed in respect of such Norwegian Warrants, (iv) so long as there are any Finnish Warrants, there will at all times be a Finnish CSD duly authorised as a central securities depository under the Finnish Act on the Book-Entry System and Finnish Act on Book-Entry Accounts and an issuing agent duly authorised as such under the Finnish CSD Rules (the "**Finnish Issuing Agent**") appointed in respect of the Finnish Warrants and (v) so long as there are any Italian Warrants outstanding, there will at all times be an Italian CSD duly authorised as a central securities depository under Article 80 of Legislative Decree no. 58 of 24 February 1998, as amended (the "**Consolidated Financial Act**") and its implementing regulations and an issuing agent duly authorised as such under the Italian CSD Rules (the "**Italian Issuing Agent**"). Notice of any termination of appointment and of any changes in the specified office of any Agent will be given to Warrantheolders in accordance with Condition 11. In acting under the Master Warrant Agreement, each Agent acts solely as

agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantheolders and any Warrant Agent's determinations and calculations in respect of the Warrants shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantheolders.

(b) *Calculation Agent*

In relation to each issue of Warrants where there is a Calculation Agent (whether it be the Issuer or a third party), it acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with the Warrantheolders.

All calculations and determinations made by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor and each Warrantheolder. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(c) *Determinations by the Issuer*

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

**10. Meetings of Warrantheolders and Modification**

(a) *Meetings*

The Master Securities Agreement contains provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Securities Agreement) of a modification of these Conditions or the Master Securities Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Warrantheolders. Such a meeting may be convened by the Issuer, the Guarantor or Warrantheolders holding not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised. The quorum at a meeting of the Warrantheolders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being, holding or representing Warrantheolders whatever the number of Warrants so held or represented. The quorum at a meeting of Warrantheolders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. (by number) of the Warrants for the time being remaining unexercised or at any adjourned meeting two or more persons holding or representing not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than 75 per cent. of the votes cast by Warrantheolders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting, save for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 5 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 5 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Warrantheolders. Resolutions can be passed in writing if passed unanimously.

(b) *Modifications*

The Issuer may modify these Conditions and/or the Master Warrant Agreement and/or any Final Terms without the consent of the Warranholders in any manner which the Issuer and/or the Calculation Agent may deem necessary or desirable provided that such modification does not materially adversely affect the interests of the Warranholders or such modification is of a formal, minor or technical nature or to correct a manifest error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with any requirement of the Luxembourg Stock Exchange and/or any stock exchange on which Warrants may be listed. Notice of any such modification will be given to the Warranholders in accordance with Condition 11 but failure to give or non-receipt of, such notice will not affect the validity of any such modification. In connection with such right of modification neither the Issuer nor the Calculation Agent shall be obliged to have regard to the consequences of the exercise of such right for individual Warranholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Warranholder shall be entitled to claim from the Issuer, the Guarantor or the Calculation Agent any indemnification or payment in respect of any tax consequence of any such modification.

**11. Notices**

All notices to Warranholders where the relevant Warrants are Global Warrants will be valid if (i) delivered to the Relevant Clearing System and in the case of Definitive Warrants to the Principal Warrant Agent, for communication by them to the Warranholders and (ii) in relation to Warrants listed on any stock exchange, made in accordance with any applicable rules and regulations of such stock exchange. In the case of Warrants listed on the Luxembourg Stock Exchange only, regardless whether such Warrants are represented by a Global Warrant or Definitive Warrants, such notices shall be published on the website of the Luxembourg Stock Exchange ("*www.bourse.lu*"). Any notice given to the Warranholders in accordance with this Condition 11 shall also be sent to the Guarantor. Any such notice shall be deemed to have been given on the date of such delivery to the Relevant Clearing System or, if applicable, such publication on such website or, if published more than once or on different dates, on the date of the first such publication.

**12. Taxation and Expenses**

The Issuer shall not be liable for, or otherwise obliged to pay, any tax, duty, withholding or other payment which may arise as a result of the issue, ownership, transfer, exercise or enforcement of any Warrants and all payments made or assets delivered by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. A Warranholder must pay all Exercise Expenses relating to such Warrants in accordance with Condition 5(a).

All payments to be made by a Warranholder shall be made without withholding or deduction for or on account of tax or otherwise unless required by applicable law. If any such withholding or deduction is required by applicable law, the Warranholders shall not be entitled to receive, and the Issuer shall not be required to pay, an additional amount in respect thereof.

**13. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of Warranholders, to create and issue further Warrants so as to form a single series with the Warrants.

## 14. Substitution

### (a) *Substitution*

Except in the case of Warrants eligible for sale into the United States, the Issuer, or any previous substitute company, shall be entitled at any time and from time to time, without the consent of the Warranholders, to substitute CALYON or any subsidiary or holding company of CALYON (the “**New Issuer**”) in place of the Issuer, as obligor under the Warrants, provided that (i) the New Issuer shall assume all obligations of the Issuer in relation to the Warranholders under or in relation to the Warrants including those contained in the Agency Agreement, to which the New Issuer shall become a party for the purpose of such Warrants with such consequential amendments as the Principal Warrant Agent shall deem appropriate, (ii) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Warrants represent legal, valid and binding obligations of the New Issuer have been taken, fulfilled and done (including the appointment of a process agent in England) and are in full force and effect, (iii) if applicable, each stock exchange on which such Warrants are listed shall have confirmed that, following such substitution, the Warrants will continue to be listed on such stock exchange, and (iv) except in the case where the New Issuer is CALYON, the payment obligations under or in respect of Warrants continue to be unconditionally guaranteed by the Guarantor. Where CALYON is the New Issuer, the Guarantee shall no longer apply to such Warrants. Following such a substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer.

### (b) *Notice of change or substitution*

A change or substitution shall be promptly notified to the Warranholders in accordance with Condition 11.

### (c) *Tax consequences*

In connection with such right of change or substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Warranholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Warranholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such change or substitution upon such Warranholder.

## 15. Governing Law

The Warrants, each Global Warrant, the Agency Agreement and the Guarantee, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law. Each of the Issuer and the Guarantor irrevocably agrees for the exclusive benefit of each Warranholder that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Warrants or the Guarantee and that accordingly any suit, action or proceeding (together in this Condition referred to as “**Proceedings**”) arising out of or in connection with the Warrants or the Guarantee may be brought in such courts. Nothing contained in this Condition 15 shall limit the right of any Warranholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not. Each of the Issuer and the Guarantor appoints CALYON, London branch at its principal office in England for the time being at Broadwalk

House, 5 Appold Street, London EC2A 2DA as its process agent to receive on its behalf service of process of any Proceedings in England.

## 16. Additional Terms for Index Linked Warrants

### (a) *Adjustments*

#### (i) **Successor Sponsor Calculates and Reports an Index**

If an Index (as defined in the applicable Final Terms) is (i) not calculated and announced by the sponsor specified in the applicable Final Terms (the “**Sponsor**”) but is calculated and published by a successor to the Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index or (iii) not in existence on or prior to a Valuation Date, but the Calculation Agent considers there to be in existence at such time an alternative index which, if substituted for the Index, would materially preserve the economic equivalent of the rights of the Warrantholders under the Warrants immediately prior to such substitution, then the Index will be deemed to be the index so calculated and published by the Successor Sponsor or that successor or alternative index, as the case may be.

If (A) on or prior to a Valuation Date in respect of any Series of Warrants the Sponsor or (if applicable) the Successor Sponsor of an Index makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock or contracts and other routine events), or (B) on or prior to any such Valuation Date the Sponsor or (if applicable) the Successor Sponsor of an Index fails to, or announces its intention not to, calculate and publish the Index other than due to the occurrence on such day of a Market Disruption Event, then the Calculation Agent shall determine the level of the Index at the relevant time on such day using, in lieu of a published official level of the Index, the level for the Index as at the relevant time as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant stock exchange).

The Calculation Agent will notify the level of the Index as calculated by it as described above as of a particular date upon application by telephone or facsimile by an interested person during normal business hours.

#### (ii) **Valuation Date(s)**

If a date specified in the applicable Final Terms as being a date of valuation or determination in respect of a Warrant (a “**Valuation Date**”, which expression shall, where applicable, include an Averaging Date) is not, in relation to an Index, an Index Business Day or there is a Market Disruption Event on that day (each as defined below), such Valuation Date shall be postponed until the next day which is an Index Business Day with respect to such Index unless, in the opinion of the Calculation Agent, there is a Market Disruption Event (as defined below) on that day. If there is a Market Disruption Event on that day, then such Valuation Date shall be the first succeeding Index Business Day on which there is no Market

Disruption Event, unless there is a Market Disruption Event on each of the five Index Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Valuation Date. In that case (i) the fifth Index Business Day shall be deemed to be the Valuation Date with respect to that Index, notwithstanding the Market Disruption Event, and (ii) the Calculation Agent shall determine the level of the Index on that fifth Index Business Day in accordance with its good faith estimate of the level of the Index that would have prevailed, but for the Market Disruption Event, on that fifth Index Business Day.

For the purposes of this Condition:

**“Index Business Day”** means, in respect of an Index, a day on which (subject to the occurrence of a Market Disruption Event) such Index is scheduled to be calculated and disseminated by its Sponsor;

**“Market Disruption Event”** means, in respect of an Index, the occurrence or existence on any Index Business Day during the one-half hour period that ends at the time at which such Index is calculated and published by the relevant Sponsor (or such other time as may be specified in the applicable Final Terms) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Exchange(s) or otherwise on:

- (i) the Exchange of securities that comprise 20 per cent. or more of the level of the Index; or
- (ii) any Related Exchange of options contracts or futures contracts on the Index,

if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from a published change in the regular business hours of the Stock Exchange(s) or any Related Exchange.

For the purpose of determining whether a Market Disruption Event exists at any time, if trading in a security/commodity included in the Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity relative to (ii) the overall level of the Index, in each case immediately before that suspension or limitation; and

**“Related Exchange”** means, in relation to an Index, each exchange or quotation system, if any, on which options contracts or futures contracts on the Index are traded or quoted, and as may be selected from time to time by the Calculation Agent.

**(iii) Correction of Index**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the Index published on a given day and used or to be used by the Calculation Agent to determine any Cash Settlement Amount, is subsequently corrected and the correction published by the relevant Index Sponsor within 30 days of the original publication, the level to be used shall be the

level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

(b) *Notice*

The Calculation Agent shall, as soon as practicable thereafter, notify the Issuer and the relevant Warrant Agent of any determination made by it pursuant to this Condition 16 which shall make such determinations available to Warrantheolders for inspection as soon as reasonably practicable after receipt of any written request to do so.

**17. Additional Terms for Share Linked Warrants**

(a) *General definitions*

For the purposes of this Condition 17:

“**Basket Company**” means a company whose shares are included in the Basket of Shares and Basket Companies means all such companies;

“**Shares**” and “**Share**” mean, subject to adjustment in accordance with this Condition 17, the shares or a share of the relevant Basket Company and, in the case of an issue of Warrants relating to a single Share, such Share and related expressions shall be construed accordingly; and

“**Share Company**” means the company whose Shares relate to a particular series of Warrants.

(b) *Adjustments*

(i) *Potential Adjustment Events*

Except as may be limited in the case of Warrants that may be sold into the United States, following each Potential Adjustment Event (as defined below), the Calculation Agent on behalf of the Issuer reserves the right to make such adjustments or to distribute to the Warrantheolders such rights (including without limitation additional Warrants) in connection with the Warrants as it reasonably believes are appropriate in circumstances which the Calculation Agent believes (in its absolute discretion and notwithstanding any adjustments previously made to the Warrants) should, in the context of the issue of Warrants and its obligations thereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate for the purpose of ensuring the economic value attributable to such Warrant (as determined by the Calculation Agent in its absolute discretion) should be as nearly as practicable the same after as before such Potential Adjustment Event has occurred (without considering the individual circumstances of any Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of any relevant market. Any adjustment or distribution by the Issuer by way of issuing additional Warrants shall be subject to such procedures and certifications as the Issuer may require and shall be notified to the Warrantheolders at the relevant time in accordance with Condition 11.

For the purposes of this Condition 17, “**Potential Adjustment Event**” means the declaration by the Share Company or Basket Company, as the case may be, of the terms of any of the following:-

- (A) a subdivision, consolidation or reclassification of the relevant Shares (unless such be an Extraordinary Event (as defined below)) or a free distribution of the relevant Shares to existing holders by way of bonus, capitalisation or similar issue; or
- (B) a distribution to existing holders of the relevant Shares of (a) additional Shares or (b) other shares, capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company or the Basket Company, as the case may be, equally or proportionately with such payments to holders of the relevant Shares, or (c) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent; or
- (C) an extraordinary dividend; or
- (D) a call in respect of relevant Shares that are not fully paid; or
- (E) a repurchase by it of Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, new shares, securities or otherwise; or
- (F) any event in respect of the Shares analogous to any of the foregoing events or otherwise having, in the opinion of the Calculation Agent, a dilutive or concentrative effect on the market value of the relevant Shares.

In determining whether an adjustment should be made as a result of the occurrence of a Potential Adjustment Event, if options contracts or futures contracts on the relevant Shares are traded on the Exchange (as defined in the applicable Final Terms) or any other exchange, the Calculation Agent may have regard to, but shall not be bound by, any adjustment to the terms of the relevant options contract or futures contract made and announced by the Exchange or any other exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11, giving brief details of the adjustment and of the Potential Adjustment Event.

(ii) Adoption of the euro

In respect of a Share Company or Basket Company whose Shares were originally quoted, listed and/or dealt as of the Issue Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the EC Treaty, if such Shares are at any time after the Issue Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified, the principal market on which those Shares are traded, then the Calculation Agent will adjust any variable relevant to the terms of the relevant Warrant as the Calculation Agent determines appropriate to preserve the economic terms of the relevant Warrant. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 17(b)(ii) will affect the currency denomination of any payment obligation arising out of the relevant Warrant.

(iii) Extraordinary Events

If any of the following events (each an “**Extraordinary Event**”) occurs on or prior to a Valuation Date in respect of the Share Company or Basket Company, as the case may:

- (A) the relevant Shares are reclassified or changed (other than a change in par value, if any, as a result of a subdivision or consolidation);
- (B) the Share Company or Basket Company consolidates, amalgamates or merges with or into another entity (other than a consolidation, amalgamation or merger following which such Share Company or Basket Company, as the case may be, is the surviving entity);
- (C) the relevant Shares are the subject of a takeover offer that results in a transfer of an irrevocable commitment to transfer all the relevant Shares (other than the relevant Shares owned or controlled by the offeror);
- (D) by reason of the adoption of or any change in any applicable law, the assets of the Share Company or Basket Company, as the case may be, or all of the relevant Shares then outstanding, are nationalised, expropriated or otherwise required to be transferred to any government, governmental agency or authority;
- (E) by reason of the bankruptcy or insolvency (or other analogous event) of the Share Company or Basket Company (a) all the relevant Shares are required to be transferred to any trustee, liquidator or similar official; or (b) holders of the relevant Shares become legally prohibited from transferring them; or
- (F) the relevant Shares cease to be listed on the Exchange and thereafter either (i) cease to be listed on any recognised stock exchange or (ii) have their listing maintained in, in the reasonable opinion of the Calculation Agent, inappropriate conditions,

the Calculation Agent may, in its sole and absolute discretion, determine what amendments are to be made to the terms of the Warrants to take account of the occurrence of an Extraordinary Event as it considers appropriate, such amendments to be effective on the date determined by the Calculation Agent.

In addition, and without limiting the generality of the foregoing, in respect of the Share Company or Basket Company, as the case may be, the Calculation Agent may:

- I. keep the relevant Share as the underlying asset of the Warrants, provided that the Share continues to fulfil the requirements of liquidity and of incontestable reference prices for a traded security as established by the relevant Exchange; or
- II. if the Extraordinary Event involves an offer (or, at the option of a holder of the relevant Shares (a “**Shareholder**”), may consist) solely of shares (whether of the offeror or a third party) (“**New Shares**”), determine the number of such New Shares to which a Shareholder is entitled to receive upon the consummation of such Extraordinary Event; or
- III. if the Extraordinary Event involves New Shares and cash and/or securities or assets other than New Shares (“**Other Consideration**”), determine the

number of New Shares, taking into account the amount of Other Consideration (expressed as a number or a fraction of a number of the New Share) to which a Shareholder is entitled to receive upon the consummation of such Extraordinary Event.

In any such case, the New Shares shall be deemed to replace the relevant Share and the Calculation Agent shall make any necessary adjustments to any term of the Warrants as it deems appropriate to take account of such Extraordinary Event, including, without limitation, and if appropriate, to the initial price of the Share (as defined in the applicable Final Terms), or to the closing price of the Share on any relevant Valuation Date and/or to the relevant number of underlying Shares per Warrant, or otherwise as specified in the applicable Final Terms; or

- IV. cancel the Warrants by giving notice to Warrantheholders in accordance with Condition 11. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantheholder in respect of each Warrant which amount shall be the fair market value of a Warrant taking into account the Extraordinary Event less the cost to the Issuer or any Hedging Party of unwinding any underlying related hedging arrangements plus, if already paid, the Strike Price, all as determined by or on behalf of the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantheholders in accordance with Condition 11.

Upon the occurrence of a Extraordinary Event, the Calculation Agent shall give notice as soon as practicable to the Warrantheholders in accordance with Condition 11 stating the occurrence of the Extraordinary Event giving details thereof and the action proposed to be taken in relation thereto.

- (iv) Valuation Date(s)

If a date specified in the applicable Final Terms as being a date of valuation or determination in respect of an Warrant (a "**Valuation Date**", which expression shall, where applicable, include an Averaging Date) is not, in relation to a Share, an Share Business Day or there is a Market Disruption Event on that date (each as defined below), such Valuation Date shall be postponed until the next day which is an Share Business Day with respect to such Share unless, in the opinion of the Calculation Agent, there is a Market Disruption Event (as defined below) on that day. If there is a Market Disruption Event on that day, then such Valuation Date shall be the first succeeding Share Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Share Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Valuation Date. In that case (i) the fifth Share Business Day shall be deemed to be the Valuation Date with respect to that Share, notwithstanding the Market Disruption Event, and (ii) the Calculation Agent shall determine the level of the Share on that fifth Share Business Day in accordance with its good faith estimate of the level of the Share that would have prevailed, but for the Market Disruption Event, on that fifth Share Business Day.

For the purposes of this Condition:

"**Share Business Day**" means, in respect of a Share, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each

of the relevant Exchange(s) specified in the applicable Final Terms and any Related Exchanges other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time;

**“Market Disruption Event”** means, in respect of a Share, the occurrence or existence on any Share Business Day during the one-half hour period prior to the normal close of trading in respect of such Share (or such other time as may be specified in the applicable Final Terms) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Exchange(s) or otherwise) on:

- (i) the Shares; or
- (ii) any Related Exchange of options contracts or futures contracts on the Share,

if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from a published change in the regular business hours of the Exchange(s) or any Related Exchange; and

**“Related Exchange”** means, in relation to an Share, each exchange or quotation system, if any, on which options contracts or futures contracts on the Shares are traded or quoted, and as may be selected from time to time by the Calculation Agent.

(c) *Dividends*

Where the relevant Final Terms specifies that this Condition 17(c) applies, if at any time from and including the Issue Date to but excluding the Actual Exercise Date (the **“Dividend Period”**) the Basket Company or Share Company, as the case may be, declares a cash dividend to holders of the relevant Shares, the Issuer will give notice as soon as practicable to the Warrantheolders in accordance with Condition 11 giving brief details of such distribution. The Issuer will, subject to compliance with any applicable law or regulation, pay or procure the payment of an amount equal to the Dividend Amount on or before the Business Day that falls the number of Business Days constituting the Dividend Settlement Period following the Dividend Payment Date to Warrantheolders. The Dividend Amount shall only be payable to Warrantheolders holding Warrants on the Ex-Dividend Date and shall be payable to such persons notwithstanding the fact that they may not be holding any Warrants on the Dividend Payment Date.

If there is an FX Disruption Event (as defined below) on the Dividend Payment Date such that the Dividend Amount cannot be determined by the Calculation Agent on or prior to the payment date occurring at the end of the Dividend Settlement Period, the payment date of the Dividend Amount will be postponed until the fifth Business Day after the first following Business Day falling after the end of the Dividend Settlement Period on which there is no FX Disruption Event provided that where an FX Disruption Event has occurred and is continuing on the tenth Business Day following the originally scheduled payment date the Issuer may elect to terminate its obligation to pay the Dividend Amount by paying an amount in a currency not subject to the FX Disruption Event to each Warrantheolder, the value of which corresponds to the fair market value of the Dividend Amount as determined by the Calculation Agent in its sole and absolute discretion.

