



**EDMOND
DE ROTHSCHILD**

BASE PROSPECTUS

€600,000,000

Euro Medium Term Note Programme

for the issue of Notes

due from one year from the date of original issue

Edmond de Rothschild (France)

Under this €600,000,000 Euro Medium Term Note Programme for the issue of Notes due from one year from the date of original issue (the **Programme**), Edmond de Rothschild (France) (the **Issuer**) may from time to time and subject to compliance with all relevant laws, regulations and directives, issue Euro Medium Term Notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Purchaser(s) (as defined below).

The Notes will be issued on a continuing basis to one or more of the specified Dealers and any additional dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis (each, a **Dealer** and, together, the **Dealers**). Notes may also be issued to third parties other than Dealers. Dealers and such third parties are referred to as **Purchasers**. References in this Base Prospectus to the **relevant Purchaser** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Purchaser, be to all Purchasers agreeing to purchase such Notes.

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €600,000,000 (or its equivalent in other currencies calculated as described herein). Subject to compliance with all relevant laws, regulations and directives, and to any exceptions set out herein, the Notes shall have a minimum maturity of one year and no maximum maturity. A description of the restrictions applicable at the date of this Base Prospectus relating to the maturity of certain Notes is set out below.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the **Prospectus Directive**), as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg Law dated 10 July 2005 on prospectuses for securities, as amended (the **Prospectus Act 2005**), and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes (**Non-exempt Notes**) under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Consequently Notes issued under the Programme may be offered to the public, in accordance with the requirements of the Prospectus Directive. By approving this Base Prospectus the CSSF gives no undertaking as to the economic or financial opportuneness of the transaction or the quality and solvency of the Issuer in line with the provisions of Article 7 (7) of the Prospectus Act 2005.

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, **MiFID II**), appearing on the list of regulated markets issued by the European Commission (a **Regulated Market**) and to be listed on the Official List of the Luxembourg Stock Exchange.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, will be filed with the CSSF.

The Issuer may agree with any Purchaser that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to the Base Prospectus, if appropriate, describing the effect of the agreement reached in relation to such Notes will be made available.

The rating of certain Series of Notes (as defined below) to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) and included in the list of credit rating agencies published by the European Notes and Markets Authority on its website (www.esma.europa.eu/page/Listregistered-and-certified-CRAs) in accordance with the CRA Regulation will be disclosed in the Final Terms.

Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue.

Arranger

Edmond de Rothschild (France)

Dealers

Edmond de Rothschild (France)

Edmond de Rothschild (Europe)

The date of this Base Prospectus is 11 July 2018

This Base Prospectus (together with any supplements to it published from time to time (each a Supplement and together the Supplements)) comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive, in respect of, and for the purpose of giving information with regard to, the Issuer and its respective consolidated subsidiaries and affiliates as a whole (together with the Issuer, the Group) which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Base Prospectus is to be read in conjunction with all documents which are incorporated by reference (see "Documents Incorporated by Reference"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated by reference in, and form part of, this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with, this Base Prospectus or any other information supplied in connection with the Programme or the Notes or any other information made public by the Issuer and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or an invitation or offer by the Issuer or any of the Dealers for any recipient of this Base Prospectus or any other information supplied in connection with the Programme to purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer by or on behalf of the Issuer or any of the Dealers to any person to subscribe or purchase any of the Notes.

Neither the distribution and delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers (save for the approval of this document by the CSSF) which is intended to permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions

on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including France, Luxembourg, Italy and Spain), Monaco, Switzerland (see "Subscription and Sale" below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or with any securities regulatory authority of any state or other jurisdiction of the United States, and are in bearer form subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (see "Subscription and Sale" below).

This document may only be distributed in "offshore transactions" to persons other than U.S. persons as defined in, and as permitted by, Regulation S under the Securities Act. Any forwarding, redistribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this notice may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Nothing in this document constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so.

MiFID II product governance / target market – The Final Terms in respect of any Notes (or pricing supplement, in the case of Exempt Notes) will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes (or pricing supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**) or ; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes (or pricing supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (**EEA**). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA (a **Key Information Document**) has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail

investor in the EEA may be unlawful under the PRIIPS Regulation. If the Final Terms in respect of any Notes (or pricing supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors Without KID", the Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available, to any retail investor in the EEA without an updated Key Information Document. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive.