For the purpose of this Condition:

**“Dividend”** means, an amount equal to the actual amount received by the Issuer or any Hedging Party under a Hedge Position in respect of a cash dividend payment by the Basket Company or Share Company, as the case may be, in respect of the relevant Shares;

**“Dividend Amount”** means in respect of each Warrant, an amount equal to the net amount of the Dividends per Share converted into the Settlement Currency on the basis of the foreign exchange rate prevailing on the Dividend Payment Date and determined by the Calculation Agent in its sole discretion equal to the Dividend received or which would have been received by the Issuer or the Hedging Party had such party been the holder of the relevant Shares on the Dividend Payment Date less any Dividend Taxes;

**“Dividend Payment Date”** means the date on which the Dividend is actually received under any Hedging Position;

**“Dividend Taxes”** means any withholding tax and/or other taxes or duties incurred, or any expenses, costs or fees incurred by, imposed or assessed to the Issuer (or any of its affiliates or agents) in connection with any Dividends (including but not limited to any costs incurred in relation to the receipt or payment of Dividends), Hedging Positions or otherwise in connection with the Shares including but not limited to, any costs related to or arising out of any default or delay by any broker, dealer, clearing house or hedge counterparty; and

**“Ex-Dividend Date”** means the date during the Dividend Period on which the Shares, in respect of which a cash dividend has been declared to holders thereof, begin trading ex-dividend on the Exchange.

## 18. Additional Terms for Commodity Linked Warrants

### (a) General Definitions

For the purpose of this Condition 18:

**“Commodity”** means, subject to adjustment in accordance with this Condition 18, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms and related expressions shall be construed accordingly.

**“Commodity Business Day”** means, in respect of each Commodity a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Related Exchange.

**“Market Disruption Event”** means, in respect of a relevant Commodity:

- (a) the occurrence or existence on any Commodity Business Day:
  - (i) of any suspension of or limitation imposed on trading by the Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise on:
    - (x) the Exchange; or
    - (y) any Related Exchange of futures or options contracts relating to the relevant Commodity;
  - (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the relevant Commodity on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or

options contracts relating to the relevant Commodity on the Exchange, which in either case the Calculation Agent determines is material; or

- (b) the closure on any Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.

The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11 of the occurrence of a Disrupted Day, in respect of any relevant Commodity, on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or Averaging Date.

“**Related Exchange**” means in relation to a Commodity, each exchange or quotation system, if any, on which options contracts or futures contracts on the Index are traded or quoted, and as may be selected from time to time by the Calculation Agent.

(b) *Adjustments*

- (a) Successor Entity Calculates and Reports a Commodity Price

If a relevant price of a Commodity (the “**Commodity Price**”) is (i) not calculated and announced by the Exchange but is calculated and announced by a successor entity acceptable to the Calculation Agent, or (ii) replaced by a successor commodity price calculated using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Price, then in each case that commodity price (the “**Successor Commodity Price**”) will be deemed to be the Commodity Price.

- (b) Modification of Calculation and Disappearance of a Commodity Price

If (i) on or prior to a Valuation Date or on Averaging Date, the relevant Exchange makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Price or in any other way materially modifies that Commodity Price (other than a modification prescribed in that formula or any other routine events) (a “**Commodity Modification**”), or a material change in the content, composition or constitution of the Commodity (a “**Commodity Change in Content**”), or (ii) on or prior to a Valuation Date or an Averaging Date, in the case of permanent discontinuation of trading in, disappearance of, or of trading in, the Commodity, disappearance or permanent discontinuance or unavailability of a Commodity Price and no Successor Commodity Price exists (a “**Disappearance of a Commodity Price**” and, together with a Commodity Modification and a Commodity Change in Content, each a “**Commodity Adjustment Event**”), then

- (i) the Calculation Agent shall determine if such Commodity Adjustment Event has a material effect on the Warrants and, if so, shall calculate the relevant Settlement Price using, in lieu of a published price for that Commodity, the price for that Commodity as at the Valuation

Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity and any other information that in good faith it deems relevant; or

- (ii) on giving notice to Warrantholders in accordance with Condition 11, redeem the Warrants, each Warrant being redeemed by payment of an amount equal to the fair market value of a Warrant, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11.

(c) Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Warrant Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and such Warrant Agent shall make available for inspection by Warrantholders copies of any such determinations.

(d) Correction of Commodity Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the Commodity Price published on a given day and used or to be used by the Calculation Agent to determine any Cash Settlement Amount, is subsequently corrected and the correction published by the relevant Exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

(e) Valuation Date(s)

If a date specified in the applicable Final Terms as being a date of valuation or determination in respect of an Warrant (a “**Valuation Date**”, which expression shall, where applicable, include an Averaging Date) is not, in relation to a Commodity, a Commodity Business Day or there is a Market Disruption Event on that date (each as defined below), such Valuation Date shall be postponed until the next day which is an Commodity Business Day with respect to such Commodity unless, in the opinion of the Calculation Agent, there is a Market Disruption Event (as defined below) on that day. If there is a Market Disruption Event on that day, then such Valuation Date shall be the first succeeding Commodity Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Commodity Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Valuation Date. In that case (i) the fifth Commodity Business Day shall be deemed to be the Valuation Date with respect to that Commodity, notwithstanding the Market Disruption Event, and (ii) the Calculation Agent shall determine the level of the Commodity on that fifth Commodity

Business Day in accordance with its good faith estimate of the level of the Commodity that would have prevailed, but for the Market Disruption Event, on that fifth Commodity Business Day.

**19. Currency Linked Warrants, Debt Linked Warrants, Interest Rate Linked Warrants and Fund Linked Warrants**

Provisions relating to Currency Linked Warrants, Debt Linked Warrants, Interest Rate Linked Warrants, Fund Linked Warrants and Warrants linked to any other underlying asset will be set out in the applicable Final Terms.

**20. Definitions**

For the purposes of these Terms and Conditions, the following general definitions will apply:

**“Actual Exercise Date”** means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 6(a)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants (as more fully set out in Condition 4(a)(i))), or, subject to Condition 6(c)(ii), the Exercise Date on which the Warrant is actually or is deemed exercised (in the case of Bermudan Style Warrants (as more fully set out in Condition 4(a)(iii)));

**“Alternative Cash Settlement Amount”** means, in respect of any exercised Warrant, an amount in the Settlement Currency equal to the fair market value of such Warrants, less the cost to the Issuer or any Hedging Party of unwinding any related hedging arrangements, all as determined by the Calculation Agent in its sole discretion;

**“American Style Warrants”** means Warrants designated in the applicable Final Terms as “American Style” and being Warrants exercisable on any Business Day during an Exercise Period specified that consists of more than one Business Day in the applicable Final Terms;

**“Automatic Exercise”** means in respect of Warrants, Warrants that are subject to automatic exercise in accordance with Condition 5(g);

**“Averaging Date”** means, in respect of each Valuation Date, each date specified or otherwise determined as an Averaging Date in the applicable Final Terms or, if any date is not an Exchange Business Day, the next following Exchange Business Day;

**“Averaging Date Disruption”** means, in the opinion of the Calculation Agent, that a Market Disruption Event is occurring on an Averaging Date, then, if under “Averaging Date Disruption” the consequence specified in the applicable Final Terms is:

**“Omission”**, then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Settlement Price. If, through the operation of this provision, no Averaging Date would occur with respect to the relevant Valuation Date, then the provision of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;

(b) **“Postponement”**, then the provision of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the relevant Warrant; or

(c) **“Modified Postponement”**, then:

- (i) in the case of an Index Linked Warrant relating to a single Index, a Share Linked Warrants relating to a single Share or a Commodity Linked Warrant relating to a single Commodity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date in respect of the relevant Valuation Date, then (1) that fifth Exchange Business Day shall be deemed the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date), and (2) the Calculation Agent shall determine the relevant level or price for that Averaging Date, in respect of such Index Linked Warrant, in accordance with Condition 16(a)(ii) of the definition of Valuation Date, in respect of a Share Linked Warrant, in accordance with Condition 17(b)(iv) of the definition of Valuation Date and, in respect of such Commodity Linked Warrant, in accordance with Condition 18(b)(e) of the definition of the Valuation Date;
- (ii) in the case of an Index Linked Warrant relating to a Basket of Indices, a Share Linked Warrant relating to a Basket of Shares or a Commodity Linked Warrant relating to a Basket of Commodities, the Averaging Date for each Index, Share or Commodity not affected by a Market Disruption Event shall be the date specified in the Final Terms as an Averaging Date in respect of the relevant Valuation Date and the Averaging Date for an Index, Share or Commodity affected by the occurrence of a Market Disruption Event shall be the first succeeding Valid Date in relation to such Index, Share or Commodity. If the first succeeding Valid Date in respect of such Index, Share or Commodity has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (A) that fifth Exchange Business Day shall be deemed to be the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date) in respect of such Index, Share or Commodity, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with, in the case of such Index Linked Warrant, Condition 16(a)(ii) of the definition of Valuation Date, in the case of such Share Linked Warrant, in accordance with Condition 17(b)(iv) of the definition of Valuation Date and in respect of such Commodity Linked Warrant, in accordance with Condition 18(b)(e) of the definition of Valuation Date; and
- (iii) where the Warrants are Debt Linked Warrants, Interest Rate Linked Warrants or Currency Linked Warrants, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms;

**“Adjustment Date”** means a date specified by the Issuer in the notice given to the Warrantholders pursuant to this Condition which falls on or after the date on which the

country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

“**Basket**” means a basket of Shares, Debt Securities, Indices, Commodities, Subject Interest Rates or Currencies, as the case may be;

“**Basket of Commodities**” means a basket of Commodities as specified in the applicable final terms;

“**Basket Company**” in the case of Share Linked Warrants, shall have the definition assigned thereto in Condition 17(a);

“**Basket of Debt Securities**” means a basket of Debt Securities as specified in the applicable Final Terms;

“**Basket of Indices**” means a basket of Indices as specified in the applicable Final Terms;

“**Basket of Shares**” means a basket of Shares as specified in the applicable Final Terms, and **Basket Shares** shall be interpreted accordingly;

“**Basket of Subject Currencies**” means a basket of Subject Currencies as specified in the applicable Final Terms;

“**Bermudan Style Warrants**” means Warrants designated in the applicable Final Terms as “Bermudan Style” and being Warrants exercisable on the dates specified in the applicable Final Terms during the Exercise Period and on the Expiration Date specified in the applicable Final Terms;

“**Board Lot**” shall have the meaning assigned thereto in Condition 6(d);

“**Board Lot Payment**” shall have the meaning assigned thereto in Condition 6(d);

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in the cities specified in the applicable Final Terms;

“**Call Warrants**” means Warrants designated as “Call Warrants” in the applicable Final Terms;

“**Cash Settled Warrant**” means a Warrant which is settled by way of a cash payment;

“**Cash Settlement Amount**” means in relation to Cash Settled Warrants, the amount to which the Warrantholder is entitled in the Settlement Currency as determined by the Calculation Agent pursuant to Condition 4(b) or as otherwise specified in the Final Terms;

“**Clearance System Business Day**” means, in respect of a Relevant Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

“**Commodity**” and “**Commodities**” shall have the meanings ascribed thereto in Condition 18(a);

“**Commodity Business Day**” has the meaning ascribed thereto in Condition 18(a);

“**Commodity Linked Warrants**” means Warrants relating to a Commodity or a Basket of Commodities;

“**Currency Linked Warrants**” means Warrants relating to a specified currency or a basket of currencies;

“**Cut-off Date**” shall have the meaning assigned thereto in Condition 5(g);

**“Debt Linked Warrants”** means Warrants relating to a specified debt instrument or a basket of debt instruments;

**“Debt Security”** means a debt instrument as specified in the applicable Final Terms;

**“Debt Security Company”** means the Company whose debt instruments relate to a particular series of Warrants;

**“Disruption Cash Settlement Amount”** in respect of any relevant Warrant shall be the fair market value of such Warrant (taking into account, where the Settlement Disruption Event affected some, but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Strike Price (or, where as provided above some Relevant Assets have been delivered, and pro rata portion thereof has been paid, such pro rata portion if appropriate);

**“Dividend”** shall have the meaning assigned thereto in Condition 17(c);

**“Dividend Amount”** shall have the meaning assigned thereto in Condition 17(c);

**“Dividend Payment Date”** shall have the meaning assigned thereto in Condition 17(c);

**“Dividend Settlement Period”** means the number of Business Days specified in the applicable Final Terms;

**“Dividend Taxes”** shall have the meaning assigned thereto in Condition 17(c);

**“Entitlement”** means, in relation to a Physical Delivery Warrant, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Warrantholder is entitled to receive on the Settlement Date in respect of each such Warrant following payment of the Strike Price (and any other sums payable including expenses) rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, as determined by the Calculation Agent, including any documents evidencing such Entitlement;

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

**“Euclid”** shall have the meaning assigned thereto in Condition 5(a);

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

**“European Style Warrants”** means Warrants designated in the applicable Final Terms as “European Style” and being Warrants exercisable only on the Exercise Date;

**“Ex-Dividend Date”** shall have the meaning assigned thereto in Condition 17(c);

**“Exchange”** means (a) in respect of an Index relating to an Index Linked Warrant or a Commodity relating to a Commodity Linked Warrant, each exchange or quotation system specified as such for such Index or, as the case may be, Commodity in the applicable Final Terms or any successor to such exchange or quotation system selected by the Calculation Agent; and (b) in respect of a Share relating to a Share Linked Warrant, each exchange or quotation system specified as such for such Share in the applicable Final Terms or any successor to such exchange or quotation system selected by the Calculation

Agent, provided, however, that if the specified Exchange ceases to list or otherwise include the relevant Share, the Calculation Agent will select another exchange or quotation system (if any) in relation to such Share;

“**Exchange Business Day**” means: (i) in respect of a Share Linked Warrant, a Share Business Day; (ii) in respect of an Index Linked Warrant, an Index Business Day and (iii) in respect of a Commodity Linked Warrant, a Commodity Business Day;

“**Exchange Rate**” means the applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Cash Settlement Amount, as specified in the applicable Final Terms;

“**Exercise Date**” means the Business Day on which such Warrants are exercised or deemed to be exercisable as specified in the applicable Final Terms;

“**Exercise Dates**” means, in the case of Bermudan Style Warrants, the dates specified in the applicable Final Terms;

“**Exercise Expenses**” shall have the meaning assigned thereto in Condition 5(a)(i)(F) or Condition 5(a)(ii)(F) in respect of Cash Settled Warrants and Physical Delivery Warrants, respectively;

“**Exercise Notice**” shall have the meaning assigned thereto in Condition 5(a);

“**Exercise Period**” means, in respect of American Style Warrants, all Business Days from, and including, the Issue Date to, and including, the Expiration Date as specified in the applicable Final Terms;

“**Expiration Date**” means, in respect of a Warrant, the date specified as such in the applicable Final Terms or, if such date is not an Exchange Business Day, the next following Exchange Business Day;

“**Expiration Time**” means, in respect of a Warrant, the time specified as such in the related Final Terms;

“**Fund Linked Warrants**” means a Warrant relating to one or more specified funds;

“**Failure to Deliver Settlement Amount**” in respect of any relevant Warrant shall be the fair market value of such Warrant (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Strike Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

“**FX Disruption Event**” shall have the meaning assigned thereto in Condition 4(e);

“**FX Rate**” means, unless otherwise specified in the relevant Final Terms, the exchange rate (determined by the Calculation Agent in good faith and in a commercially reasonable manner) for the sale of Relevant Currency for Settlement Currency on the Valuation Date or other date on which such exchange rate falls to be determined in accordance with the provisions of Condition 4(e) expressed as a number of units of Relevant Currency per unit of Settlement Currency;

“**Hedge Position**” means any one or more securities positions, derivatives positions or other instruments or arrangements (howsoever described) purchased, sold, entered into or maintained by the Hedging Party, in order to hedge, or otherwise in connection with, the Warrants and “**Hedging Positions**” shall be construed accordingly;

**“Hedging Party”** means CALYON or any of its subsidiaries or any holding company thereof (excluding the Issuer) which has entered into a Hedging Position;

**“In-the-Money”** means (i) in respect of a Call Warrant, that the Reference Price is equal to or greater than 101 per cent. of the Strike Price; and (ii) in respect of a Put Warrant, that the Reference Price is equal to or less than 99 per cent. of the Strike Price;

**“Index”** means the index as specified in the applicable Final Terms;

**“Index Business Day”** has the meaning assigned thereto in Condition 16(a)(ii);

**“Index Linked Warrant”** means a Warrant relating to one or more specified indices;

**“Interest Rate Linked Warrant”** means a Warrant relating to a Subject Interest Rate;

**“Issue Date”** means the date specified in the applicable Final Terms;

**“Latest Exercise Time”** means, in respect of a Warrant, the time specified as such in the Final Terms, provided that on the Expiration Date the Latest Exercise Time shall be the Expiration Time. If no such time is specified, the Latest Exercise Time shall be the Expiration Time;

**“Market Disruption Event”** has the meaning ascribed to it in Condition 16(a)(ii), 17(b)(iv) or 18(a) in respect of Index Linked Warrants, Share Linked Warrants and Commodity Linked Warrants, respectively;

**“Market Value”** means in respect of any Relevant Assets, the prevailing market value as determined by the Calculation Agent in its sole discretion;

**“Maximum Exercise Number”** means, in relation to American Style Warrants and Bermudan Style Warrants, the maximum number of Warrants that may be exercised on any day by any Warrantholder or group of Warrantholders as specified in the applicable Final Terms;

**“Minimum Exercise Number”** means the minimum number of Warrants that may be exercised on any day by any Warrantholder as specified in the applicable Final Terms;

**“Minimum Trading Lot”** shall be as specified in the Final Terms;

**“Multiplier”** means the multiplier specified in the applicable Final Terms;

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

**“New Issuer”** shall have the meaning assigned thereto in Condition 14(a);

**“Nominal Amount”** means the nominal amount specified in the applicable Final Terms;

**“Physical Delivery Warrant”** means a Warrant which is settled by way of physical delivery of the Relevant Asset or Relevant Assets, as the case may be;

**“Put Warrants”** means Warrants designated as “Put Warrants” in the applicable Final Terms;

**“Quota”** shall have the meaning assigned thereto in Condition 6(a)(ii) or Condition 6(c)(ii) in respect of American Style Warrants and Bermudan Style Warrants, respectively;

**“Reference Price”** means the price per Share or amount per Basket of Shares determined as provided in the related Final Terms at the Expiration Time on the Expiration Date or, if no means of determining such price or amount are so provided, in respect of a Share Linked Warrant, the Relevant Price of the Share and, in the case of a Share Linked Warrant referenced to a Basket of Shares, the sum of the values calculated at the

Expiration Time on the Expiration Date for the Shares of each issuer as the product of (i) the Relevant Price (for which purpose the Valuation Time and the Valuation Date will be the Expiration Time and the Expiration Date) of such Share and (ii) the number of Shares comprised in the Basket of Shares.

“**Related Exchange**” has the meaning assigned thereto in Condition 16(a)(ii), 17(b)(iv) and 18(a) in respect of Index Linked Warrants, Share Linked Warrants and Commodity Linked Warrants, respectively;

“**Relevant Asset**” or “**Relevant Assets**” means, in the case of Physical Delivery Warrants, the relevant asset or relevant assets to which the Warrants relate as specified in the applicable Final Terms;

“**Relevant Clearance System**” means, in respect of a Relevant Asset the subject of a Physical Delivery Warrant, the clearance system specified as such for such Relevant Asset in the Final Terms, or any successor to such clearance system. If the Final Terms does not specify a Relevant Clearance System, the Relevant Clearance System will be the principal domestic clearance system customarily used for settling trades in the Relevant Asset. If the Relevant Clearance System ceases to clear such Relevant Asset, the Calculation Agent shall determine the manner of delivery of such Relevant Asset and shall promptly following such determination, give notice thereof to the Warrants;

“**Relevant Clearing System**” means in respect of Warrants, as appropriate, Euroclear or Clearstream, Luxembourg and/or such other clearing system, as the case may be, through which interests in Warrants are to be held and through an account at which the Warrants are to be cleared, as specified in the applicable Final Terms;

“**Relevant Country**” shall have the meaning assigned thereto in Condition 4(e);

“**Relevant Currency**” shall have the meaning assigned thereto in Condition 4(e);

“**Relevant Price**” has the meaning ascribed to it in the applicable Final Terms;

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

“**Scheduled Valuation Date**” means any original date that, but for the occurrence of a Market Disruption Event, would have been a Valuation Date;

“**Settlement Business Day**” means a Business Day in the city specified in the applicable Final Terms;

“**Settlement Currency**” means the settlement currency for the payment of the Cash Settlement Amount and Dividend Amount as set out in the applicable Final Terms;

“**Settlement Date**” means, subject to Condition 4(c)(ii), the date specified in the applicable Final Terms;

“**Settlement Disruption Event**” in relation to a Relevant Asset, means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which either the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms or the Relevant Clearance System cannot clear the transfer of such Relevant Asset;

“**Settlement Notice**” shall have the meaning assigned thereto in Condition 5(g);

“**Settlement Price**” means the settlement price of a Warrant, as specified in the applicable Final Terms;

“**Share Business Day**” has the meaning assigned thereto in Condition 17(b)(iv);

“**Share Company**” has the meaning assigned thereto in Condition 17(a);

“**Share Linked Warrant**” means a Warrant relating to one or more Shares as specified in the applicable Final Terms;

“**Share**” and “**Shares**” shall have the meanings assigned thereto in Condition 17(a);

“**Strike Price**” means the strike price of the Warrant as set out in the applicable Final Terms;

“**Subject Interest Rate**” means the subject interest rate to which the Warrants relate as specified in the applicable Final Terms;

“**Treaty**” means the treaty establishing the European Community, as amended;

“**Valid Date**” means an Exchange Business Day on which there is no Market Disruption Event and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur;

“**Valuation Date**” has the meaning ascribed to it in Condition 16(a)(ii), 17(b)(iv) or 18(a) as applicable; and

“**Valuation Time**” means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified as such in the applicable Final Terms or, if no such time is specified, the close of trading on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Index, Share, Commodity or other underlying asset to be valued.