BENCHMARKS REGULATION

Amounts payable under the Notes or assets deliverable under the Notes may be calculated or otherwise determined by reference to an index, a rate or a combination of indices or rates. Any such index or rate may constitute a benchmark for the purposes of the Benchmarks Regulation (Regulation (EU) No. 2016/1011) (the **Benchmarks Regulation**). If any such index or rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to article 36 of the Benchmarks Regulation. Not every index or rate will fall within the scope of the Benchmarks Regulation. Furthermore, transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.

In connection with the issue of any Tranche of Notes (as defined below), the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

All references in this Base Prospectus to pounds sterling, £ and GBP refer to the currency of the United Kingdom, those to U.S. dollars, U.S.\$, USD and \$ refer to the currency of the United States of America, those to Euro, euro and € refer to the single currency of participating Member States of the European Union, those to Japanese yen, JPY, yen and ¥ refer to the currency of Japan, and those to Swiss franc, franc and CHF refer to the currency of Switzerland.

LANGUAGE

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Any website links included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary with the mention of "Not Applicable".

Section A – Introduction and warnings		
A.1	Introduction and warnings	<p>This summary should be read as introduction to the prospectus.</p> <p>Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent	<p>[Not Applicable – [The Issuer has not consented to the use of the Base Prospectus by any other person to resell or place any Notes.]/[The Notes are not subject to a Public Offer in the European Economic Area.]]</p> <p>[In the context of the offer of the Notes from time to time in [France][and][Luxembourg] (the Public Offer Jurisdiction[s]), the Issuer consents to the use of the Base Prospectus as so supplemented where the offer is made in circumstances where there is no exemption from the obligation under Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU, to the extent implemented in the relevant Member State) to publish a prospectus (a Non-exempt Offer) during the period from [●] until [●] (the Offer Period) and in the Public Offer Jurisdiction[(s)]] by:</p> <p>[(1)</p> <p>(a) [(name of financial intermediary)], subject to [(relevant conditions)]; and</p> <p>(b) any financial intermediary appointed after [(date)] and whose name is published on the website http://www.edmond-de-rothschild.fr and identified as an Authorised Offeror in respect of the Non-exempt Offer;]</p> <p>[(2) any financial intermediary which shall, for the duration of the Offer Period, publish on its website that it is using the Base Prospectus for such Non-exempt Offer in accordance with the consent of the Issuer and that it accepts the Authorised Offeror Terms relating to the use of the consent and the other conditions.</p> <p>[in each case] for so long as they are authorised to make such offers under</p>

		<p>the Markets in Financial Instruments Directive 2014/65/EU (as amended) (MiFID II) ([in each case any such financial intermediary being an][the] "Authorised Offeror").</p> <p>An investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price allocations and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Terms and Conditions of the Non-exempt Offer shall be provided to investors by that Authorised Offeror at the time of the Non-exempt Offer.]</p>
Section B – Issuer		
B.1	Legal and commercial name of the Issuer	Edmond de Rothschild (France) (the Issuer)
B.2	Domicile/ legal form/ legislation/ country of incorporation	<p>The Issuer is a <i>société anonyme</i> incorporated and domiciled in Paris, France under the French <i>Code de Commerce</i>.</p> <p>Legislation under which the Issuer operates: French law.</p>
B.4b	Trend information	<p>Edmond de Rothschild (France) will continue to execute the Group's strategy of refocusing on its core strengths.</p> <p>Following on from the landmark compliance project completed in 2017 of aligning its processes with MiFID II, the main challenge for Private Banking is to stay just as agile so it is able to maintain its profitability. Other key avenues of development will again include efforts to harness synergies with the Group's other business lines – Asset Management with the ramp-up in the private banking/investment advisory division (PBIA) and Cleaveland, Private Equity and Corporate Finance.</p> <p>One of the most important strategic developments for the Asset Management business line, now refocused on its European backbone with a reshaped offering of products and services, is the build-up of the PBIA division.</p> <p>Innovation continues to drive its product offering, and the goal is to ensure investors are offered solutions geared to complex markets.</p>
B.5	Description of the Group	<p>The Rothschilds have, throughout the nineteenth and twentieth centuries, expanded their traditions of international banking and investments and of services to governments, companies and financial institutions around the world.</p> <p>The Edmond de Rothschild Group is an independent, family-owned group that specialises in private banking and asset management. Founded in 1953, the Group has been chaired since 1997 by Baron Benjamin de Rothschild. At 31 December 2017, it had € 156 billion under management with 27 offices throughout the world.</p> <p>Family roots give the Edmond de Rothschild Group a particular sense of the long-term, which is reflected in the way it manages the assets of its clients: creativity does not exclude prudence and entrepreneurial audacity goes hand</p>

		<p>in hand with risk management.</p> <p>The Edmond de Rothschild Group offers a comprehensive service model for an international client-base of wealthy families, entrepreneurs and large institutions.</p> <p>The Edmond de Rothschild Group's action is based on two powerful engines: Private Banking and Asset Management. The Group is also developing in the areas of Corporate Finance, Private Equity and Institutional & Fund Services.</p> <p>Edmond de Rothschild (France) is 99.47%-owned by Edmond de Rothschild S.A., the French holding company of the Edmond de Rothschild Group. Caisse de Dépôt et Placement du Québec and EDRRIT Limited are also shareholders in Edmond de Rothschild (France), respectively with an interest of 0.44 % and 0.09%.</p>		
B.9	Profit forecast or estimate	Not Applicable. The Issuer does not provide profit forecasts or estimates.		
B.10	Audit report qualifications	Not Applicable – No qualifications are contained in the audit report dated 21 April 2017 and the audit report dated 23 April 2018 (included in the Base Prospectus).		
B.12	Selected key financial information	(in thousands of €)	December 2017 (audited)	December 2016 (audited)
		Cash and amounts due from central banks	2 025 603	1 176 124
		Financial assets at fair value through profit or loss	8 777	35 970
		Derivatives used for hedging purposes	-	-
		Available-for-sale financial assets	221 482	269 138
		Loans and receivables due from credit institutions	127 861	249 595
		Loans and receivables due from customers	672 883	631 744
		Remeasurement adjustment on portfolios hedged for interest rate risk	-	-
		Held-to-maturity financial assets	-	-
		Current tax assets	683	5 009
		Deferred tax assets	171	9 602
		Accruals and other assets	167 899	175 683
		Investments in associates	67 664	73 916

		Investment property	-	-
		Property and equipment and finance leases (lessee accounting)	41 205	43 854
		Intangible assets	26 125	22 329
		Goodwill	82 470	88 762
		Total	3 442 823	2 781 726
			December 2017 (audited)	December 2016 (audited)
		Total assets	3 442 823	2 781 726
		Total liabilities & Equity	3 442 823	2 781 726
		Consolidated income statement		
		Net banking income	305 117	274 595
		Net income	24 561	17 250
		Equity capital		
		Shareholders' equity	386 560	367 061
		Consolidated Cash Flow Statement		
		change in net cash	721 908	411 260
	No material adverse change in the prospects of the Issuer since the date of its last published audited financial statements	There has been no material adverse change in the prospects of Edmond de Rothschild (France) since 31 December 2017.		
	Significant changes in the Issuer's financial or trading position subsequent to the period covered by the historical financial	Not Applicable. There has been no significant change in the financial or trading position of the Issuer since 31 December 2017.		

	information	
B.13	Events impacting the Issuer's solvency	Not Applicable. There are no events particular to the Issuer which is to a material extent relevant to an evaluation of its solvency.
B.14	Dependence upon other Group entities	See item B5 for the Group and the Issuer's position within the Group. The Issuer is dependent upon Edmond de Rothschild S.A.
B.15	Principal activities	<p>The main activities of the Issuer are the following:</p> <p style="text-align: center;">- PRIVATE BANKING</p> <p>Private banking is the original business of the Edmond de Rothschild group. In France it aims to cater to the needs of families who are selling their business assets and to those who have built up or inherited wealth.</p> <p>To that end, Edmond de Rothschild offers a specialist range of investments, advice and services, ranging from financial planning to legal and tax analysis and advice on life insurance. For those selling a family-owned company, it knows how to address inheritance issues and can also advise on philanthropic ventures. All this expertise is co-ordinated by the private banker – the lynchpin of the client relationship.</p> <p style="text-align: center;">- ASSET MANAGEMENT</p> <p>Edmond de Rothschild Asset Management's approach is founded on active management underpinned by strong research capabilities and an innovation strategy that aims to deliver long-run performance over a timeframe compatible with clients' own investment horizons.</p> <p>The range of solutions available from Edmond de Rothschild Asset Management (EdRAM) comprises investment funds and managed accounts for institutional investors together with open-ended UCITS marketed to private clients by partner financial institutions (private banks, investment companies and insurers) and independent financial advisors.</p> <p>In late 2017, EdRAM announced the appointment of Gad Amar as Global Head of Business Development to contribute actively to strategic development in Europe. His arrival marked a major milestone in the process of building up EdRAM's presence in various client segments – institutional investors, distribution partners and independent asset management advisors.</p> <p style="text-align: center;">- PRIVATE EQUITY</p> <p>Private equity is a strategic business for the Edmond de Rothschild group, because it provides value-added investment solutions that set our private banking offering apart and add value to it. The divisional strategy focuses on supporting entrepreneurs and helping small and medium-sized enterprises (SMEs) to grow. It takes the long view – in keeping with the culture and values of the Rothschild family.</p> <p>In France, with over 25 years of experience and close to €2.4 billion under management at 31 December 2017, the Private Equity division possesses sophisticated expertise in growth capital (small and mid-caps), mezzanine debt and minority co-investments.</p>