## 21. Adjustments for European Monetary Union

The Issuer may, without the consent of the Warrantholders, on giving notice to the Warrantholders in accordance with Condition 11:

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

The election will have effect as follows:

- (A) where the Settlement Currency of the Warrants is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Warrants will be made solely in euro as though references in the Warrants to the Settlement Currency were to euro;
- (B) where the Exchange Rate and/or any other terms of these Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and

- (C) such other changes shall be made to these Conditions as the Issuer may decide, in its sole and absolute discretion, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or
- (ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Settlement Price and/or the Strike Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Settlement Price and/or the Strike Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, any of its Affiliates or agents, the Guarantor, if any, the Calculation Agent nor any Warrant Agents shall be liable to any Warrantholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

## **22. Contracts (Rights of Third Parties) Act 1999**

The Warrants do not confer on a third party any rights under the contracts (Rights of Third Parties) Act 1999 to enforce any terms of such Warrants but this does not affect any right or remedy of a third party which exists or is available apart from that Act.”

**2.4 The Part A – Contractual Terms of the Form of Final Terms for Warrants on pages 72 to 77 of the Base Prospectus are modified as follows :**

**« 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 [●] [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Warrants 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]. Full information on [CALYON/Calyon Financial Products (Guernsey) Limited/Calyon Finance (Guernsey) Limited] (the “**Issuer**”) [and CALYON (the “**Guarantor**”)] and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus is available for viewing at [address] [and] [website] and copies may be obtained free of charge at the specified office of the Warrant Agents]

*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 Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated] [●]]. This document constitutes the Final Terms of the Warrants 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 [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated] [●]] and are attached hereto. Full information on [CALYON/Calyon Financial Products (Guernsey) Limited/Calyon Finance (Guernsey) Limited] (the “**Issuer**”) [and CALYON (the “**Guarantor**”)] and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the Supplement(s) to the Base Prospectus dated] [●]]. [The Base Prospectuses [as so supplemented] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[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 directions for completing the Final Terms.]*

References herein to numbered Conditions are to the terms and conditions of the relevant series of Warrants and words and expressions defined in such terms and conditions shall bear the same meaning in this Final Terms in so far as it relates to such series of Warrants, save as where otherwise expressly provided.

*[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]*

**The particulars to be specified in relation to this [Series/Tranche] are as follows:**

GENERAL PROVISIONS

1. Issuer: [CALYON / Calyon Financial Products (Guernsey) Limited / Calyon Finance (Guernsey) Limited]
2. [Guarantor: CALYON]
3. Dealer: CALYON
4. Series number of the Warrants: [•]
5. Tranche number of the Series [•]
6. If Warrants to be consolidated with warrants of existing series: [Yes][No]
7. Aggregate Number of Warrants in the Series: [•]
8. Aggregate Number of Warrants in the Tranche: [•]
9. Description of the Warrants: [Index Linked Warrants]  
[Share Linked Warrants]  
[Commodity Linked Warrants]  
[Debt Linked Warrants]  
[Currency Linked Warrants]  
[Interest Rate Linked Warrants]  
[Fund Linked Warrants]  
[Other]
10. Exercise Style: [American Style]  
[European Style]  
[Bermudan Style]
11. Type of Warrants: [Call Warrants]  
[Put Warrants]  
[Other]
12. Minimum Trading Lot [•]
13. Minimum Exercise Number: [•]
14. Maximum Exercise Number: [•]
15. Issue Date: [•]
16. Issue Price: [•]
17. [Date authorisation of [Board] for issuance of Warrants obtained: [•]  
(N.B. Only relevant where Board or (similar) authorisation is required for the Warrants)

PROVISIONS RELATING TO REDEMPTION

18. Strike Price: [•]
19. Exercise Date[s]: [•]
20. Latest Exercise Time: [•]
21. Expiration Date: [•]
22. Expiration Time: [•]
23. Automatic Exercise: Condition 5(g) (*Automatic Exercise*) [is applicable][is not applicable].
24. Exercise Procedure: Condition 5(a) (*Exercise Notice*) [is applicable][is not applicable].  
[Alternative method of delivery of Exercise Notice]
25. Method of Settlement: [Cash Settled Warrants]  
[Physical Delivery Warrants]  
[Other]
26. Settlement Date: [•], subject to Condition 4(c)(ii) (*Settlement Disruption*)
27. Settlement Price: [•]
28. Averaging: [Applicable][Not Applicable]  
Where:  
“Averaging Date[s]” means [•]
29. Averaging Date Disruption: [Omission]  
[Postponement]  
[Modified Postponement]
30. Cash Settled Warrants: Where:  
“Cash Settlement Amount” means [•]  
“Exchange Rate” means [•]  
“Multiplier” means [•]  
“Settlement Currency” means [•]
31. Physical Delivery Warrants: [Insert applicable rounding convention for relevant currencies]
- (i) Method of delivery of the Entitlement: [•]
- (ii) Customary documents of title in respect of the Relevant Asset to be delivered by the Issuer: [•]
- (iii) Relevant Asset[s]: [•]
- (iv) Failure to Deliver due to Illiquidity [Applicable] [Not Applicable]
- (v) Relevant Clearing System: [•]

32. Issuer's Option to Vary Settlement: Condition 4(d) (*Issuer's Option to Vary Settlement*) [is applicable][is not applicable][*applicable to Warrants represented by a Rule 144A Global Warrant/Regulation S Global Warrant*]
33. FX Rate: [•]
34. FX Disruption: Condition 4(e) (*FX Disruption*) [is applicable][is not applicable]  
Where:  
"Relevant Country" means [•]  
"Relevant Currency" means [•]
35. Restrictions: Condition 5(i) (*Restrictions*) [is applicable][is not applicable]<sup>1</sup>
36. Index Linked Warrants: Where:  
"Basket of Indices" means [•]  
"Exchange" means [•]  
"Related Exchange" means [•]  
"Index" means [•]  
"Sponsor" means [•]  
"Valuation Date" means [•]  
"Valuation Time" means [•]
37. Share Linked Warrants: Where:  
"Basket of Shares" means [•]  
"Exchange" means [•]  
for the purposes of Condition 17(b)(iii) (*Extraordinary Events*)  
["initial price of the Shares"]*[other]* means [•]  
"Reference Price" means [•]  
"Relevant Price" means [•]  
"Valuation Date" means [•]  
"Valuation Time" means [•]
38. Dividends: Condition 17(c) (*Dividends*) [is applicable][is not applicable]  
Where:  
"Dividend Settlement Period" means [•] Business Days  
"Settlement Currency" means [•]

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<sup>1</sup> Certification is in the form set out in [Annex [•]]

39. Commodity Linked Warrants: Where:  
 “Basket of Commodities” means [•]  
 “Exchange” means [•]  
 “Related Exchange” means [•]  
 “Valuation Date” means [•]  
 “Valuation Time” means [•]
40. Debt Link Warrants: Where:  
 “Basket of Debt Securities” means [•]  
 “Debt Security” means [•]  
 “Nominal Amount” means [•]  
 [others]
41. Currency Linked Warrants: Where:  
 “Basket of Subject Currencies” means [•]  
 [others]
42. Interest Rate Linked Warrant: Where:  
 “Subject Interest Rate” means [•]
43. Business Day: A day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in [•]
44. Relevant Clearing System(s): [Euroclear]  
 [Clearstream, Luxembourg]  
 [Swedish CSD]  
 [Norwegian CSD]  
 [Finnish CSD]  
 [Italian CSD]  
 [other clearing system]
45. Calculation Agent: [CALYON/Other]  
 [Address]
46. Related Exchange: [•]
47. Other conditions relating to Currency Linked Warrants, Debt Linked Warrants, Interest Rate Linked Warrants and other warrants linked to any other underlying asset: [•]
48. Rule 144A eligible: [Relying on Rule 144A under the U.S. Securities Act of 1933, as amended] [Not Applicable][*(only Share Linked Warrants can be so eligible)*]

49. Details of the applicable type of US Selling Restrictions: *[(insert applicable U.S. selling restrictions and specify details of any transfer restrictions and any necessary certifications, if different from those set out in the Conditions)]*
50. Details of the relevant US selling restrictions certification required for the Exercise Notice: [Non-U.S. certification required in Exercise Notice][Not Applicable]
51. Details of any additional selling restrictions: [•]
52. Form of Warrants: [Permanent Global Warrant]  
[Rule 144A Global Warrant / Regulation S Global Warrant]  
[Bearer / Registered]  
[Dematerialised Warrants]  
[Swedish Warrants/Norwegian Warrants/Finnish Warrants/Italian Warrants/Other]
53. ISIN: [•]
54. Common Code: [•]
55. CUSIP: [•]
56. Listing: [•]
57. Principal Warrant Agent [CACEIS Bank Luxembourg] [*Other*]
58. Swedish CSD: [Euroclear Sweden AB, Regeringsgatan 65, Box 7822, 103 98 Stockholm, Sweden] [Not applicable]
59. Swedish Issuing Agent: [•] [Not applicable]
60. Norwegian CSD: [Verdipapirsentralen ASA] [Not Applicable]
61. Norwegian Issuing Agent: [Nordea Bank Norge ASA] [Not Applicable]
62. Finnish CSD [Euroclear Finland Oy, Vrho Kekkosen katu 5C, PO Box 1110, 00101 Helsinki, Finland] [Not Applicable]
63. Finnish Issuing Agent **[•]** [Not Applicable]
64. Italian CSD: [Monte Titoli **[•]**] [Not Applicable]
65. Italian Issuing Agent: **[•]** [Not Applicable] »

**2.5 The Terms and Conditions of the Certificates on pages 84 to 128 of the Base Prospectus are modified as follows :**

**« TERMS AND CONDITIONS OF THE CERTIFICATES**

*The following is the text of the Conditions (as amended, supplemented or varied from time to time) of the Certificates which will (in the case of Certificates other than Dematerialised Certificates) be incorporated by reference into each Global Certificate and attached to each Definitive Certificate or (in the case of Dematerialised Certificates) will apply to such Dematerialised Certificates. The Final Terms in relation to an issue of Certificates supplements the following Conditions and may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Conditions supplement, replace or modify the following Conditions for the purpose of such Certificates.*

Unless otherwise specified in the relevant Global Certificate and Final Terms (as defined below), the Certificates of this series (such Certificates being hereinafter referred to as the “**Certificates**”) are, other than in the case of Dematerialised Certificates (as defined below) represented by one or more global Security (each a “**Global Certificate**”) and, in the case of all Certificates, are issued pursuant to a master warrant and certificate agreement dated 17 August 2009 (as the same may be modified, amended, restated, varied or supplemented from time to time) (the “**Master Securities Agreement**”) between CALYON, Calyon Financial Products (Guernsey) Limited (“**CFP**”) and Calyon Finance (Guernsey) Limited (“**CFG**”) (each an “**Issuer**” and together, the “**Issuers**”), CACEIS Bank Luxembourg as principal certificate agent (the “**Principal Certificate Agent**”) and as registrar (the “**Registrar**”), CACEIS Bank Luxembourg as Luxembourg certificate agent (in such capacity, the “**Luxembourg Certificate Agent**” together with the Principal Certificate Agent, any additional certificate agent appointed by the Issuer, the “**Certificate Agents**” which expression shall include any additional or successor certificate agents) and CACEIS Bank Luxembourg as Transfer Agent (in such capacity, the “**Transfer Agent**” (which expression shall include any additional or successor transfer agents) and together with the Certificate Agents and the Registrar, the “**Agents**”). CALYON shall undertake the duties of calculation agent (the “**Calculation Agent**”) in respect of the Certificates, unless another entity is so specified as calculation agent in the applicable Final Terms. The expression “Calculation Agent” shall, in relation to the relevant Certificates, include such other specified calculation agent. In the case of CFP and CFG, the Certificates are subject to a deed of guarantee dated 17 August 2009 (the “**Deed of Guarantee**”) issued by CALYON as guarantor (the “**Guarantor**”).

In the event that the applicable Final Terms specifies that the Certificates are eligible for sale in the United States under Rule 144A (“**Rule 144A**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), the Certificates (a) may be sold only to U.S. persons (as defined in Regulation S under the Securities Act) that are qualified institutional buyers (each a “**QIB**”) as defined in Rule 144A under the Securities Act who are also qualified purchasers (each a “**QP**”) within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the “**1940 Act**”), such Certificates being represented by a Rule 144A Global Certificate (the “**Rule 144A Global Certificate**”) or (b) may be sold only outside the United States to a non-U.S. person in an offshore transaction in compliance with Regulation S under the Securities Act, such Certificates being represented by a Regulation S Global Certificate (the “**Regulation S Global Certificate**”).

In the event that the applicable Final Terms does not specify that the Certificates are eligible for sale in the United States under Rule 144A, the Certificates will, other than in the case of Dematerialised Certificates (as defined below), be represented by a Permanent Global Certificate (a “**Permanent Global Certificate**”).

References herein to “**Global Certificate**” include, as the context so requires, a Rule 144A Global Certificate, a Regulation S Global Certificate and a Permanent Global Certificate.

Each Global Certificate has been deposited with a depository (the “**Common Depository**”) common to Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

If so specified in the applicable Final Terms, and for the purpose of allowing clearing of Certificates in alternative clearing systems, any series of Certificates may be issued in registered, uncertificated and dematerialised book-entry form (“**Dematerialised Certificates**”) in accordance with all applicable laws of the relevant jurisdiction of such alternative clearing system and the rules and regulations of such alternative clearing system or any nominee thereof (“**Local Clearing System Rules**”).

Certificates designated as “Swedish Certificates” in the relevant Final Terms will constitute Dematerialised Certificates issued in uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act of 1998 (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) and all other applicable Swedish laws, regulations and operating procedures applicable to and/or issued by the Swedish central securities depository (*central värdepappersförvarare*) from time to time (the “**Swedish CSD Rules**”) designated as Relevant Clearing System for the Swedish Certificates in the relevant Final Terms (which is expected to be Euroclear Sweden AB) (the “**Swedish CSD**”). No physical global or definitive Certificates or certificates will be issued in respect of Swedish Certificates other than as provided below and the provisions relating to presentation, surrender or replacement of such bearer instruments shall not apply.

Certificates designated as “Norwegian Certificates” in the relevant Final Terms will constitute Dematerialised Certificates issued in uncertificated and dematerialised book-entry form in accordance with the Norwegian Securities Register Act of 2002 (*lov om registrering av finansielle instrumenter av 5 juli 2002 nr. 64 para. 2-1*) and all other applicable Norwegian laws, regulations and operating procedures applicable to and/or issued by the relevant Norwegian central securities depository (*verdipapirregister*) from time to time (the “**Norwegian CSD Rules**”) designated as Relevant Clearing System for the Norwegian Certificates in the relevant Final Terms (which is expected to be Verdipapirsentralen ASA (“**VPS**”)) (the “**Norwegian CSD**”). No physical global or definitive warrants or certificates will be issued in respect of Norwegian Certificates other than as provided below.

Certificates designated as “**Finnish Certificates**” in the relevant Final Terms will constitute Dematerialised Certificates issued in uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (826/1991) and the Finnish Act on Book-Entry Accounts (827/1991) (Fi: *laki arvo-osuusjärjestelmästä* 826/1991 and *laki arvo-osuustileistä* 827/1991) and all other applicable Finnish laws, regulations and operating procedures applicable to and/or issued by the Finnish central securities depository (*arvopaperikeskus*) from time to time (the “**Finnish CSD Rules**”) designated as Relevant Clearing System for the Finnish Certificates in the relevant Final Terms (which is expected to be Euroclear Finland Oy) (the “**Finnish CSD**”). No physical global or definitive Certificates or certificates will be issued in respect of Finnish Certificates other than as provided below and the provisions relating to presentation, surrender or replacement of such bearer instruments shall not apply.

Certificates designated as “Italian Certificates” in the relevant Final Terms will constitute Dematerialised Certificates issued in dematerialised book-entry form in accordance with the Italian Legislative Decree no. 213/1998 as amended and its implementing provisions and all other applicable Italian laws, regulations and operating procedures applicable to and/or issued by the relevant Italian central securities depository from time to time (the “**Italian CSD Rules**”) and are freely transferable by way of book entries on the accounts registered on Monte Titoli S.p.A. (the “**Italian CSD**”). No physical global or definitive warrants or certificates will be issued in respect of Italian Certificates other than as provided below and the provisions relating to presentation, surrender or replacement of such bearer instruments shall not apply.

In the event that the Conditions of the Certificates are inconsistent with the Swedish CSD Rules, the Norwegian CSD Rules, the Finnish CSD Rules, the Italian CSD Rules or any other applicable Local Clearing System Rules, as the case may be, such Swedish CSD Rules, Norwegian CSD Rules, Finnish CSD Rules, Italian CSD Rules or, as the case may be, Local Clearing System Rules shall prevail.

Except as specified in the following paragraph or in the applicable Final Terms, no Certificates in definitive form will be issued.

In the event that (in the case of Certificates other than Dematerialised Certificates) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), or (in the case of Dematerialised Certificates), the Swedish CSD, the Norwegian CSD, the Finnish CSD, the Italian CSD or any other alternative clearing system, as the case may be, is or announce an intention permanently to cease business and do so cease business and no alternative clearing system satisfactory to the Issuer and the Principal Certificate Agent is available (i) Certificates represented by a Rule 144A Global Certificate or a Regulation S Global Certificate will be exchangeable in whole but not in part (free of charge to the Certificateholders) for definitive certificates (“**Definitive Registered Certificates**”) in registered form and in which case the Issuer will deliver, or arrange delivery of, Definitive Registered Certificates in registered form, serially numbered to the Certificateholders; (ii) Certificates represented by the Permanent Global Certificate and Dematerialised Certificates (following deregistration from the book-entry registers of the Swedish CSD, Norwegian CSD, Finnish CSD, Italian CSD or, as the case may be, other alternative clearing system (or any nominee) will be exchangeable in whole but not in part (free of charge to the Certificateholders) for definitive certificates (“**Definitive Bearer Certificates**”) and together with the Definitive Registered Certificates, the “**Definitive Certificates**”) in bearer form and in which case the Issuer will deliver, or arrange delivery of, Definitive Bearer Certificates in bearer form, serially numbered to the Certificateholders. In such event, the Issuer shall give notice to the Certificateholders of such additional terms as it and the Principal Certificate Agent consider appropriate in respect of the transfers of such Definitive Registered Certificates or Definitive Bearer Certificates, the procedures and time for exercise and payment and/or delivery thereof or thereon and such other matters as it determines are necessary.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Certificate Agent as provided in the applicable Final Terms.

The Final Terms for the Certificates complete these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent that it is inconsistent with these Conditions, supplement, replace or modify these Conditions for the purposes of the Certificates. References herein to the “Final Terms” or the “applicable Final Terms” are to the Final Terms or (in the case of any further certificates issued pursuant to Condition 12 and forming a single series with

the Certificates) the additional Final Terms attached, in the case of Certificates other than Dematerialised Certificates, to the Global Certificate or, as the case may be, the Definitive Certificate and, in the case of Dematerialised Certificates, prepared in connection with such Dematerialised Certificates and signed by or on behalf of the Issuer.

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

The Certificateholders (as defined in Condition 1(b)) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Master Securities Agreement and the applicable Final Terms.

Certificates will be issued in series (each a “**Series**”) and each Series may comprise one or more tranches (“**Tranches**” and each a “**Tranche**”).

## 1. Type, Title and Transfer

### (a) *Type*

The Certificates are Index Linked Certificates, Share Linked Certificates, Debt Linked Certificates, Currency Linked Certificates, Commodity Linked Certificates, Interest Rate Linked Certificates, Fund Linked Certificates, Perpetual Certificates, Leveraged Certificates or any other or further type of certificates as is specified in the applicable Final Terms or any combination thereof. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Linked Certificates and Share Linked Certificates or any combination thereof are set out in these Conditions. Specific provisions, other than those set out below, relating to Leveraged Certificates and a description of the leverage mechanism applicable for such Leveraged Certificates, including, but not limited to, definitions of the applicable Underlying Assets, leverage factor (“**Leverage Factor**”), financing rate (“**Financing Rate**”) and management fees (“**Management Fees**”) shall be set out in the applicable Final Terms.

The applicable Final Terms will specify whether Certificates allow holders to elect for redemption by way of cash payment or by way of physical delivery or by such other settlement as specified in the applicable Final Terms and whether Averaging (“**Averaging**”) will apply to the Certificates. Certificates where the holder has elected for cash payment will be “**Cash Settled Certificates**” and those Certificates where the holder has elected for physical delivery will be “**Physical Delivery Certificates**”. If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, in the case of a Market Disruption Event occurring on an Averaging Date, whether Omission, Postponement or Modified Postponement (each as defined in Condition 19 below) applies. The rights of a holder as described in this Condition may be subject to the Issuer’s right to vary settlement if so indicated in the applicable Final Terms.

References in these Conditions, unless the context otherwise requires, to Cash Settled Certificates shall be deemed to include references to Physical Delivery Certificates which include an option (as set out in the applicable Final Terms) at the Issuer’s election to require cash settlement of such Certificates and where settlement is to be by way of cash. References in these Conditions, unless the context otherwise requires, to Physical Delivery Certificates shall be deemed to include references to Cash Settled Certificates which include an option (as set out in the applicable Final Terms) at the Issuer’s election to request physical delivery of the relevant underlying asset in settlement of such Certificate and where settlement is to be by way of physical delivery.

(b) *Title to Certificates*

Each person who is for the time being shown in the records of the Relevant Clearing System as the holder of a particular amount of Certificates represented by a Global Certificate (in which regard any certificate or other document issued by the Relevant Clearing System as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest error) shall be treated for all purposes by the Issuer, the Guarantor, any Agent, the Relevant Clearing System, and all other persons dealing with such person as the holder of such amount of Certificates (and the expressions “**Certificateholder**” and “**holder of Certificates**” and related expressions shall be construed accordingly).

In the case of Swedish Certificates, “**Certificateholder**” and “**holder of Certificates**” means the person in whose name a Swedish Certificate is registered in the Swedish Register and the reference to a person in whose name a Swedish Certificate is so registered shall include also any person duly authorised to act as a nominee (*förvaltare*) and in whose name such certificates are so registered. In respect of Swedish Certificates, the “**Swedish Register**” means the register maintained by the Swedish CSD on behalf of the Issuer in accordance with the Swedish CSD Rules. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Swedish Certificates shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder. The Issuer and the Swedish Issuing Agent (as defined in Condition 8(a) below) shall be entitled to obtain information from the Swedish Register in accordance with the Swedish CSD Rules.

In the case of Norwegian Certificates, “**Certificateholder**” and “**holder of Certificates**” means the person in whose name a Norwegian Certificate is registered in the Norwegian Register and the reference to a person in whose name a Norwegian Certificate is registered shall also include any entities registered as nominee holder (*forvalter*) of such Certificates. In respect of Norwegian Certificates, the “**Norwegian Register**” means the register maintained with the Norwegian CSD on behalf of the Issuer in accordance with the Norwegian CSD Rules. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Norwegian Certificates shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder. In respect of Norwegian Certificates, each holder agrees and accepts to that the Norwegian CSD may provide the Issuer and the Norwegian Issuing Agent (as defined in Condition 8(a) below), upon request, information registered with the Norwegian CSD relating to the Norwegian Certificates and the holders thereof. Such information shall include, but not be limited to, the identity of the registered holder of the Norwegian Certificates, the residency of the registered holder of the Norwegian Certificates, the number of Norwegian Certificates registered with the relevant holder, the address of the relevant holder, identity of the registrar account administrator in respect of the relevant securities account (*Kontofører Investor*) and whether or not the Norwegian Certificates are registered in the name of a nominee and the identity of any such nominee.

In the case of Finnish Certificates, “**Certificateholder**” and “**holder of Certificates**” means the person in whose name a Finnish Certificate is registered in the Finnish Register and the reference to a person in whose name a Finnish Certificate is so registered shall include also any person duly authorised to act as a nominee (*hallintarekisterin hoitaja*) and in whose name such certificates are so registered. In

respect of Finnish Certificates, the “Finnish Register” means the register maintained by the Finnish CSD on behalf of the Issuer in accordance with the Finnish CSD Rules. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Finnish Certificates shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder. The Issuer and the Finnish Issuing Agent (as defined in Condition 8(a) below) shall be entitled to obtain information from the Finnish Register in accordance with the Finnish CSD Rules.

In the case of Italian Certificates, “**Certificateholder**” and “**holder of Certificates**” means the person, other than another CSD, who is for the time being shown in the records of the Italian CSD in accordance with the Italian CSD Rules (the “**Italian Register**”) as holder of a particular number of Italian Certificates. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Italian Certificates shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder and any certificate or other document issued by the Italian CSD as to the number of Italian Certificates standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error. The Issuer and the Italian Issuing Agent (as defined in Condition 8(a) below) shall be entitled to obtain information from the Italian Register in accordance with the Italian CSD Rules.

Title to any other Dematerialised Certificates shall be governed by the relevant Local Clearing System Rules as specified in the applicable Final Terms.

In the case of Definitive Registered Certificates, the Issuer shall cause to be kept at the specified office of the Principal Certificate Agent a register (the “**Register**”) on which shall be entered, the names and addresses of all holders of Definitive Registered Certificates, the number and type of the Definitive Registered Certificates held by them and details of all transfers of Definitive Registered Certificates. The persons shown in the Register (each a “**Certificateholder**”) shall (except as otherwise required by law) be treated as the absolute owners of the relevant Definitive Registered Certificates for all purposes (regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person (and the expressions “**Certificateholders**” and “**holder of Certificates**” and related expressions shall be construed accordingly).

In the case of Definitive Bearer Certificate title passes by delivery and the bearer of such Definitive Bearer Certificate (each a “**Certificateholder**”) shall (except as otherwise required by law) be treated as the absolute owner of the relevant Definitive Bearer Certificate for all purposes (regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person (and the expressions “**Certificateholders**” and “**holder of Certificates**” and related expressions shall be construed accordingly).

(c) *Transfers of Certificates*

All transactions (including transfers of Certificates) in the open market or otherwise must be effected through, in the case of Certificates represented by a Global Certificate, an account at Euroclear or Clearstream, Luxembourg subject to and in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be and title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg, as the case may be. In the case of Dematerialised

Certificates, all transactions (including transfers of such Certificates), in the open market or otherwise must be effected on account with the Relevant Clearing System subject to and in accordance with the rules and procedures for the time being of such Relevant Clearing System and title will pass upon registration of the transfer in the books of such Relevant Clearing System or any nominee thereof which, in the case of Swedish Certificates, will be by registration in the Swedish Register in accordance with the Swedish CSD Rules, in the case of Norwegian Certificates, will be by registration in the Norwegian Register in accordance with the Norwegian CSD Rules, in the case of Finnish Certificates, will be by registration in the Finnish Register in accordance with the Finnish CSD Rules and in the case of Italian Certificates, will be by registration in the Italian Register in accordance with the Italian CSD Rules. Transfers of Physical Delivery Certificates may not be effected after the delivery of an Asset Transfer Notice relating to such Certificates pursuant to Condition 5(c).

The number of Certificates which may be transferred by a Certificateholder must be equal to the Minimum Trading Lot and any integral multiple thereof or of such other number, each as specified in the applicable Final Terms.

In the case of Certificates represented by a Rule 144A Global Certificate, transfers of such Certificates to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate or a Regulation S Global Certificate, or, in the case of Certificates represented by a Regulation S Global Certificate, transfers of such Certificates to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate or a Regulation S Global Certificate, may be effected only to or through the Issuer or an affiliate of the Issuer, or upon certification (in the form from time to time available from the Principal Certificate Agent) to the Principal Certificate Agent by the transferor (or with respect to an exchange, the holder), and made:

- (i) (A) to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act or (B) to a QIB who is also a QP who acquired such Certificates in a transaction meeting the requirements of Rule 144A; and
- (ii) to a transferee or an exchange representing or deemed to represent that it is not acquiring the Certificates, directly or indirectly, with assets of any Employee Benefit Plan within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), whether or not subject to Title I of ERISA, including any U.S. governmental or non-U.S. pension plan, or any “plan” subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”); and
- (iii) in accordance with any applicable rules and regulations from time to time of the Principal Certificate Agent, Euroclear and Clearstream, Luxembourg.

The Certificateholder must send to Euroclear or Clearstream, Luxembourg, as the case may be, a free of payment instruction not later than 10.00 a.m. (Brussels or Luxembourg time, as the case may be) one Brussels business day or Luxembourg business day, as the case may be, prior to the date on which the transfer or exchange is to take effect.

In the case of a transfer, separate payment arrangements are required to be made between the transferor and the transferee.

On the transfer or exchange date, Euroclear or Clearstream, Luxembourg, as the case may be, will debit the account of its participant and will instruct the Principal Certificate Agent to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to credit the

relevant account of the Euroclear or Clearstream, Luxembourg participant, as the case may be.

Upon any transfer or exchange date, the Principal Certificate Agent, in the case of transfer to and/or from a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate or Rule 144A Global Certificate held by a Common Depositary on behalf of Euroclear or Clearstream, Luxembourg, will increase or decrease, if appropriate, the number of Certificates represented by such Regulation S Global Certificate or Rule 144A Global Certificate, whereupon the number of Certificates represented by such Regulation S Global Certificate or Rule 144A Global Certificate shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.

If at any time the Principal Certificate Agent determines or is notified by the Issuer or any of its affiliates that (i) a transfer or attempted or purported transfer of any interest in a Certificate was not consummated in compliance with the provisions of Condition 1(c), or (ii) there was a breach of any representation (at the time given) or agreement set forth in any certificate or letter or any deemed representation or agreement delivered or deemed to be made (at the time deemed made) by such purchaser, the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in such purchaser (being in such case, a “**Disqualified Transferee**”) and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Certificateholder thereof retroactively to the date of purported transfer of such interest by such Certificateholder; alternatively, the Issuer may require any Disqualified Transferee to sell such interest to the Issuer or an entity designated by the Issuer that would not be a Disqualified Transferee.

Definitive Registered Certificates may be transferred at the office of the Principal Certificate Agent in accordance with the terms set out in the Definitive Registered Certificate and the Master Certificate Agreement and for so long as the relevant Certificates are listed on the Luxembourg Stock Exchange and the rules of such exchange so requires, in the case of a transfer or exchange of Definitive Registered Certificates, a holder thereof may effect such transfer or exchange by presenting and surrendering such Certificate at, and obtaining a new Definitive Registered Certificate from the office of the Luxembourg Certificate Agent, in the case of a transfer of only a part of a Definitive Registered Certificate, a new Definitive Registered Certificate in respect of the balance of the principal amount of the Definitive Registered Certificate not transferred will be made available at the office of the Luxembourg Certificate Agent, and in the case of any lost, stolen, mutilated or destroyed Definitive Registered Certificate, a holder thereof may request a new Definitive Registered Certificate at office of the Luxembourg Certificate Agent.

## **2. Status of the Certificates**

The Certificates constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank *pari passu* among themselves and with all other existing or future direct, unsubordinated, unconditional and unsecured obligations of the Issuer (other than those preferred by law).

## **3. The Guarantee and Status of the Guarantee**

In the case of Certificates issued by CFP and CFG, the Guarantor, in accordance with the terms of the Deed of Guarantee, has agreed to irrevocably and unconditionally guarantee the payment and delivery obligations of CFP and/or CFG, as the case may be, under or in respect of the Certificates. The obligations of the Guarantor under the Deed of Guarantee

will constitute direct, unsubordinated, unconditional and unsecured obligations of the Guarantor and will rank *pari passu* with all other existing or future direct, unsubordinated, unconditional and unsecured obligations of the Guarantor (other than those preferred by law).

#### 4. Interest

(i) *Interest Amount*

If so specified in the applicable Final Terms, each Certificate pays interest from and including the Interest Commencement Date of the Certificates at the Interest Rate payable in arrear on each Interest Payment Date.

The amount of interest payable in respect of each Certificate on each Interest Payment Date will amount to the Interest Amount (as defined below) for the Interest Period (as defined below) ending on (but excluding) such Interest Payment Date.

If so specified in the applicable Final Terms, the payment and/or accrual of any interest may be subject to certain events or conditions having or not having occurred ("**Conditional Interest**").

If interest is required to be calculated for a period ending other than on (but excluding) an Interest Payment Date, it will be calculated on the basis of the number of days from and including the most recent Interest Payment Date (or, if none, the Issue Date of the Certificates) to but excluding the relevant payment date, and the relevant interest rate day count fraction as specified in the applicable Final Terms (the "**Interest Rate Day Count Fraction**").

Such Interest Rate and/or Interest Amount may be a fixed nominal interest rate ("**Fixed Interest Certificates**") or floating interest rate ("**Floating Rate Certificates**") or it may be determined by reference to, and the application of such Interest Rate and/or the payment of such Interest Amount may be limited or affected by, the performance of an Index, a Share, a Debt Security, a Commodity, an Inflation Index or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms ("**Interest Indexed Certificates**") and, for avoidance of doubt, the provisions in these Conditions relating to such Index, Share, Debt Security, Commodity, Inflation Index or the other underlying security shall apply *mutatis mutandis* in the manner specified in the applicable Final Terms.

(ii) *Accrual of Interest*

Unless otherwise provided in the applicable Final Terms, each Certificate will cease to accrue interest from and including its due date for redemption unless payment of the amount and/or delivery of any Entitlement due on redemption is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case interest shall continue to accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be. For the avoidance of doubt, no interest on the Certificates shall accrue beyond the Redemption Date (as defined below) in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event.

(iii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business

Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iv) *Interest Rate on Floating Rate Certificates*

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

(x) ISDA Determination for Floating Rate Certificates

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

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

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

(y) Screen Rate Determination for Floating Rate Certificates

(i) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period will, subject as provided below, be either:

- (a) the offered quotation; or
- (b) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of

LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

- (ii) if the Relevant Screen Page is not available or, if sub-paragraph (i)(a) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (i)(b) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Relevant Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rates for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, then, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used

for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(v) *Margin, Maximum/Minimum Interest Rates and Rounding*

- (i) If any Margin is specified (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (iii) below by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Interest Rate is specified hereon, then any Interest Rate, shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency which is available as legal tender in the country or countries of such currency and with respect to the euro, means 0.01 euro.

(vi) *Calculations*

The amount of interest payable in respect of any Certificate for any Interest Accrual Period shall be equal to the product of the Interest Rate, the Nominal Amount of such Certificate and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable in respect of such Certificate for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the Interest Amount payable in respect of each of those Interest Accrual Periods. In respect of

any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(vii) *Determination and Publication of Interest Rates and Interest Amounts*

The Calculation Agent shall, as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to obtain any quote or make any determination or calculation, determine the Interest Rate and calculate the relevant Interest Amounts for the relevant Interest Accrual Period, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Agent and the Issuer, the Certificateholders, and, if the Certificates are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such stock exchange of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(iii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(viii) *Definitions*

Unless otherwise provided in the applicable Final Terms:

“**Business Day**” means:

- (i) in the case of a specified currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/ or
- (iii) in the case of a specified currency and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency in the specified financial centre(s) or, if none is specified, generally in each of the Business Centres so specified, and/or
- (iv) a day on which relevant clearing system(s) are operating.

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

- (i) if “**Actual/365**” or “**Actual/Actual-ISDA**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year

divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/Actual-ICMA**” is specified in the applicable Final Terms,
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where

**2.1 “Determination Period”** means the period from, and including, a Determination Date in any year to, but excluding, the next Determination Date; and

**2.2 “Determination Date”** means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

- (iii) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30; and

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the applicable final terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates. The Effective Date shall not be subject to adjustment in accordance with any Business Day Convention unless specifically provided in the relevant Final Terms.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

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

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable in respect of each Certificate for that Interest Accrual Period; and

- (ii) in respect of any other period, the amount of interest payable in respect of each Certificate for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified in the applicable Final Terms.

**“Interest Determination Date”** means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such in the applicable final terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Relevant Currency is Sterling or (ii) the day falling two Business Days in London for the Relevant Currency prior to the first day of such Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

**“Interest Payment Date”** means, in respect of each Certificate, the dates specified in the applicable Final Terms for the payment of interest.

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

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

**“Interest Rate”** means the rate of interest payable from time to time in respect of the Certificates and that is either specified or calculated in accordance with the provisions in the applicable Final Terms.

**“ISDA Definitions”** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable Final Terms.

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms.

**“Reference Rate”** means the rate specified as such in the applicable Final Terms.

**“Relevant Currency”** means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Certificates are denominated.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms.

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

## **5. Redemption, Payment and Physical Delivery**

### **(a) Redemption**

Subject as provided in these Conditions and as specified in the applicable Final Terms, each Certificate will be redeemed by the Issuer:

- (i) in the case of a Cash Settled Certificate, by payment of the Redemption Amount as calculated as set out in the applicable Final Terms; or

- (ii) in the case of a Physical Delivery Certificate, subject as provided in this Condition 5, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on such date as is specified in the applicable Final Terms relating to such Certificate (the “**Redemption Date**”). If, in respect of any redemption of a Certificate pursuant to this Condition 5, (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined below), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

*(b) Automatic Early Redemption Event*

If the applicable Final Terms specify that an Automatic Early Redemption Event is applicable to the Certificates, then the Certificates may also be subject to automatic early redemption on the Automatic Early Redemption Date upon the occurrence of such Automatic Early Redemption Event as provided in the applicable Final Terms.

*(c) Issuer Call Option*

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given:

- (i) except in the case of Certificates represented by a Rule 144A Global Certificate not less than 15 nor more than 30 days’ notice or such other period specified in the applicable Final Terms to the Certificateholders in accordance with Condition 10 and, in the case of Certificates represented by a Rule 144A Global Certificate, not less than 30 nor more than 45 days’ notice to the Certificateholders in accordance with Condition 10; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the relevant Certificate Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding on any date fixed for redemption as specified in the applicable Final Terms (an “**Optional Redemption Date**”) and at an amount specified in, or determined in the manner specified in, the applicable Final Terms (the “**Optional Redemption Amount**”) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

In the case of a partial redemption, the rights of Certificateholders represented by a Global Certificate will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg or any Relevant Clearing System (as the case may be). So long as the Certificates are listed on the regulated market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Certificates, cause to be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) a notice specifying the aggregate nominal amount of Certificates outstanding.

*(d) Certificateholder Put Option*

If a Certificateholder Put Option is specified in the applicable Final Terms, upon the Certificateholder giving to the Issuer not less than 15 nor more than 30 days’ notice or

such other period specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on the date fixed for redemption in the applicable Final Terms (the “**Optional Redemption Date**”) and at an amount specified in, or determined in the manner specified in the applicable Final Terms (the “**Optional Redemption Amount**” together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as defined in the applicable Final Terms).

If the Certificate is held outside Euroclear and Clearstream, Luxembourg and/or any other Relevant Clearing System, to exercise the right to require redemption of the Certificate, the Certificateholder must deliver at the specified office of the Registrar or, as the case may be, any Certificate Agent at any time during normal business hours of such Registrar or Certificate Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of the Registrar or any Certificate Agent (a “**Put Notice**”) and in which the Certificateholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5(d), accompanied by the Certificate or evidence satisfactory to the Registrar or the Certificate Agent concerned that the Certificate will, following delivery of the Put Notice, be held to its order or under its control in a manner reasonably satisfactory to the Registrar or the Certificate Agent concerned. If the Certificate is held through Euroclear or Clearstream, Luxembourg and/or any other Relevant Clearing System, to exercise the right to require redemption of the Certificate, the Certificateholder must, within the notice period, give notice to the Registrar or Certificate Agent concerned of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg and/or any other Relevant Clearing System (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg and/or any other Relevant Clearing System or any common depositary for them to the Registrar or Certificate Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg and/or any other Relevant Clearing System from time to time and, if the Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the relevant Certificate Agent for notation accordingly. Any Put Notice given by a Certificateholder of any Certificate pursuant to this Condition shall be irrevocable.

The number of Certificates which can be the object of any Certificateholder Put Option on any particular day, as determined by the Issuer, must be equal to the Minimum Exercise Number and any integral multiple thereof or of such other number, each as specified in the applicable Final Terms. Any notice relating to the exercise of any Certificateholder Put Option which purports to exercise Certificates in an amount less than the Minimum Exercise Number or the relevant integral multiple shall be void and of no effect.

If the Issuer determines that the number of Certificates the subject of all Certificateholder Put Options exercised on any particular day by any Certificateholder or a group of Certificateholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”) as specified in the applicable Final Terms, the Issuer may deem the actual exercise date for the first Quota of such Certificates, selected at the discretion of the Issuer to be such day and the actual exercise date for each additional Quota of such Certificates (and any remaining number thereof) to be each of the succeeding Business Days or such other day or days as specified in the applicable Final Terms, until all such Certificates have been

attributed with an actual exercise date; provided, however, that the deemed actual exercise date for any such Certificates which would thereby fall after the Maturity Date (if any) shall fall on the Maturity Date (if any). In any case where more than the Quota of Certificates the subject of the exercise of such Certificateholder Put Option(s) are exercised on the same day by Certificateholder(s), the order of settlement in respect of such Certificates shall be at the sole discretion of the Issuer.