B.16	Controlling shareholders	<p>A detailed table of the Shareholders sets out the principal shareholders of the Issuer and the percentage of their capital stock as follows:</p> <table border="1" data-bbox="501 228 1382 607"> <thead> <tr> <th>Shareholders</th> <th>Number of shares</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Edmond de Rothschild S.A.</td> <td>5,509,180</td> <td>99.47</td> </tr> <tr> <td>Caisse de Dépôt et Placement du Québec</td> <td>24,172</td> <td>0.44</td> </tr> <tr> <td>EDRRIT Limited</td> <td>4,976</td> <td>0.09</td> </tr> <tr> <td>Various Group's employees shareholders</td> <td>60</td> <td>0.00</td> </tr> <tr> <td>Others minority shareholders</td> <td>0</td> <td>0.00</td> </tr> <tr> <td>Total</td> <td>5,538,388</td> <td>100.00</td> </tr> </tbody> </table>	Shareholders	Number of shares	Percentage	Edmond de Rothschild S.A.	5,509,180	99.47	Caisse de Dépôt et Placement du Québec	24,172	0.44	EDRRIT Limited	4,976	0.09	Various Group's employees shareholders	60	0.00	Others minority shareholders	0	0.00	Total	5,538,388	100.00
Shareholders	Number of shares	Percentage																					
Edmond de Rothschild S.A.	5,509,180	99.47																					
Caisse de Dépôt et Placement du Québec	24,172	0.44																					
EDRRIT Limited	4,976	0.09																					
Various Group's employees shareholders	60	0.00																					
Others minority shareholders	0	0.00																					
Total	5,538,388	100.00																					
B.17	Credit ratings	<p><i>(Delete this Element B.17 if the Notes are derivative securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes may be lower than par and/or is linked to an underlying asset)</i> [The Notes have not been rated.]/[The Notes have been rated [(specify rating(s) of Tranche being issued)] by [(specify rating agency(ies))]. [[●]/[Each of [●] and [●]] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 on credit rating agencies as amended from time to time.] [[●]/[Each of [●] and [●]] is included in the list of credit rating agencies published by the European Notes and Markets Authority on its website (www.esma.europa.eu/page/Listregistered-and-certified-CRAs) in accordance with the Regulation (EC) No. 1060/2009 on credit rating agencies as amended from time to time.]</p>																					
Section C – Notes																							
C.1	Type and Class of Notes	<p>The notes (the Notes) are issued by the Issuer with [no interest payable (Zero Coupon Notes)] [the amount (if any) payable as interest being [fixed (a Fixed Rate Note)] [a floating rate (a Floating Rate Note)] [linked to [a benchmark rate]] [an index]/[an inflation index]/[a share]/[a basket of indices]] [a basket of shares]] [a basket of funds] [and] [the amount payable on redemption being [linked to [an index]/[a basket of indices]/[an inflation index]/[a share]/[a basket of shares]/[a fund]/[a basket of funds] ((a Rate)] [an Index]/[an Inflation Index]/[a Share]]/[a Fund] Linked Note)] [and] [paid in instalments (an Instalment Note)]</p> <p>The International Securities Identification Number (ISIN) of the Notes is [●].</p>																					
C.2	Currency	The currency of the Notes is [●].																					
C.5	Restrictions on free transferability	<p>The free transfer of the Notes is subject to the selling restrictions of the relevant jurisdictions, including the United States of America, the European Economic Area (including France, Luxembourg, Italy and Spain), Switzerland and Monaco.</p> <p>[Notes offered and sold outside the United States to non-US persons in reliance on Regulation S under the U.S. Securities Act of 1933, as amended, must comply with selling restrictions.]</p> <p>[Notes held in a clearing system must be transferred in accordance with the rules, procedures and regulations of that clearing system.]</p>																					