(e) *Payments*

Subject as provided below, the Issuer shall pay or cause to be paid the Redemption Amount, the Optional Redemption Amount or, as the case may be, the Automatic Early Redemption Amount (if any) less any Expenses for each Certificate by credit or transfer to the holder's account with the Relevant Clearing System for value on the Redemption Date, the Optional Redemption Date or, as the case may be the Automatic Early Redemption Date, such payment to be made in accordance with the rules of such Clearing System. In the case of Swedish Certificates, such payment will occur in accordance with the Swedish CSD Rules and payments will be effected to the holder recorded as such on the fifth business day (as defined by the then applicable Swedish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the Swedish CSD Rules (such date being the "**Record Date**" for the purposes of the Swedish Certificates). In the case of Norwegian Certificates, such payment will occur in accordance with the Norwegian CSD Rules and payments will be effected to the Holder recorded as such on the fifth business day (as defined by the then applicable Norwegian CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the Norwegian CSD Rules (such date being the "**Record Date**" for the purposes of the Norwegian Certificates). In the case of Finnish Certificates, such payment will occur in accordance with the Finnish CSD Rules and payments will be effected to the holder recorded as such on the fifth business day (as defined by the then applicable Finnish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the Finnish CSD Rules (such date being the "Record Date" for the purposes of the Finnish Certificates). In the case of Italian Certificates, such payment will occur in accordance with the Italian CSD Rules and payments will be effected to the Holder recorded as such on the fifth business day (as defined by the then applicable Italian CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the Italian CSD Rules (such date being the "**Record Date**" for the purposes of the Italian Certificates).

The Issuer or the Guarantor will be discharged by payment to, or to the order of, the Relevant Clearing System in respect of the amount so paid or in accordance with the Swedish CSD Rules, the Norwegian CSD Rules, the Finnish CSD Rules or the Italian CSD Rules as the case may be. Each of the persons shown in the records of the Relevant Clearing System as the holder of a particular amount of the Certificates must look solely to the Relevant Clearing System for his share of each such payment so made to, or to the order of, such Clearing System.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(f) *Physical Delivery*

(i) **Asset Transfer Notices**

In relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant holder must (A), in the case of Certificates represented by a Global Certificate, deliver to Euroclear or Clearstream, Luxembourg, as the case may be, or, not later than 10.00 a.m. Brussels or Luxembourg time (as appropriate) with a copy to the Principal Certificate Agent not later than 10.00 a.m. (Luxembourg time), (B) in the case of Certificates represented by Definitive Certificates, the Principal Certificate Agent, not later than 10.00 a.m. (Luxembourg time), , the Optional Redemption Date on the date (the “**Cut-Off Date**”) falling three Business Days prior to the Redemption Date or, as the case may be the Automatic Early Redemption Date, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in the form set out in the Master Securities Agreement in accordance with the provisions set out in this Condition or (C) in the case of Dematerialised Certificates, as provided in subparagraph (j) below.

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

In the case of Global Certificates, an Asset Transfer Notice may only be delivered in such manner as is acceptable to the Relevant Clearing System which is expected to be by authenticated SWIFT message or tested telex.

(ii) In the case of Global Certificates, the Asset Transfer Notice shall:

- (A) specify the name(s) of the Certificateholder(s) holding the Certificates;
- (B) specify the address(es) of the Certificateholder(s) holding the Certificates;
- (C) specify the series number of the Certificates;
- (D) specify the number of Certificates which are the subject of such Notice;
- (E) in the case of Certificates represented by a Global Certificate:
  - (I) specify the number of the Certificateholder’s account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Certificates which are the subject of such Notice; and
  - (II) irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Redemption Date , the Optional Redemption Date, or, as the case may be, the Automatic Early Redemption Date the Certificateholder’s account with the Certificates which are the subject of such Notice;
- (F) include an undertaking to pay all costs, taxes, duties and/or expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the delivery or transfer of the Entitlement pursuant to the terms of such Certificates (“**Expenses**”), and in the case of Certificates represented by a Global Certificate, an authority to Euroclear or Clearstream, Luxembourg to debit a specified account of the Certificateholder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses to the Issuer or as it may direct;

- (G) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and in the case of Certificates represented by a Global Certificate, specify the name and the number of the Certificateholder's account with Euroclear or Clearstream, Luxembourg to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Amount, the Alternative Cash Settlement Amount or the Failure to Deliver Settlement Amount;
- (H) include an undertaking to indemnify the Issuer and the Certificate Agents in respect of their respective losses in respect of any transfer or attempt to transfer such Certificates in or following the delivery of such Asset Transfer Notice;
- (I) in the case of Currency Linked Certificates only and, in the case of Certificates represented by a Global Certificate, specify the number of the Certificateholder's account at Euroclear or Clearstream, Luxembourg to be credited with the amount due upon redemption of the Certificates;
- (J) certify, where appropriate, that the beneficial owner of each Certificate which are the subject of such Notice is not a U.S. person (as defined in the Asset Transfer Notice) the Certificate is not being exercised in the United States or on behalf of a U.S. person and no cash has been or will be redeemed within the United States or on behalf of a U.S. person, where appropriate, including in the case of Certificates represented by a Rule 144A Global Certificate undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (K) authorise the production of such Asset Transfer Notice in any applicable administrative or legal proceedings,

all as provided in the Master Securities Agreement.

- (iii) In the case of Definitive Certificates applies, the form of Asset Transfer Notice required to be delivered in the manner set out above will be different. Copies of such Asset Transfer Notice may be obtained from the Certificate Agents.

*(g) Verification of the Certificateholder*

Upon receipt of an Asset Transfer Notice, the Relevant Clearing System shall verify that the person delivering such notice is the holder of the Certificates described therein according to the records of the Relevant Clearing System. Subject thereto, and by 10.00 a.m. (Luxembourg time) on the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, the Relevant Clearing System or Luxembourg Certificate Agent, as the case may be, will confirm by tested telex (or such other method as may be agreed from time to time) to the Principal Certificate Agent the series number and number of Certificates the subject of such notice, the name and address of the person or bank or broker to whom the Entitlement is to be transferred and, if applicable, the name and address of the person or bank or broker to whom the

documents evidencing the Entitlement are to be delivered. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof.

The Relevant Clearing System will on or before the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, debit the account of the relevant Certificateholder with the Certificates being redeemed.

(h) *Physical Settlement*

Subject to payment of any Expenses, the Issuer shall on the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, (subject as provided in Condition 5(a) above) deliver, or procure delivery on its behalf, the Entitlement to or to the order of the Certificateholder as specified in the Asset Transfer Notice together with any documents evidencing the Entitlement (if any). The Entitlement shall be evidenced by customary documents of title in respect of the Relevant Asset, details of which are set out in the applicable Final Terms.

(i) *Determinations*

(i) In the case of Certificates represented by a Global Certificate, any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the Relevant Clearing System or Luxembourg Certificate Agent, as the case may be, in consultation with the Principal Certificate Agent and shall be conclusive and binding on the Issuer, the Guarantor, the Certificate Agents and the relevant Certificateholder. Subject as set out below, if (i) the number of Certificates specified in an Asset Transfer Notice exceeds the number of Certificates held in the relevant account or (ii) any Asset Transfer Notice is determined to be incomplete or not in proper form, or is not copied to the Principal Certificate Agent immediately after being delivered or sent to the Relevant Clearing System or Luxembourg Certificate Agent, as the case may be, as provided in paragraph (c) above, such Asset Transfer Notice shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the Relevant Clearing System or Luxembourg Certificate Agent, as the case may be, in consultation with the Principal Certificate Agent, or is copied to the Principal Certificate Agent, as the case may be, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the Relevant Clearing System or Luxembourg Certificate Agent, as the case may be, and the Principal Certificate Agent or such time as the Asset Transfer Notice is copied to the Principal Certificate Agent, as the case may be.

(ii) In the case of Certificates represented by Definitive Certificates, any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the Principal Certificate Agent and shall be conclusive and binding on the Issuer and the relevant Certificateholder. If such Asset Transfer Notice is subsequently corrected to the satisfaction of the Principal Certificate Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the Principal Certificate Agent.

The Relevant Clearing System or Luxembourg Certificate Agent, as the case may be, shall use its best efforts promptly to notify the Certificateholder submitting an Asset Transfer Notice if, in consultation with the Principal Certificate Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the case of Certificates represented by Definitive Certificates, the Principal Certificate Agent will use

its best efforts promptly to notify the Certificateholder which has submitted an Asset Transfer Notice if it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Certificate Agents and the Relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Certificateholder.

(j) *Dematerialised Certificates*

Notwithstanding any of the foregoing provisions of this Condition 5, the following provisions shall apply in the case of Dematerialised Certificates:

(i) Swedish Certificates

In the case of Swedish Certificates, the duly completed Asset Transfer Notice shall be delivered to the Swedish Issuing Agent in respect of the relevant issue of Swedish Certificates, with a copy to the Principal Certificate Agent, *mutatis mutandis*, in accordance with the relevant provisions of this Condition 5(c)(i), and such provisions shall be construed accordingly with references to “Euroclear Bank” or “Clearstream Luxembourg”, as the case may be, being deemed to be references to the Swedish Issuing Agent and references to any action required to be taken by a specified time, being deemed to be to Stockholm time. The Swedish Issuing Agent (or such other person designated by the then applicable Swedish CSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in this Condition 5 (or, as the case may be under the then applicable Swedish CSD Rules), request and/or effect the transfer by the holder of the relevant Swedish Certificates to a blocked account preventing further transfers of such Certificates until such debiting may occur). Physical settlement will occur in accordance with the Swedish CSD Rules and delivery of Entitlements will be effected to the holder recorded as such on the fifth business day (as defined by the then applicable Swedish CSD Rules) before the Redemption Date or, as the case may be, the Automatic Early Redemption Date, or such other business day falling closer to Redemption Date or, as the case may be, the Automatic Early Redemption Date as may then be stipulated in the Swedish CSD Rules (such date being the “**Record Date**” for the purposes of the Swedish Certificates).

(ii) Norwegian Certificates

In the case of Norwegian Certificates, the duly completed Asset Transfer Notice shall be delivered to the Norwegian Issuing Agent in respect of the relevant Norwegian Certificates, with a copy to the Principal Certificate Agent, *mutatis mutandis*, in accordance with the provisions of this Condition 5(c)(i), and such provisions shall be construed accordingly with references to “Euroclear Bank” or “Clearstream Luxembourg”, as the case may be, being deemed to be references to the Norwegian Issuing Agent and references to any action required to be taken by a specified time, being deemed to be to Oslo time. The Norwegian Issuing Agent (or such other entity designated in accordance with then applicable Norwegian CSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in this Condition 5. Physical settlement in respect of Norwegian Certificates will not be take effect against the Issuer before the date on which the Norwegian Issuing Agent can request and/or effect the transfer of the relevant Norwegian Certificates

to an account designated by the Norwegian Issuing Agent or blocked preventing further transfer by the Norwegian Issuing Agent. Physical settlement will occur in accordance with the Norwegian CSD Rules and delivery of Entitlements will be effected to the holder recorded as such on the fifth business day (as defined by the then applicable Norwegian CSD Rules) before the Redemption Date or, as the case may be, the Automatic Early Redemption Date, or such other business day falling closer to the Redemption Date or, as the case may be, the Automatic Early Redemption Date as may then be stipulated in the Norwegian CSD Rules (such date being the “**Record Date**” for the purposes of the Norwegian Certificates).

(iii) Finnish Certificates

In the case of Finnish Certificates, the duly completed Asset Transfer Notice shall be delivered to the Finnish Issuing Agent in respect of the relevant issue of Finnish Certificates, with a copy to the Principal Certificate Agent, *mutatis mutandis*, in accordance with the relevant provisions of this Condition 5(c)(i), and such provisions shall be construed accordingly with references to “Euroclear Bank” or “Clearstream Luxembourg”, as the case may be, being deemed to be references to the Finnish Issuing Agent and references to any action required to be taken by a specified time, being deemed to be to Helsinki time. The Finnish Issuing Agent (or such other person designated by the then applicable Finnish CSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in this Condition 5 (or, as the case may be under the then applicable Finnish CSD Rules), request and/or effect the transfer by the holder of the relevant Finnish Certificates to a blocked account preventing further transfers of such Certificates until such debiting may occur). Physical settlement will occur in accordance with the Finnish CSD Rules and delivery of Entitlements will be effected to the holder recorded as such on the fifth business day (as defined by the then applicable Finnish CSD Rules) before the Redemption Date or, as the case may be, the Automatic Early Redemption Date, or such other business day falling closer to Redemption Date or, as the case may be, the Automatic Early Redemption Date as may then be stipulated in the Finnish CSD Rules (such date being the “**Record Date**” for the purposes of the Finnish Certificates).

(iv) Italian Certificates

In the case of Italian Certificates, the duly completed Asset Transfer Notice shall be delivered to the Italian Issuing Agent in respect of the relevant Italian Certificates, with a copy to the Principal Certificate Agent, *mutatis mutandis*, in accordance with the provisions of this Condition 5(c)(i), and such provisions shall be construed accordingly with references to “Euroclear Bank” or “Clearstream Luxembourg”, as the case may be, being deemed to be references to the Italian Issuing Agent and references to any action required to be taken by a specified time, being deemed to be to Rome time. The Italian Issuing Agent (or such other entity designated in accordance with then applicable Italian CSD Rules as responsible for such actions) shall perform the verification and debiting of the relevant securities accounts referred to in this Condition 5. Physical settlement in respect of Italian Certificates will not take effect against the Issuer before the date on which the Italian Issuing Agent can request and/or effect the transfer of the relevant Italian Certificates to an account designated by the Italian Issuing Agent or blocked preventing further transfer by the Italian Issuing Agent. Physical

settlement will occur in accordance with the Italian CSD Rules and delivery of Entitlements will be effected to the holder recorded as such on the fifth business day (as defined by the then applicable Italian CSD Rules) before the Redemption Date or, as the case may be, the Automatic Early Redemption Date, or such other business day falling closer to the Redemption Date or, as the case may be, the Automatic Early Redemption Date as may then be stipulated in the Italian CSD Rules (such date being the “**Record Date**” for the purposes of the Italian Certificates).

(k) *Delivery of an Asset Transfer Notice*

Delivery of an Asset Transfer Notice shall constitute an irrevocable election by the relevant Certificateholder to receive the Entitlement in respect of the Certificates the subject of such notice. After the delivery of such Asset Transfer Notice such Certificateholder may not otherwise transfer such Certificates.

If any Certificateholder does so transfer or attempt to transfer such Certificates, such Certificateholder will be liable to the Issuer for any losses, costs and expenses suffered or incurred by the Issuer, including, without limitation, those suffered or incurred as a consequence of it having terminated any related hedging operations in reliance on the relevant Asset Transfer Notice and subsequently (i) entering into replacement hedging operations in respect of such Certificates or (ii) paying any amount on the subsequent redemption of such Certificates without having entered into any replacement hedging operations.

(l) *Delivery Risk*

Delivery of the Entitlement in respect of any Physical Delivery Certificates is subject to all applicable laws, regulations and practices in force on the relevant Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date and none of the Issuer, the Guarantor or the Certificate Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts as a result of any such laws, regulations or practices. Neither the Issuer nor the Guarantor nor any Dealer nor the Certificate Agents shall under any circumstances be liable for any acts or defaults of the Relevant Clearing System in relation to the performance of their duties in relation to the Certificates.

(m) *Settlement Disruption*

(i) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Entitlement in respect of any Physical Delivery Certificates using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event having occurred and continuing on any Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, then such Redemption Date, Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, for such Certificates shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event PROVIDED THAT the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement

in such other commercially reasonable manner. Where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Redemption Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Certificateholder of the Disruption Cash Settlement Amount on the third Business Day following the date that notice of such election is given to the Certificateholders in accordance with Condition 10. Payment of the Disruption Cash Settlement Amount will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Certificateholder shall be entitled to any payment in respect of the relevant Certificate in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

(ii) Failure to Deliver due to Illiquidity

If “**Failure to Deliver due to Illiquidity**” is specified as applicable in the applicable Final Terms and following the exercise of Physical Delivery Certificates, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets, then:

- (a) subject as provided elsewhere in these Terms and Conditions as amended by the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, in accordance with Condition 5(m)(ii); and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Certificateholder of the Failure to Deliver Settlement Amount on the fifth Business Day following the date that notice of such election is given to the Certificateholders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Amount will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with Condition 10 that the provisions of this Condition 5(m)(ii) apply.

(n) *Issuer's Option to Vary Settlement*

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Physical Delivery Certificates, the Issuer may in its sole and absolute

discretion, in respect of each such Certificate elect not to pay the relevant Certificateholders the Redemption Amount, the Optional Redemption Amount or, as the case may be, the Automatic Early Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Certificateholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Alternative Cash Settlement Amount on the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date to the relevant Certificateholders, as the case may be. Notification of such election will be given to Certificateholders no later than 10.00 a.m. (London time) on the second Business Day following the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date. In the event a Settlement Disruption Event had occurred or is continuing in the period commencing on the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date and ending on such second Business Day, notification of such election may be postponed up to the earlier of (i) eight Business Days following the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date so long as such Settlement Disruption Event is continuing, (ii) two Business Days after the end of such Settlement Disruption Event, and (iii) one Business Day prior to the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date (as may be adjusted in accordance with these Conditions in respect of such Settlement Disruption Event).

(o) *FX Disruption*

- (i) Where the applicable Final Terms specifies that this Condition 5(o) is applicable, if the Calculation Agent determines that on any Valuation Date an FX Disruption Event (as defined below) has occurred and is continuing, the date for determination of the FX Rate shall be postponed until the first Business Day on which such FX Disruption Event ceases to exist (the “**FX Date**”), provided that where on the tenth Business Day following the Valuation Date (the “**FX Cut-Off Date**”) such FX Disruption Event continues to exist, the Issuer may elect to terminate its obligations under the Certificate by (x) paying an amount in a currency not subject to the FX Disruption Event; or (y) delivering or procuring the delivery of an amount of Relevant Assets, to each Certificateholder the value of which corresponds to the fair market value of each Certificate held by the Certificateholder each as determined by the Calculation Agent in its sole and absolute discretion.
- (ii) Where an FX Disruption Event occurs, the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, in respect of the Certificates shall be postponed to the Business Day which falls the same number of Business Days after the FX Date or the FX Cut-Off Date, where the Issuer elects to terminate its obligations under the Certificate in accordance with (l)(i) above, as the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, was originally scheduled to be after the Valuation Date (the “**Postponed Redemption Date**”).
- (iii) If an FX Disruption Event has occurred and is continuing on the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, or the Postponed Redemption Date (including any Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date, postponed due to a prior FX Disruption Event), then the

Redemption Date, the Optional Redemption Date, the Automatic Early Redemption Date or the Postponed Redemption Date, as the case may be, shall be postponed until the first Business Day on which such FX Disruption Event ceases to exist, provided that where on the tenth Business Day following the Redemption Date, the Optional Redemption Date, the Automatic Early Redemption Date or the Postponed Redemption Date, as the case may be, an FX Disruption Event exists the Issuer may elect to terminate its obligations under the Certificate by (x) paying an amount in a currency not subject to the FX Disruption Event, or (y) delivering or procuring the delivery of an amount of Relevant Assets, to each Certificateholder the value of which corresponds to the fair market value of each Certificate held by the Certificateholder each as determined by the Calculation Agent in its sole and absolute discretion.

For the avoidance of doubt, if an FX Disruption Event coincides with a Market Disruption Event, a Settlement Disruption Event or a Failure to Deliver due to Illiquidity, the provisions of this Condition 5(o) shall take effect only after such postponements or adjustments have been made as a result of such Market Disruption Event in accordance with Conditions 15 and 16, as the case may be, or a Settlement Disruption Event in accordance with Condition 5(m)(i) or a Failure to Deliver due to Illiquidity in accordance with Condition 5(m)(ii), as the case may be, and, notwithstanding the provisions of Condition 5(m), the Issuer's payment obligation of the Redemption Amount or, as the case may be, the Automatic Early Redemption Amount shall continue to be postponed in accordance with the provisions of this Condition 5(o).

For the purposes of this Condition 5(o):

**"FX Disruption Event"** means the occurrence of an event that makes it impossible through legal channels for the Issuer or its affiliates to either:

- (i) convert the Relevant Currency into the Settlement Currency; or
- (ii) deliver the Settlement Currency from accounts within the Relevant Country to accounts outside such jurisdiction; or
- (iii) deliver the Relevant Currency between accounts within the Relevant Country to a person that is a non-resident of that jurisdiction;

**"Relevant Country"** has the meaning ascribed to it in the applicable Final Terms; and

**"Relevant Currency"** has the meaning ascribed to it in the applicable Final Terms.

*(p) Failure to Deliver Asset Transfer Notice*

If a holder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Certificate Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Redemption Date, the Optional Redemption Date or, as the case may be, the Automatic Early Redemption Date and no liability in respect thereof shall attach to the Issuer or the Guarantor, if any.

The Issuer shall at the risk of the relevant Holder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer

Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

In the event that a Certificateholder does not so deliver an Asset Transfer Notice as aforesaid by close of business (Brussels or Luxembourg local time) (as appropriate) on the first Business Day falling on or before the 30<sup>th</sup> day after the Cut-off Date (the “**Final Cut-Off Date**”), the Issuer’s and the Guarantor’s obligations in respect of such Certificates shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor.

(q) *General*

- (i) None of the Calculation Agent, the Issuer, the Guarantor, any Dealer or any Certificate Agent shall have any responsibility for any errors or omissions in the calculation of any Redemption Amount, the Optional Redemption Amount, Automatic Early Redemption Amount, Alternative Cash Settlement Amount, Disruption Cash Settlement Amount, Failure to Deliver Settlement Amount or of any Entitlement or other amount whatsoever.
- (ii) The purchase of Certificates does not confer on the Certificateholder any rights (whether in respect of voting, distributions or otherwise) attaching to the Relevant Asset.
- (iii) All references in this Condition to “Luxembourg or Brussels time” shall, where Certificates are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.
- (iv) Certificates held by the same holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

(r) *Restrictions*

If the Final Terms for the Physical Delivery Certificates so indicates, the delivery of any Entitlement in respect of such Certificates will be conditional upon the holder providing to the Principal Certificate Agent, or such other person as may be specified, a certification in the form set out in such Final Terms.

**6. Limited Recourse**

The Issuer shall have the right to terminate its obligations under the Certificates, subject to the following sentence, if the Issuer shall have determined that the performance of such obligations or the obligations of the Guarantor under the Guarantee in respect of such Certificates shall have become illegal or impracticable, in either such case whether in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental,

administrative, legislative or judicial authority or power. In such circumstances, the Issuer will give notice to Certificateholders of such termination in accordance with Condition 10 and, if and to the extent permitted by applicable law, pay to each Certificateholder in respect of each Certificate held by it an amount determined by the Calculation Agent as representing the fair market value of a Certificate notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any related Hedge Positions plus, if already paid by or on behalf of the Certificateholder, the Strike Price, all as determined by the Calculation Agent in its sole and absolute discretion.

Payment will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 10.

## 7. Purchases

The Issuer, the Guarantor and any of their affiliates shall have the right to purchase or otherwise acquire Certificates at such times, in such manner and for such consideration as it may deem appropriate. Any Certificates so purchased may be held or resold or surrendered for cancellation and, if cancelled, may be reissued by the Issuer at such time and in such manner as it may deem appropriate.

## 8. Agents and Determination

### (a) Agents

The specified offices of the Agents are as set out at the end of these Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint further or additional Agents provided that no termination of appointment of the Principal Certificate Agent or the Registrar shall become effective until a replacement Principal Certificate Agent or, as the case may be, the Registrar shall have been appointed and provided that (i) so long as any of the Certificates are listed on a stock exchange, there shall be a Certificate Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange, (ii) so long as there are any Swedish Certificates outstanding, there will at all times be a Swedish CSD duly authorised as a central securities depository under the Swedish Financial Instruments Accounts Act and an issuing agent duly authorised as such under the Swedish CSD Rules (the “**Swedish Issuing Agent**”) appointed in respect of such Swedish Certificates, (iii) so long as there are any Norwegian Certificates outstanding, there will at all times be a Norwegian CSD duly authorised as a central securities depository under the Norwegian Securities Register Act and an issuing agent duly authorised as such under the Norwegian CSD Rules (the “**Norwegian Issuing Agent**”) (*Kontofører Utsteder*) appointed in respect of such Norwegian Certificates, (iv) so long as there are any Finnish Certificates outstanding, there will at all times be a Finnish CSD duly authorized as a central securities depository under the Finnish Act on the Book-Entry System and the Finnish Act on Book-Entry Accounts and an issuing agent duly authorized as such under the Finnish CSD Rules (the “**Finnish Issuing Agent**”) appointed in respect of the Finnish Certificates and (v) so long as there are any Italian Certificates outstanding, there will at all times be an Italian CSD duly authorised as a central securities depository under Article 80 of Legislative Decree no. 58 of 24 February 1998, as amended (the “**Consolidated Financial Act**”) and its implementing regulations and an issuing agent duly authorised as such under the Italian CSD Rules (the “**Italian Issuing Agent**”) appointed in respect of such Italian Certificates. Notice of any termination of appointment and of any changes in the specified office of any Agent will be given to Certificateholders in accordance with Condition 10. In acting under the Master Certificate Agreement, each Agent acts solely as

agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Certificateholders and any Certificate Agent's determinations and calculations in respect of the Certificates shall (save in the case of manifest error) be final and binding on the Issuer and the Certificateholders.

(b) *Calculation Agent*

In relation to each issue of Certificates where there is a Calculation Agent (whether it be the Issuer or a third party), it acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with the Certificateholders.

All calculations and determinations made by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor and each Certificateholder. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(c) *Determinations by the Issuer*

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

**9. Meetings of Certificateholders and Modification**

(a) *Meetings*

The Master Securities Agreement contains provisions for convening meetings of the Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Securities Agreement) of a modification of these Conditions or the Master Securities Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Certificateholders. Such a meeting may be convened by the Issuer, the Guarantor or Certificateholders holding not less than 10 per cent. (by number) of the Certificates for the time being remaining outstanding. The quorum at a meeting of the Certificateholders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 10 per cent. (by number) of the Certificates for the time being remaining outstanding, or at any adjourned meeting two or more persons being, holding or representing Certificateholders whatever the number of Certificates so held or represented. The quorum at a meeting of Certificateholders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. (by number) of the Certificates for the time being remaining outstanding or at any adjourned meeting two or more persons holding or representing not less than 10 per cent. (by number) of the Certificates for the time being remaining outstanding. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than 75 per cent. of the votes cast by Certificateholders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Certificateholders shall be binding on all the Certificateholders, whether or not they are present at the meeting. Certificates which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 5 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Certificateholders. Resolutions can be passed in writing if passed unanimously.

(b) *Modifications*

The Issuer may modify these Conditions and/or the Master Securities Agreement and/or any Final Terms without the consent of the Certificateholders in any manner which the Issuer and/or the Calculation Agent may deem necessary or desirable provided that such modification does not materially adversely affect the interests of the Certificateholders or such modification is of a formal, minor or technical nature or to correct a manifest error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with any requirement of the Luxembourg Stock Exchange and/or any stock exchange on which the Certificates may be listed. Notice of any such modification will be given to the Certificateholders in accordance with Condition 10 but failure to give or non-receipt of, such notice will not affect the validity of any such modification. In connection with such right of modification neither the Issuer nor the Calculation Agent shall be obliged to have regard to the consequences of the exercise of such right for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Certificateholder shall be entitled to claim from the Issuer, the Guarantor or the Calculation Agent any indemnification or payment in respect of any tax consequence of any such modification.

**10. Notices**

All notices to Certificateholders where the relevant Certificates are Global Certificates will be valid if (i) delivered to the Relevant Clearing System and in the case of Definitive Certificates to the Principal Certificate Agent, for communication by them to the Certificateholders and (ii) in relation to Certificates listed on any stock exchange made in accordance with any applicable rules and regulations of such stock exchange. In the case of Certificates listed on the Luxembourg Stock Exchange only, regardless whether such Certificates are represented by a Global Certificate or Definitive Certificates, such notices shall be published on the website of the Luxembourg is required by the rules of the Luxembourg Stock Exchange ("[www.bourse.lu](http://www.bourse.lu)"). Any notice given to the Certificateholders in accordance with this Condition 10 shall also be sent to the Guarantor. Any such notice shall be deemed to have been given on the date of such delivery to the Relevant Clearing System or, if applicable, such publication on such website or, if published more than once or on different dates, on the date of the first such publication.

**11. Taxation and Expenses**

The Issuer shall not be liable for, or otherwise obliged to pay, any tax, duty, withholding or other payment which may arise as a result of the issue, ownership, transfer, redemption or enforcement of any Certificates and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. A Certificateholder must pay all Expenses relating to such Certificates in accordance with Condition 5(f).

All payments to be made by a Certificateholder shall be made without withholding or deduction for or on account of tax or otherwise unless required by applicable law. If any such withholding or deduction is required by applicable law, the Certificateholders shall not be entitled to receive, and the Issuer shall not be required to pay, an additional amount in respect thereof.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of Certificateholders, to create and issue further Certificates so as to form a single series with the Certificates.

### 13. Substitution

(a) *Substitution*

Except in the case of Certificates established for sale into the United States, the Issuer, or any previous substitute company, shall be entitled at any time and from time to time, without the consent of the Certificateholders, to substitute CALYON or any subsidiary or holding company of CALYON (the “**New Issuer**”) in place of the Issuer, as obligor under the Certificates, provided that (i) the New Issuer shall assume all obligations of the Issuer in relation to the Certificateholders under or in relation to the Certificates including those contained in the Agency Agreement, to which the new Issuer shall become a party for the purpose of such Certificates with such consequential amendments as the Principal Certificate Agent shall deem appropriate, (ii) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Certificates represent legal, valid and binding obligations of the New Issuer have been taken, fulfilled and done (including the appointment of a process agent in England) and are in full force and effect, (iii) if applicable, each stock exchange on which such Warrants are listed shall have been confirmed that, following such substitution, the Certificate will continue to be listed on such stock exchange, and (iv) except in the case where the New Issuer is CALYON, the payment obligations under or in respect of Certificates continue to be unconditionally guaranteed by the Guarantor. Where CALYON is the New Issuer, the guarantee shall no longer apply to such Certificates. Following such a substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer.

(b) *Notice of change or substitution*

A change or substitution shall be promptly notified to the Certificateholders in accordance with Condition 10.

(c) *Tax consequences*

In connection with such right of change or substitution the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Certificateholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such change or substitution upon such Certificateholder.

### 14. Governing Law

The Certificates, each Global Certificate, the Agency Agreement and the Deed of Guarantee, and any non-contractual obligations arising out of or in connection with them, shall be governed by and construed in accordance with English law. Each of the Issuer and the Guarantor irrevocably agrees for the exclusive benefit of each Certificateholder that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Certificates or the Guarantor and that accordingly any suit, action or proceeding (together in this Condition referred to as “**Proceedings**”) arising out of or in connection with the Certificates or the Guarantee may be brought in such courts. Nothing contained in this Condition 14 shall limit the right of any Certificateholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not. Each of the Issuer and the Guarantor appoints CALYON, London branch at its principal office in England for the time being at Broadwalk

House, 5 Appold Street, London EC2A 2DA as its process agent to receive on its behalf service of process of any Proceedings in England.

## 15. Additional Terms for Index Linked Certificates

### (a) Adjustments

#### (i) Successor Sponsor Calculates and Reports an Index

If an Index (as defined in the applicable Final Terms) is (i) not calculated and announced by the sponsor specified in the applicable Final Terms (the “**Sponsor**”) but is calculated and published by a successor to the Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index or (iii) not in existence on or prior to the Valuation Date, but the Calculation Agent considers there to be in existence at such time an alternative index which, if substituted for the Index, would materially preserve the economic equivalent of the rights of the Certificateholders under the Certificates immediately prior to such substitution, then the Index will be deemed to be the index so calculated and published by the Successor Sponsor or that successor or alternative index, as the case may be.

If (A) on or prior to a Valuation Date in respect of any Series of Certificates the Sponsor or (if applicable) the Successor Sponsor of an Index makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock or contracts and other routine events), or (B) on or prior to any such Valuation Date the Sponsor or (if applicable) the Successor Sponsor of an Index fails to, or announces its intention not to, calculate and publish the Index other than due to the occurrence on such day of a Market Disruption Event, then the Calculation Agent shall determine the level of the Index at the relevant time on such day using, in lieu of a published official level of the Index, the level for the Index as at the relevant time as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant stock exchange).

The Calculation Agent will notify the level of the Index as calculated by it as described above as of a particular date upon application by telephone or facsimile by an interested person during normal business hours.

#### (ii) Valuation Date(s)

If a date specified in the applicable Final Terms as being a date of valuation or determination in respect of a Certificate (a “**Valuation Date**”, which expression shall, where applicable, include an Average Date) is not, in relation to an Index, an Index Business Day or there is a Market Disruption Event on that day (each as defined below), such Valuation Date shall be postponed until the next day which is an Index Business Day with respect to such Index unless, in the opinion of the Calculation Agent, there is a Market Disruption Event (as defined below) on that day. If there is a Market Disruption Event on that day, then such Valuation Date shall be the first succeeding Index Business Day on which there is no Market

Disruption Event, unless there is a Market Disruption Event on each of the five Index Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Valuation Date. In that case (i) the fifth Index Business Day shall be deemed to be the Valuation Date with respect to that Index, notwithstanding the Market Disruption Event, and (ii) the Calculation Agent shall determine the level of the Index on that fifth Index Business Day in accordance with its good faith estimate of the level of the Index that would have prevailed, but for the Market Disruption Event, on that fifth Index Business Day.

For the purposes of this Condition:

**“Index Business Day”** means, in respect of an Index, a day on which (subject to the occurrence of a Market Disruption Event) such Index is scheduled to be calculated and disseminated by its Sponsor;

**“Market Disruption Event”** means, in respect of an Index, the occurrence or existence on any Index Business Day during the one-half hour period that ends at the time at which such Index is calculated and published by the relevant Sponsor (or such other time as may be specified in the applicable Final Terms) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Exchange or otherwise) on:

- (i) the Exchange of securities that comprise 20 per cent. or more of the level of the Index; or
- (ii) any Related Exchange of options contracts or futures contracts on the Index,

if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from a published change in the regular business hours of the Stock Exchange(s) or any Related Exchange.

For the purpose of determining whether a Market Disruption Event exists at any time, if trading in a security/commodity included in the Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity relative to (ii) the overall level of the Index, in each case immediately before that suspension or limitation; and

**“Related Exchange”** means, in relation to an Index, each exchange or quotation system, if any, on which options contracts or futures contracts on the Index are traded or quoted, and as may be selected from time to time by the Calculation Agent.

- (iii) Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Redemption Amount or, as the case may be, Automatic Early Redemption Amount and/or Interest Amount, if the Index published on a given day and used or to be used by the Calculation Agent to determine any Redemption Amount or, as the case may be, Automatic Early Redemption Amount and/or Interest Amount, is subsequently

corrected and the correction published by the relevant Index Sponsor within 30 days of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Redemption Date, Automatic Early Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Redemption Amount or, as the case may be, Automatic Early Redemption Amount and/or Interest Amount.

(b) *Notice*

The Calculation Agent shall, as soon as practicable thereafter, notify the Issuer and the relevant Certificate Agent of any determination made by it pursuant to this Condition 15, which shall make such determinations available to Certificateholders for inspection as soon as reasonably practicable after receipt of any written request to do so.

**16. Additional Terms for Share Linked Certificates**

(a) *General definitions*

For the purposes of this Condition 16:

“**Basket Company**” means a company whose shares are included in the Basket of Shares and Basket Companies means all such companies;

“**Shares**” and “**Share**” mean, subject to adjustment in accordance with this Condition 16, the shares or a share of the relevant Basket Company and, in the case of an issue of Certificates relating to a single Share, such Share and related expressions shall be construed accordingly; and

“**Share Company**” means the company whose Shares relate to a particular series of Certificates.

(b) *Adjustments*

(i) *Potential Adjustment Events*

Except as may be limited in the case of Certificates that may be sold into the United States, following each Potential Adjustment Event (as defined below), the Calculation Agent on behalf of the Issuer reserves the right to make such adjustments or to distribute to the Certificateholders such rights (including without limitation additional Certificates) in connection with the Certificates as it reasonably believes are appropriate in circumstances which the Calculation Agent believes (in its absolute discretion and notwithstanding any adjustments previously made to the Certificates) should, in the context of the issue of Certificates and its obligations thereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate for the purpose of ensuring the economic value attributable to such Certificate (as determined by the Calculation Agent in its absolute discretion) should be as nearly as practicable the same after as before such Potential Adjustment Event has occurred (without considering the individual circumstances of any Certificateholder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of any relevant market. Any adjustment or distribution by the Issuer by way of issuing additional Certificates shall be subject to such procedures and certifications as the Issuer may require and shall be notified to the Certificateholders at the relevant time in accordance with Condition 10.

For the purposes of this Condition 16, “**Potential Adjustment Event**” means the declaration by the Share Company or Basket Company, as the case may be, of the terms of any of the following:-

- (A) a subdivision, consolidation or reclassification of the relevant Shares (unless such be an Extraordinary Event (as defined below)) or a free distribution of the relevant Shares to existing holders by way of bonus, capitalisation or similar issue; or
- (B) a distribution to existing holders of the relevant Shares of (a) additional Shares or (b) other shares, capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company or the Basket Company, as the case may be, equally or proportionately with such payments to holders of the relevant Shares, or (c) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent; or
- (C) an extraordinary dividend; or
- (D) a call in respect of relevant Shares that are not fully paid; or
- (E) a repurchase by it of Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, new shares, securities or otherwise; or
- (F) any event in respect of the Shares analogous to any of the foregoing events or otherwise having, in the opinion of the Calculation Agent, a dilutive or concentrative effect on the market value of the relevant Shares.

In determining whether an adjustment should be made as a result of the occurrence of a Potential Adjustment Event, if options contracts or futures contracts on the relevant Shares are traded on the Exchange (as defined in the applicable Final Terms) or any other exchange, the Calculation Agent may have regard to, but shall not be bound by, any adjustment to the terms of the relevant options contract or futures contract made and announced by the Exchange or any other exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with Condition 10, giving brief details of the adjustment and of the Potential Adjustment Event.

(ii) Adoption of the euro

In respect of a Share Company or Basket Company whose Shares were originally quoted, listed and/or dealt as of the Issue Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the EC Treaty, if such Shares are at any time after the Issue Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified, the principal market on which those Shares are traded, then the Calculation Agent will adjust any variable relevant to the terms of the relevant Certificate as the Calculation Agent determines appropriate to preserve the economic terms of the relevant Certificate. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this

Condition 16(b)(ii) will affect the currency denomination of any payment obligation arising out of the relevant Certificate.

(iii) Extraordinary Events

If any of the following events (each an “**Extraordinary Event**”) occurs on or prior to a Valuation Date in respect of the Share Company or Basket Company, as the case may:

- (A) the relevant Shares are reclassified or changed (other than a change in par value, if any, as a result of a subdivision or consolidation);
- (B) the Share Company or Basket Company consolidates, amalgamates or merges with or into another entity (other than a consolidation, amalgamation or merger following which such Share Company or Basket Company, as the case may be, is the surviving entity);
- (C) the relevant Shares are the subject of a takeover offer that results in a transfer of an irrevocable commitment to transfer all the relevant Shares (other than the relevant Shares owned or controlled by the offeror);
- (D) by reason of the adoption of or any change in any applicable law, the assets of the Share Company or Basket Company, as the case may be, or all of the relevant Shares then outstanding, are nationalised, expropriated or otherwise required to be transferred to any government, governmental agency or authority;
- (E) by reason of the bankruptcy or insolvency (or other analogous event) of the Share Company or Basket Company (a) all the relevant Shares are required to be transferred to any trustee, liquidator or similar official; or (b) holders of the relevant Shares become legally prohibited from transferring them; or
- (F) the relevant Shares cease to be listed on the Exchange and thereafter either (i) cease to be listed on any recognised stock exchange or (ii) have their listing maintained in, in the reasonable opinion of the Calculation Agent, inappropriate conditions,

the Calculation Agent may, in its sole and absolute discretion, determine what amendments are to be made to the terms of the Certificates to take account of the occurrence of an Extraordinary Event as it considers appropriate, such amendments to be effective on the date determined by the Calculation Agent.

In addition, and without limiting the generality of the foregoing, in respect of the Share Company or Basket Company, as the case may be, the Calculation Agent may:

- I. keep the relevant Share as the underlying asset of the Certificates, provided that the Share continues to fulfil the requirements of liquidity and of incontestable reference prices for a traded security as established by the relevant Exchange; or
- II. if the Extraordinary Event involves an offer (or, at the option of a holder of the relevant Shares (a “**Shareholder**”), may consist) solely of shares (whether of the offeror or a third party) (“**New Shares**”), determine the number of such New Shares to which a Shareholder is entitled to receive upon the consummation of such Extraordinary Event; or

- III. if the Extraordinary Event involves New Shares and cash and/or securities or assets other than New Shares (“**Other Consideration**”), determine the number of New Shares, taking into account the amount of Other Consideration (expressed as a number or a fraction of a number of the New Share) to which a Shareholder is entitled to receive upon the consummation of such Extraordinary Event.

In any such case, the New Shares shall be deemed to replace the relevant Share and the Calculation Agent shall make any necessary adjustments to any term of the Certificates as it deems appropriate to take account of such Extraordinary Event, including, without limitation, and if appropriate, to the initial price of the Share (as defined in the applicable Final Terms), or to the closing price of the Share on any relevant Valuation Date and/or to the relevant number of underlying Shares per Certificate, or otherwise as specified in the applicable Final Terms; or

- IV. cancel the Certificates by giving notice to Certificateholders in accordance with Condition 10. If the Certificates are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Certificate which amount shall be the fair market value of a Certificate taking into account the Extraordinary Event less the cost to the Issuer or any Hedging Party of unwinding any underlying related hedging arrangements, all as determined by or on behalf of the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 10.

Upon the occurrence of a Extraordinary Event, the Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with Condition 10 stating the occurrence of the Extraordinary Event giving details thereof and the action proposed to be taken in relation thereto.

(iv) Valuation Date(s)

If a date specified in the applicable Final Terms as being a date of valuation or determination in respect of an Certificate (a “**Valuation Date**”, which expression shall, where applicable, include an Averaging Date) is not, in relation to a Share, an Share Business Day or there is a Market Disruption Event on that date (each as defined below), such Valuation Date shall be postponed until the next day which is an Share Business Day with respect to such Share unless, in the opinion of the Calculation Agent, there is a Market Disruption Event (as defined below) on that day. If there is a Market Disruption Event on that day, then such Valuation Date shall be the first succeeding Share Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Share Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Valuation Date. In that case (i) the fifth Share Business Day shall be deemed to be the Valuation Date with respect to that Share, notwithstanding the Market Disruption Event, and (ii) the Calculation Agent shall determine the level of the Share on that fifth Share Business Day in accordance with its good faith estimate of the level of the Share that would have prevailed, but for the Market Disruption Event, on that fifth Share Business Day.

For the purposes of this Condition:

**“Share Business Day”** means, in respect of a Share, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each of the relevant Exchange(s) specified in the applicable Final Terms and any Related Exchanges other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time;

**“Market Disruption Event”** means, in respect of a Share, the occurrence or existence on any Share Business Day during the one-half hour period prior to the normal close of trading in respect of such Share (or such other time as may be specified in the applicable Final Terms) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Exchange(s) or otherwise) on:

- (i) the Shares; or
- (ii) any Related Exchange of options contracts or futures contracts on the Share,

if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from a published change in the regular business hours of the Exchange(s) or any Related Exchange; and

**“Related Exchange”** means, in relation to an Share, each exchange or quotation system, if any, on which options contracts or futures contracts on the Shares are traded or quoted, and as may be selected from time to time by the Calculation Agent.

(c) *Dividends*

Where the relevant Final Terms specifies that this Condition 16(c) applies, if at any time from and including the Issue Date to but excluding the Redemption Date or, as the case may be, Automatic Early Redemption Date (the **“Dividend Period”**) the Basket Company or Share Company, as the case may be, declares a cash dividend to holders of the relevant Shares, the Issuer will give notice as soon as practicable to the Certificateholders in accordance with Condition 10 giving brief details of such distribution. The Issuer will, subject to compliance with any applicable law or regulation, pay or procure the payment of an amount equal to the Dividend Amount on or before the Business Day that falls the number of Business Days constituting the Dividend Settlement Period following the Dividend Payment Date to Certificateholders. The Dividend Amount shall only be payable to Certificateholders holding Certificates on the Ex-Dividend Date and shall be payable to such persons notwithstanding the fact that they may not be holding any Certificates on the Dividend Payment Date.

If there is an FX Disruption Event (as defined below) on the Dividend Payment Date such that the Dividend Amount cannot be determined by the Calculation Agent on or prior to the payment date occurring at the end of the Dividend Settlement Period, the payment date of the Dividend Amount will be postponed until the fifth Business Day after the first following Business Day falling after the end of the Dividend Settlement Period on which there is no FX Disruption Event provided that where an FX Disruption Event has occurred and is continuing on the tenth Business Day following the originally scheduled payment date the Issuer may elect to terminate its obligation to pay the Dividend Amount by paying an

amount in a currency not subject to the FX Disruption Event to each Certificateholder, the value of which corresponds to the fair market value of the Dividend Amount as determined by the Calculation Agent in its sole and absolute discretion.

For the purpose of this Condition:

**“Dividend”** means, an amount equal to the actual amount received by the Issuer or any Hedging Party under a Hedge Position in respect of a cash dividend payment by the Basket Company or Share Company, as the case may be, in respect of the relevant Shares;

**“Dividend Amount”** means in respect of each Certificate, an amount equal to the net amount of the Dividends per Share converted into the Settlement Currency on the basis of the foreign exchange rate prevailing on the Dividend Payment Date and determined by the Calculation Agent in its sole discretion equal to the Dividend received or which would have been received by the Issuer or the Hedging Party had such party been the holder of the relevant Shares on the Dividend Payment Date less any Dividend Taxes;

**“Dividend Payment Date”** means the date on which the Dividend is actually received under any Hedging Position;

**“Dividend Taxes”** means any withholding tax and/or other taxes or duties incurred, or any expenses, costs or fees incurred by, imposed or assessed to the Issuer (or any of its affiliates or agents) in connection with any Dividends (including but not limited to any costs incurred in relation to the receipt or payment of Dividends), Hedging Positions or otherwise in connection with the Shares including but not limited to, any costs related to or arising out of any default or delay by any broker, dealer, clearing house or hedge counterparty; and

**“Ex-Dividend Date”** means the date during the Dividend Period on which the Shares, in respect of which a cash dividend has been declared to holders thereof, begin trading ex-dividend on the Exchange.

## 17. Additional Terms for Commodity Linked Certificates

### (a) General Definitions

For the purpose of this Condition 17:

**“Commodity”** means, subject to adjustment in accordance with this Condition 17, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms and related expressions shall be construed accordingly.

**“Commodity Business Day”** means, in respect of each Commodity a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Related Exchange.

**“Market Disruption Event”** means, in respect of a relevant Commodity:

- (a) the occurrence or existence of any Commodity Business Day:
  - (i) of any suspension of or limitation imposed on trading by the Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise on:
    - (x) the Exchange; or
    - (y) any Related Exchange of futures or options contracts relating to the relevant Commodity;

- (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the relevant Commodity on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Commodity on the Exchange, which in either case the Calculation Agent determines is material; or
- (b) the closure on any Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.

The Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with Condition 10 of the occurrence of a Disrupted Day, in respect of any relevant Commodity, on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or Averaging Date.

**“Related Exchange”** means in relation to a Commodity, each exchange or quotation system, if any, on which options contracts or futures contracts on the Index are traded or quoted, and as may be selected from time to time by the Calculation Agent.

(b) *Adjustments*

- (a) Successor Entity Calculates and Reports a Commodity Price

If a relevant price of a Commodity (the **“Commodity Price”**) is (i) not calculated and announced by the Exchange but is calculated and announced by a successor entity acceptable to the Calculation Agent, or (ii) replaced by a successor commodity price calculated using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Price, then in each case that commodity price (the **“Successor Commodity Price”**) will be deemed to be the Commodity Price.

- (b) Modification of Calculation and Disappearance of a Commodity Price

If (i) on or prior to a Valuation Date or on Averaging Date, the relevant Exchange makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Price or in any other way materially modifies that Commodity Price (other than a modification prescribed in that formula or any other routine events) (a **“Commodity Modification”**), or a material change in the content, composition or constitution of the Commodity (a **“Commodity Change in Content”**), or (ii) on or prior to a Valuation Date or an Averaging Date, in the case of permanent discontinuation of trading in, disappearance of, or of trading in, the Commodity, disappearance or permanent discontinuance or unavailability of a Commodity Price and no Successor Commodity Price exists (a **“Disappearance of a Commodity Price”** and, together with a Commodity Modification and a Commodity Change in Content, each a **“Commodity Adjustment Event”**), then

- (i) the Calculation Agent shall determine if such Commodity Adjustment Event has a material effect on the Certificates and, if so, shall calculate the relevant Settlement Price using, in lieu of a published price for that

Commodity, the price for that Commodity as at the Valuation Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity and any other information that in good faith it deems relevant; or

(ii) on giving notice to Certificateholders in accordance with Condition 10, redeem the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 10.

(c) Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Certificate Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and such Certificate Agent shall make available for inspection by Certificateholders copies of any such determinations.

(d) Correction of Commodity Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the Commodity Price published on a given day and used or to be used by the Calculation Agent to determine any Redemption Amount, Automatic Early Redemption Amount or Interest Amount, as the case may be, is subsequently corrected and the correction published by the relevant Exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Redemption Date, Automatic Early Redemption Date or Interest Payment Date, as the case may be, will be disregarded by the Calculation Agent for the purposes of determining any Redemption Amount, Automatic Early Redemption Amount or Interest Amount, as the case may be.

(e) Valuation Date(s)

If a date specified in the applicable Final Terms as being a date of valuation or determination in respect of an Warrant (a “**Valuation Date**”, which expression shall, where applicable, include an Averaging Date) is not, in relation to a Commodity, a Commodity Business Day or there is a Market Disruption Event on that date (each as defined below), such Valuation Date shall be postponed until the next day which is an Commodity Business Day with respect to such Commodity unless, in the opinion of the Calculation Agent, there is a Market Disruption Event (as defined below) on that day. If there is a Market Disruption Event on that day, then such Valuation Date shall be the first succeeding Commodity Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Commodity Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Valuation Date. In that case (i) the fifth Commodity Business Day shall be deemed to be the Valuation Date with respect to that Commodity,

notwithstanding the Market Disruption Event, and (ii) the Calculation Agent shall determine the level of the Commodity on that fifth Commodity Business Day in accordance with its good faith estimate of the level of the Commodity that would have prevailed, but for the Market Disruption Event, on that fifth Commodity Business Day

## 18 **Currency Linked Certificates, Debt Linked Certificates and Interest Rate Linked Certificates**

Provisions relating to Currency Linked Certificates, Debt Linked Certificates, Interest Rate Linked Certificates and Certificates linked to any other underlying asset will be set out in the applicable Final Terms.

## 19. **Definitions**

For the purposes of these Terms and Conditions, the following general definitions will apply:

**“Alternative Cash Settlement Amount”** means, in respect of any exercised Certificate, an amount in the Settlement Currency equal to the fair market value of such Certificates, less the cost to the Issuer or any Hedging Party of unwinding any related hedging arrangements, all as determined by the Calculation Agent in its sole discretion;

**“Automatic Early Redemption Amount”** means, in relation to a Cash Settled Certificate, the amount to which the Certificateholder is entitled in the Settlement Currency upon automatic early redemption of such Certificate as determined by the Calculation Agent pursuant to Condition 5(b) or as otherwise specified in the applicable Final Terms;

**“Automatic Early Redemption Date”** means, subject to Condition 5(a), the date specified in the applicable Final Terms;

**“Automatic Early Redemption Event”** means the event(s) specified in the applicable Final Terms;

**“Averaging Date”** means, in respect of each Valuation Date, each date specified or otherwise determined as an Averaging Date in the applicable Final Terms or, if any date is not an Exchange Business Day, the next following Exchange Business Day;

**“Averaging Date Disruption”** means, in the opinion of the Calculation Agent, that a Market Disruption Event is occurring on an Averaging Date, then, if under “Averaging Date Disruption” the consequence specified in the applicable Final Terms is:

- (a) **“Omission”**, then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Redemption Amount, Automatic Early Redemption Amount or, as the case may be, Interest Amount. If through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then the provision of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (b) **“Postponement”**, then the provision of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date on which a Market Disruption Event had occurred irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the relevant Certificate; or
- (c) **“Modified Postponement”**, then:

- (i) in the case of an Index Linked Certificate relating to a single Index, Share Linked Certificates relating to a single Share or a Commodity Linked Certificate relating to a single Commodity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date in respect of the relevant Valuation Date, then (1) that fifth Exchange Business Day shall be deemed the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date), and (2) the Calculation Agent shall determine the relevant level or price for that Averaging Date in respect of such Index Linked Certificate in accordance with Condition 15(a)(ii) of the definition of Valuation Date and in respect of a Share Linked Certificate in accordance with Condition 16(b)(iv) of the definition of Valuation Date and, in respect of such Commodity Linked Certificate, in accordance with Condition 17(b) of the definition of Valuation Date;
- (ii) in the case of an Index Linked Certificate relating to a Basket of Indices or Share Linked Certificate relating to a Basket of Shares or a Commodity Linked Certificate relating to a Basket of Commodities, the Averaging Date for each Index, Share or Commodity not affected by a Market Disruption Event shall be the date specified in the Final Terms as an Averaging Date in respect of the relevant Valuation Date and the Averaging Date for an Index, Share or Commodity affected by the occurrence of a Market Disruption Event shall be the first succeeding Valid Date in relation to such Index, Share or Commodity. If the first succeeding Valid Date in respect of such Index or Share has not occurred as of the Valuation Time on the fifth Exchange Business Day immediately following the original date that, but for the occurrence of another Averaging Date or Market Disruption Event, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (A) that fifth Exchange Business Day shall be deemed to be the Averaging Date (irrespective of whether that fifth Exchange Business Day is already an Averaging Date) in respect of such Index, Share or Commodity, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with, in the case of an Index Linked Certificate, Condition 15(a)(ii) of the definition of Valuation Date - in the case of such Share Linked Certificate in accordance with Condition 16(b)(iv) of the definition of Valuation Date and in respect of such Commodity Linked Warrant, in accordance with Condition 17(b)(e) of the definition of Valuation Date; and
- (iii) where the Certificates are Debt Linked Certificates, Interest Rate Linked Certificates or Currency Linked Certificates, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms;

**“Adjustment Date”** means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the

Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

“**Basket**” means a basket of Shares, Debt Securities, Indices, Commodities or Subject Interest Rates Currencies, as the case may be;

“**Basket of Commodities**” means a basket of Commodities as specified in the applicable final terms;

“**Basket Company**” in the case of Share Linked Certificates, shall have the definition assigned thereto in Condition 16(a);

“**Basket of Debt Securities**” means a basket of Debt Securities as specified in the applicable Final Terms;

“**Basket of Indices**” means a basket of Indices as specified in the applicable Final Terms;

“**Basket of Shares**” means a basket of Shares as specified in the applicable Final Terms, and **Basket Shares** shall be interpreted accordingly;

“**Basket of Subject Currencies**” means a basket of Subject Currencies as specified in the applicable Final Terms;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in the cities specified in the applicable Final Terms;

“**Cash Settled Certificate**” means a Certificate which is redeemed by way of a cash payment;

“**Clearance System Business Day**” means, in respect of a Relevant Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

“**Commodity**” and “**Commodities**” shall have the meaning ascribed thereto in Condition 17(a);

“**Commodity Business Day**” has the meaning ascribed thereto in Condition 17(a);

“**Commodity Linked Certificates**” means Certificates relating to a Commodity or a basket of Commodities;

“**Currency Linked Certificates**” means Certificates relating to a specified currency or a basket of currencies;

“**Cut-off Date**” shall have the meaning assigned thereto in Condition 5(f)(i);

“**Debt Linked Certificates**” means Certificates relating to a specified debt instrument or a basket of debt instruments;

“**Debt Security**” means a debt instrument as specified in the applicable Final Terms;

“**Debt Security Company**” means the Company whose debt instruments relate to a particular series of Certificates;

“**Disruption Cash Settlement Amount**” in respect of any relevant Certificate shall be the fair market value of such Certificate (taking into account, where the Settlement Disruption Event affected some, but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion;

“**Dividend**” shall have the meaning assigned thereto in Condition 16(c);

“**Dividend Amount**” shall have the meaning assigned thereto in Condition 16 (c);

“**Dividend Payment Date**” shall have the meaning assigned thereto in Condition 16 (c);

“**Dividend Settlement Period**” means the number of Business Days specified in the applicable Final Terms;

“**Dividend Taxes**” shall have the meaning assigned thereto in Condition 16 (c);

“**Entitlement**” means, in relation to a Physical Delivery Certificate, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Certificateholder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including expenses) rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, as determined by the Calculation Agent, including any documents evidencing such Entitlement;

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

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

“**Ex-Dividend Date**” shall have the meaning assigned thereto in Condition 16 (c);

“**Exchange**” means (a) in respect of an Index relating to an Index Linked Warrant or Commodity relating to a Commodity Linked Certificate, each exchange or quotation system specified as such for such Index in the applicable Final Terms or any successor to such exchange or quotation system selected by the Calculation Agent; and (b) in respect of a Share relating to a Share Linked Certificate, each exchange or quotation system specified as such for such Share in the applicable Final Terms or any successor to such exchange or quotation system selected by the Calculation Agent, provided, however, that if the specified Exchange ceases to list or otherwise include the relevant Share, the Calculation Agent will select another exchange or quotation system (if any) in relation to such Share;

“**Exchange Business Day**” means: (i) in respect of a Share Linked Certificate, a Share Business Day; (ii) in respect of an Index Linked Certificate, an Index Business Day and (iii) in respect of a Commodity Linked Certificate, a Commodity Business Day;

“**Exchange Rate**” means the applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Cash Settlement Amount, as specified in the applicable Final Terms;

“**Failure to Deliver Settlement Amount**” in respect of any relevant Certificate shall be the fair market value of such Certificate (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Issuer in its sole and absolute discretion;

“**Final Cut-Off Date**” has the meaning assigned thereto in Condition 5(m);

“**FX Disruption Event**” shall have the meaning assigned thereto in Condition 5(o);

**“FX Rate”** means, unless otherwise specified in the relevant Final Terms, the exchange rate (determined by the Calculation Agent in good faith and in a commercially reasonable manner) for the sale of Relevant Currency for Settlement Currency on the Valuation Date or other date on which such exchange rate falls to be determined in accordance with the provisions of Condition 5(o) expressed as a number of units of Relevant Currency per unit of Settlement Currency;

**“Hedge Position”** means any one or more securities positions, derivatives positions or other instruments or arrangements (howsoever described) purchased, sold, entered into or maintained by the Hedging Party, in order to hedge, or otherwise in connection with, the Certificates and **“Hedging Positions”** shall be construed accordingly;

**“Hedging Party”** means CALYON or any of its subsidiaries or any holding company thereof (excluding the Issuer) which has entered into a Hedging Position;

**“Index”** means the index as specified in the applicable Final Terms;

**“Index Business Day”** has the meaning assigned thereto in Condition 15(a);

**“Index Linked Certificate”** means a Certificate relating to one or more specified indices;

**“Interest Rate Linked Certificate”** means a Certificate relating to a Subject Interest Rate;

**“Issue Date”** means the date specified in the applicable Final Terms;

**“Market Disruption Event”** has the meaning ascribed to it in Condition 15(a), 16(b)(iv) or 17(a) in respect of Index Linked Certificates and Share Linked Certificates and Commodity Linked Warrants, respectively;

**“Market Value”** means in respect of any Relevant Assets, the prevailing market value as determined by the Calculation Agent in its sole discretion;

**“Minimum Trading Lot”** shall be as specified in the Final Terms;

**“Multiplier”** means the multiplier specified in the applicable Final Terms;

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

**“New Issuer”** shall have the meaning assigned thereto in Condition 13(a);

**“Nominal Amount”** means the nominal amount specified in the applicable Final Terms;

**“Optional Redemption Amount”** means, in respect of a Cash Settled Certificate, the amount to which the Certificateholder is entitled in the Settlement Currency upon exercise of the Issuer Call Option or, as the case may be, the Certificateholder Put Option, as determined by the Calculation Agent pursuant to Condition 5(c) or, as the case may be 5(d), or as otherwise specified in the applicable Final Terms;

**“Optional Redemption Date”** means, subject to Condition 5(a), the date specified in the applicable Final Terms;

**“Physical Delivery Certificate”** means a Certificate which is settled by way of physical delivery of the Relevant Asset or Relevant Assets, as the case may be;

**“Redemption Amount”** means, in relation to a Cash Settled Certificate, the amount to which the Certificateholder is entitled in the Settlement Currency upon redemption of such Certificate as determined by the Calculation Agent pursuant to Condition 5(a) or as otherwise specified in the Final Terms;

**“Redemption Date”** means, subject to Condition 5(a), the date specified in the applicable Final Terms;

**“Reference Price”** means the price per Share or amount per Basket of Shares determined as provided in the related Final Terms at the Expiration Time on the Expiration Date or, if no means of determining such price or amount are so provided, in respect of a Share Linked Certificate, the Relevant Price of the Share and, in the case of a Share Linked Certificate referenced to a Basket of Shares, the sum of the values calculated at the Expiration Time on the Expiration Date for the Shares of each issuer as the product of (i) the Relevant Price (for which purpose the Valuation Time and the Valuation Date will be the Expiration Time and the Expiration Date) of such Share and (ii) the number of Shares comprised in the Basket of Shares.

**“Related Exchange”** has the meaning assigned thereto in Condition 15(a)(ii), 16(b)(iv) and 17(a) in respect of Index Linked Certificates, Share Linked Certificates and Commodity Linked Certificates, respectively;

**“Relevant Asset”** or **“Relevant Assets”** means, in the case of Physical Delivery Certificates, the relevant asset or relevant assets to which the Certificates relate as specified in the applicable Final Terms;

**“Relevant Clearance System”** means, in respect of a Relevant Asset the subject of a Physical Delivery Certificate, the clearance system specified as such for such Relevant Asset in the Final Terms, or any successor to such clearance system. If the Final Terms does not specify a Relevant Clearance System, the Relevant Clearance System will be the principal domestic clearance system customarily used for settling trades in the Relevant Asset. If the Relevant Clearance System ceases to clear such Relevant Asset, the Calculation Agent shall determine the manner of delivery of such Relevant Asset and shall promptly following such determination, give notice thereof to the Certificates;

**“Relevant Clearing System”** means in respect of Certificates, as appropriate, Euroclear or Clearstream, Luxembourg and/or such other clearing system, as the case may be, through which interests in Certificates are to be held and through an account at which the Certificates are to be cleared, as specified in the applicable Final Terms;

**“Relevant Country”** shall have the meaning assigned thereto in Condition 5(o);

**“Relevant Currency”** shall have the meaning assigned thereto in Condition 5(o);

**“Relevant Price”** has the meaning ascribed to it in the applicable Final Terms;

**“Scheduled Closing Time”** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**“Scheduled Valuation Date”** means any original date that, but for the occurrence of a Market Disruption Event, would have been a Valuation Date;

**“Settlement Business Day”** means a Business Day in the city specified in the applicable Final Terms;

**“Settlement Currency”** means the settlement currency for the payment of the Cash Settlement Amount and Dividend Amount as set out in the applicable Final Terms;

**“Settlement Disruption Event”** in relation to a Relevant Asset, means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which either the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the

applicable Final Terms or the Relevant Clearance System cannot clear the transfer of such Relevant Asset;

“**Share**” and “**Shares**” shall have the meanings assigned thereto in Condition 16 (a);

“**Share Business Day**” has the meaning assigned thereto in Condition 16 (b)(iv);

“**Share Company**” has the meaning assigned thereto in Condition 16 (a);

“**Share Linked Certificate**” means a Certificate relating to one or more Shares as specified in the applicable Final Terms;

“**Subject Interest Rate**” means the subject interest rate to which the Certificates relate as specified in the applicable Final Terms;

“**Treaty**” means the treaty establishing the European Community, as amended;

“**Valid Date**” means an Exchange Business Day on which there is no Market Disruption Event and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur;

“**Valuation Date**” has the meaning ascribed to it in Condition 15(a)(ii), 16 (b)(iv) or 17(a) as applicable; and

“**Valuation Time**” means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified as such in the applicable Final Terms or, if no such time is specified, the close of trading on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Index, Share, Commodities or other underlying assets to be valued.

## 20. Adjustments for European Monetary Union

The Issuer may, without the consent of the Certificateholders, on giving notice to the Certificateholders in accordance with Condition 10:

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

The election will have effect as follows:

- (A) where the Settlement Currency of the Certificates is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Certificates will be made solely in euro as though references in the Certificates to the Settlement Currency were to euro;
- (B) where the Exchange Rate and/or any other terms of these Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and

- (C) such other changes shall be made to these Conditions as the Issuer may decide in its sole and absolute discretion, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or
- (ii) require that the Calculation Agent make such adjustments to the Multiplier and/or any other terms of these Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or such other terms of these Conditions.

Notwithstanding the foregoing, none of the Issuer, any of its Affiliates or agents, the Guarantor, if any, the Calculation Agent nor any Certificate Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

## **21 Contracts (Rights of Third Parties) Act 1999**

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

## **22. Force Majeure**

The Issuer shall have the right to terminate its obligations under the Certificates, subject to the following sentence, if the Issuer shall have determined that the performance of such obligations or the obligations of the Guarantor under the Guarantee in respect of such Certificates shall have become illegal or impracticable, in either such case whether in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power. In such circumstances, the Issuer will give notice to Certificateholders of such termination in accordance with Condition 10 and, if and to the extent permitted by applicable law, pay to each Certificateholder in respect of each Certificate held by it an amount determined by the Calculation Agent as representing the fair market value of a Certificate notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any related Hedge as determined by the Calculation Agent in its sole and absolute discretion.

Payment will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 10. »

**2.6. The Part A – Contractual Terms of the Form of Final Terms for Certificates on pages 129 to 137 of the Base Prospectus are modified as follows :**

**« 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 [●] [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Certificates 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. Full information on [CAYLON/Calyon Financial Products (Guernsey) Limited/Calyon Finance (Guernsey) Limited] (the “**Issuer**”) [and CALYON (the “**Guarantor**”)] and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. [The Base Prospectus is available for viewing at [address] [and] [website] and copies may be obtained free of charge at the specified office of the Certificate Agents]

*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 Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated [●]]. This document constitutes the Final Terms of the Certificates 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 [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated [●]] and are attached hereto. Full information on [CALYON/Calyon Financial Products (Guernsey) Limited/Calyon Finance (Guernsey) Limited] (the “**Issuer**”) [and CALYON (the “**Guarantor**”)] and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the Supplement to the Base Prospectus dated [●]]. [The Base Prospectuses [as so supplemented] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[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 directions for completing the Final Terms.]*

References herein to numbered Conditions are to the terms and conditions of the relevant series of Certificates and words and expressions defined in such terms and conditions shall bear the same meaning in this Final Terms in so far as it relates to such series of Certificates, save as where otherwise expressly provided.

*[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]*

**The particulars to be specified in relation to this [Series/Tranche] are as follows:**

## GENERAL PROVISIONS

1. Issuer: [CALYON / Calyon Financial Products (Guernsey) Limited / Calyon Finance (Guernsey) Limited]
2. [Guarantor: CALYON]
3. Dealer: CALYON
4. Series number of the Certificates: [•]
5. Tranche number of the Series [•]
6. If Certificates to be consolidated with certificates of existing series: [Yes][No]
7. Aggregate Number of Certificates in the Series: [•]
8. Aggregate Number of Certificates in the Tranche: [•]
9. Description of the Certificates:  
[Index Linked Certificates]  
[Share Linked Certificates]  
[Commodity Linked Certificates]  
[Debt Linked Certificates]  
[Currency Linked Certificates]  
[Interest Rate Linked Certificates]  
[Fund Linked Certificates]  
[Perpetual Certificates]  
[Leveraged Certificates]  
*[Other, including any combinations of the above]*
10. Issue Date: [•]
11. Issue Price: [•]
12. Nominal Amount: [•]
13. Minimum Trading Lot: [Applicable][Not Applicable]  
[If applicable, specify amount or number of certificates]
14. [Date authorisation of [Board] for issuance of Certificates obtained: [•]  
*(N.B. Only relevant where Board or (similar) authorisation is required for the Certificates)*

## PROVISIONS RELATING TO INTEREST

15. Interest Payment Dates: [•]
16. Interest Rate: [•]□
17. Fixed Rate Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Interest Commencement Date: [•]
- (ii) Interest Rate[(s)] ([including/excluding] on overdue amounts after Redemption Date or date set for early redemption): [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (iii) Specified Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iv) Fixed Coupon Amount[(s)]: [•]
- (v) Day Count Fraction: [•] [30/360 / Actual/Actual (-ICMA /-ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / other (see Condition 4 for alternatives)]
- (vi) Determination Dates: [•] in each year (*insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Certificates: [Not Applicable/give details]
18. Floating Rate Provisions [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): [•]
- (ii) Specified Interest Payment Date(s): [•]
- (iii) First Interest Payment Date: [•]
- (iv) Interest Period Date: [•]
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (vi) Business Centre(s) [•]
- (vii) Manner in which the Interest Rate(s) is/are to be determined (including on overdue amounts after Redemption Date or date set for early redemption): [Screen Rate  
Determination/ISDA  
Determination/other (*give details*)]

- (viii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the Calculation Agent): [•]
- (ix) Screen Rate Determination (Condition 4(iv)(y)):
- Reference Rate: [•]
  - Interest Determination Date: [•]
  - Relevant Screen Page: [•]
- (x) ISDA Determination (Condition 4(iv)(x)):
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
  - ISDA Definitions: [*Specify definitions if different from those set out in the Conditions*]
- (xi) Margin(s): [ +/- ] [•] per cent. per annum
- (xii) Minimum Interest Rate: [•] per cent. per annum
- (xiii) Day Count Fraction: [Actual/Actual (-ICMA-ISDA)  
Actual/365  
Actual/365 (Fixed)  
Actual/360  
30/360  
30E/360  
other] (see Condition 4 for alternatives)
- (xiv) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Certificates, if different from those set out in the Conditions:
19. Interest Linked to Indices, Shares, Commodities, Debt, Currency, Interest Rate/Other [Applicable/Not Applicable] [The provisions set out in paragraph [31-37] below apply]

20. Conditional Interest [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Condition: [Specify]
- (ii) Conditional Interest: If the Condition applies, [no] Interest shall be payable on [each/the relevant] Interest Payment Date.

#### PROVISIONS RELATING TO REDEMPTION

21. Method of Settlement: [Cash Settled Certificates]  
 [Physical Delivery Certificates]  
 [Other]
22. Certificateholder entitled to elect for cash settlement or physical delivery: [Yes / No]
23. Redemption Date: [•], subject to Condition 5(m) (Settlement Disruption)
24. Averaging: [Applicable][Not Applicable]  
 Where:  
 “Averaging Date[s]” means [•]
- Averaging Date Disruption: [Omission]  
 [Postponement]  
 [Modified Postponement]
25. Cash Settled Certificates: Where:  
 “Redemption Amount” means [•]  
 “Exchange Rate” means [•]  
 [“Multiplier” means [•]]  
 “Settlement Currency” means [•]
26. Automatic Early Redemption: [Applicable / Not Applicable]
- Automatic Early Redemption Event(s): [•]
  - Automatic Early Redemption Date: [•]
  - Automatic Early Redemption Amount: [•]

#### ISSUER CALL OPTION IN RESPECT OF CERTIFICATES

27. Issuer Call Option [Applicable/Not Applicable]

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

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]
- (iii) Notice period (if different from those set out in the Conditions): [•]

#### CERTIFICATE HOLDER PUT OPTION IN RESPECT OF CERTIFICATES

- 28. Certificateholder Put Option [Applicable/Not Applicable]  
(N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph.)
  - (iv) Optional Redemption Date(s): [•]
  - (v) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]
  - (vi) Notice period (if different from those set out in the Conditions): [•]
  - (vii) Minimum Exercise Number: [•]
  - (viii) Maximum Exercise Number: [•]
- 29. Physical Delivery Certificates: [Insert applicable rounding convention for relevant currencies]
  - Method of delivery of the Entitlement: [•]
  - Customary documents of title in respect of the Relevant Asset to be delivered by the Issuer: [•]
  - Relevant Asset[s]: [•]
  - Relevant Clearing System: [•]
  - Failure to Deliver Settlement Amount: [Applicable] [Not Applicable]
- 30. Issuer's Option to Vary Settlement: Condition 5(l) (Issuer's Option to Vary Settlement) [is applicable][is not applicable][applicable to Certificates represented

- by a Rule 144A Global Certificate/Regulation S Global Certificate]
31. FX Disruption: Condition 5(o) (*FX Disruption*) [is applicable][is not applicable]  
Where:  
“FX Rate” means [•]  
“Relevant Country” means [•]  
“Relevant Currency” means [•]
32. Restrictions: Condition 5(m) (*Restrictions*) [is applicable][is not applicable]<sup>1</sup>
33. Index Linked Certificates: Where:  
“Basket of Indices” means [•]  
“Exchange” means [•]  
“Related Exchange” means [•]  
“Index” means [•]  
“Sponsor” means [•]  
“Valuation Date” means [•]  
“Valuation Time” means [•]
34. Share Linked Certificates: Where:  
“Basket of Shares” means [•]  
“Exchange” means [•]  
for the purposes of Condition 16(iii) (*Extraordinary Events*) [“initial price of the Shares”][*other*] means [•]  
“Reference Price” means [•]  
“Relevant Price” means [•]  
“Valuation Date” means [•]  
“Valuation Time” means [•]
35. Dividends: Condition 16(c) (*Dividends*) [is applicable][is not applicable]  
Where:  
“Dividend Settlement Period” means [•] Business Days  
“Settlement Currency” means [•]
36. Commodity Linked Certificates: Where:  
“Basket of Commodities” means [•]  
“Exchange” means [•]  
“Related Exchange” means [•]  
“Valuation Date” means [•]  
“Valuation Time” means [•]

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<sup>1</sup> Certification is in the form set out in [Annex [•]]

37. Debt Linked Certificates: Where:  
 “Basket of Debt Securities” means [•]  
 “Debt Security” means [•]  
 “Nominal Amount” means [•]  
 [others]
38. Currency Linked Certificates: Where:  
 “Basket of Subject Currencies” means [•]  
 [others]
39. Interest Rate Linked Certificates: Where:  
 “Subject Interest Rate” means [•]
40. Perpetual Certificates: [Applicable] [Not Applicable]
41. Leveraged Certificates: [Applicable] [Not Applicable]  
 [If applicable, include the following:  
 “Financing Rate” [means[•]] [has the meaning given to it in the Annex to these Final Terms]  
 “Leverage Factor” [means[•]] [has the meaning given to it in the Annex to these Final Terms]  
 “Management Fees” [means[•]] [has the meaning given to it in the Annex to these Final Terms]  
 “Underlying Assets” [means[•]] [has the meaning given to it in the Annex to these Final Terms]  
 See the Annex to these Final Terms for a further description of the Leveraged Certificates]
42. Business Day: A day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in [•]
43. Relevant Clearing System(s): [Euroclear]  
 [Clearstream, Luxembourg]  
 [Swedish CSD]  
 [Norwegian CSD]  
 [Finnish CSD]  
 [Italian CSD]  
 [other clearing system]
44. Calculation Agent: [CALYON/Other]  
 [Address]
45. Related Exchange: [•]
46. Other conditions relating to Currency Linked Certificates, Debt Linked

- Certificates, Interest Rate Linked Certificates, Fund Linked Certificates and other certificates linked to any other underlying asset: [•]
47. Rule 144A eligible: [Relying on Rule 144A under the U.S. Securities Act of 1933, as amended] [Not Applicable][*(only Share Linked Certificates can be so eligible)*]
48. Details of the applicable type of US Selling Restrictions: [*(insert applicable U.S. selling restrictions and specify details of any transfer restrictions and any necessary certifications, if different from those set out in the Conditions)*]
49. Details of the relevant US selling restrictions certification required for the Asset Transfer Notice: [Non-U.S. certification required in Asset Transfer Notice][Not Applicable]
50. Details of any additional selling restrictions: [•]
51. Form of Certificates: [Permanent Global Certificate]  
[Rule 144A Global Certificate / Regulation S Global Certificate]  
[Bearer / Registered]  
[Dematerialised Certificates]  
[Swedish Certificates/Norwegian Certificates/Finnish Certificates/Italian Certificates/Other]
52. ISIN: [•]
53. Common Code: [•]
54. CUSIP: [•]
55. Listing: [•]
56. Principal Certificate Agent [CACEIS Bank Luxembourg] [*Other*]
57. Swedish CSD [Euroclear Sweden AB, Regeringsgatan 65, Box 7822, 10398 Stockholm, Sweden] [Not applicable]
58. Swedish Issuing Agent [•] [Not applicable]
59. Norwegian CSD [Verdipapirsentralen ASA] [Not applicable]
60. Norwegian Issuing Agent [Nordea Bank Norge ASA] [Not applicable]
61. Finnisg CSD [Euroclear Finland Oy, Vrho Kekkoson katu 5C, PO Box 1110, 00101 Helsinki, Finland] [Not Applicable]
62. Finnish Issuing Agent [**[•]**] [Not Applicable]
63. Italian CSD: [Monte Titoli [•]] [Not Applicable]
64. Italian Issuing Agent Italian Issuing Agent [Not Applicable] »

**2.7 Before the section "United States Federal Income Tax Considerations" included on page 167 of the Base Prospectus the following section is inserted:**

### **"Taxation in Finland"**

The following is a summary of certain Finnish tax consequences for holders of certain categories of the Warrants and/or Certificates who are residents of Finland for tax purposes. The summary is based on tax laws and taxation practice, as in effect and applied as at the date of this Base Prospectus, and is intended to provide general information only. Tax laws, taxation practices and their interpretation are constantly under change, which changes may sometimes have a retroactive effect and may change the conclusions set out in the summary.

There are no specific tax laws addressing the tax treatment of warrants and/or certificates in Finland, nor is there any public court practice available in this respect. Accordingly, the tax treatment of the Warrants and/or Certificates is not in all respects established and is, therefore, to some extent uncertain and subject to interpretation. When assessing the likely tax treatment of the Warrants and/or Certificates in this summary, it is based on the assumption that they would not qualify as, for example, notes, forward contracts or futures.

The summary covers only the tax consequences of the subscription, purchase, ownership and disposition of the Warrants and/or Certificates by individuals who are taxed in accordance with the Finnish Income Tax Act and by Finnish limited liability companies taxed in accordance with the Finnish Business Income Tax Act. The summary does not cover situations where individuals hold the Warrants and/or Certificates in context of business activities. The summary does neither cover situations where the Warrants and/or Certificates are held as investment assets or current assets (i.e. allocable to the inventory or otherwise held for trading purposes) by a limited liability company or where there are unrealized changes in the values of the Warrants and/or Certificates that are held for trading purposes. This summary addresses neither Finnish gift nor inheritance tax consequences nor Finnish CFC-legislation.

The tax treatment of each holder of the Warrants and/or Certificates partly depends on the holder's specific situation. This means that special tax consequences, which are not described below, may arise for certain categories of holders of the Warrants and/or Certificates as a consequence of, for example, the effect and applicability of foreign income tax rules or provisions contained in an applicable double taxation treaty.

Each prospective investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from subscription, purchase, ownership and disposition of the Warrants and/or Certificates.

### **Individuals**

#### **Disposal and/or redemption of the Warrants and/or Certificates**

All capital income of individuals – including capital gains – is currently taxed at a flat rate of 28 per cent. Capital losses are deductible from capital gains arising in the same year and the three following years, but not from other capital income.

A gain arising from the disposal and/or the redemption (i.e. the realisation of the net value through cash settlement) of the Warrants and/or Certificates is likely to constitute capital gain for individuals. Similarly, a loss arising from the expiration (as worthless) of the Warrants and/or

Certificates is likely to constitute a capital loss, which capital loss is deductible from the individual's capital gains arising in the same year and during the following three years.

Exercise of the Warrants and/or the Certificates by physical delivery of the underlying (third party) asset is likely to be treated as a disposal and purchase.

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. Alternatively, individuals may, in lieu of applying the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 per cent of the sales price or 40 per cent of the sales price if the Warrants and/or Certificates have been held for at least ten years. If the presumptive acquisition cost is used instead of the actual acquisition cost, any sales expenses are deemed to be included therein and may, therefore, not be deducted in addition to the presumptive acquisition cost.

#### **Interest or compensation comparable to interest paid on the Certificates**

Any interest or compensation comparable to interest paid on the Certificates during their term constitutes capital income of the individual.

#### **Advance tax withholding**

Any interest or compensation comparable to interest paid on the Certificates may subject to an advance tax withholding by the Finnish paying agent at the rate of 28 per cent. Such advance tax withholding will be used for the payment of the individual's final taxes.

#### **Exceptions to capital gains and losses**

Capital gains arising from disposal of assets, such as the Warrants and/or Certificates, are generally exempted from tax provided that the sales prices of all assets sold by the individual during the calendar year do not, in the aggregate, exceed EUR 1,000. Correspondingly, capital losses are generally not tax deductible if the acquisition cost of all assets disposed during the calendar year does not, in the aggregate, exceed EUR 1,000.

#### **Corporate entities**

##### **Disposal and/or redemption of the Warrants and/or Certificates**

Any income received from the disposal and/or redemption of the Warrants and/or the Certificates constitute, as a general rule, part of the limited liability company's taxable business income. A limited liability company is subject to a corporate income tax, currently at the rate of 26 per cent for its world wide taxable income.

The acquisition cost of the Warrants and/or the Certificates (including the purchase price and costs) and any sales related expenses are generally deductible for tax purposes upon disposal and/or redemption. Accordingly, any loss due to disposal and/or redemption of the Warrants and/or the Certificates is deductible from the taxable business income.

##### **Interest or compensation comparable to interest paid on the Certificates**

Any interest or compensation comparable to interest paid on the Certificates during their term constitutes part of the limited liability company's taxable business income.

### **Withholding tax**

Payments upon disposal and/or redemption of the Warrants and/or Certificates or payments of interest on the Certificates to a limited liability company will not be subject to any Finnish withholding tax.

### **Wealth taxation**

No wealth taxation is applicable in Finland.

### **Transfer Tax**

Transfers of the Warrants and/or Certificates are not subject to transfer tax or stamp duty in Finland”.

## **2.8 The general information about the “Clearing systems” included on page 183 of the Base Prospectus is amended as follows:**

“Each Final Terms in relation to each Series of Securities will specify whether the Securities have been accepted for clearance through Euroclear, Clearstream, Luxembourg, Euroclear Sweden AB, Euroclear Finland Oy, Verdipapiersentralen ASA, Monte Titoli or any other clearing system. The appropriate common code and International Securities Identification Number in relation to the Securities of each such tranche and any other clearing system as shall have accepted the relevant Securities for clearance will be specified in the Final Terms relating thereto”.

The date of this Supplement is 28 December 2009