C.8	Rights attached to the Notes, including ranking and limitation of these rights	<p><u>Rights</u></p> <p><i>Meetings</i></p> <p>The terms of the Notes contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p>
		<p><i>Interest and redemption</i></p> <p>Provided that, the Notes have not been previously redeemed, cancelled or purchased, Noteholders have the right to receive payments on account of interest and principal. See [C.9]/[C.15 and C.18] below for further details.</p> <p><i>(Insert in the case of a put option of the Noteholder)</i> [In addition, each Noteholder is entitled to call its Notes for early repayment on [<i>specify date(s)</i>], subject to prior written notice to the Agent, at [their aggregate nominal amount]/[<i>specify the early redemption price and any maximum or minimum redemption amounts, applicable to the Notes being issued</i>].]</p> <p>Noteholders are entitled to call for redemption upon the occurrence of one or more of the following events:</p> <ol style="list-style-type: none"> 1. default in the payment of any principal or interest due on the Notes or the due date and such default continues for a specified time after written notice is received by the Issuer; 2. non-performance or non-observance by the Issuer of any of its other respective obligations and such default continues for a specified time after written notice is received by the Issuer; or 3. if the Issuer becomes the subject of certain prescribed insolvency or administration type proceedings. <p><u>Ranking</u></p> <p>The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.</p> <p><u>Limitation to the rights</u></p> <p><i>Early Redemption</i></p> <p><i>[(for Rate Linked Notes, Index Linked Notes, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes only)</i> The Notes may be redeemed early following certain disruption events or adjustment events affecting the [Rate]/[Index]/[Inflation Index]/[Share]/[Fund]] at [their aggregate nominal amount]/[<i>specify the early redemption price and any maximum or minimum redemption amounts, applicable to the Notes being issued</i>].</p> <p>The Issuer may redeem early any or all Foreign Account Tax Compliance Act included within the Hiring Incentives to Restore Employment Act of 2010 (FATCA) Affected Notes and, in circumstances where the Issuer elects not to redeem a FATCA Affected Note, the holder of such FATCA Affected Note can subsequently request the Issuer to redeem such FATCA</p>

Affected Note, at [its nominal amount]/[specify the early redemption price and any maximum or minimum redemption amounts, applicable to the Notes being issued].

A **FATCA Affected Note** means a Note in respect of which (i) the Issuer has or will become obliged to make any withholding or deduction pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or any withholding or deduction otherwise imposed pursuant to Sections 1471 through 1474 of Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.]

(Insert in the case of a call option of the Issuer) [In addition, the Issuer has the right to redeem the Notes prior to the maturity date on [specify date(s)], subject to prior notice to the Agent and the Noteholders, at [their aggregate nominal amount]/[specify the early redemption price and any maximum or minimum redemption amounts, applicable to the Notes being issued].]

Prescription

The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the date on which such payment first becomes due.

Tax withholding and deductions

If French law should require that payments in respect of the Notes be subject to withholding or deduction with respect to taxes, the Issuer will make payments of nominal and interest to the holders of the Notes net of withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any jurisdiction; the Issuer will not make any gross-up payment to the holders of the Notes to compensate for withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any jurisdiction.

[Disruption Events

If a disruption event or any other event affecting [the]/[any] [Rate]/[Index]/[Inflation Index]/[Share]/[Fund] [in the Basket] or the Notes occurs on an any relevant observation or other date:

- the relevant date for valuation of the level of [the]/[any] [Rate]/[Index]/[Inflation Index]/[Share]/[Fund] [in the Basket] affected by the disruption event will be postponed and alternative provisions for valuation of will apply; and
- the Issuer may (i) elect to notify to the Noteholders an early redemption of the Notes, (ii) make such adjustments to the terms and conditions of the Notes as it considers appropriate to reflect the consequences of the disruption event or (iii) elect to redeem the Notes at the Maturity Date on the basis of the capitalisation of the market value of the Notes including any costs or gains to the Issuer or its Affiliates in unwinding any hedging arrangements entered into in respect of the Notes during the period starting on or around

		the date of occurrence of the relevant event to the Maturity Date.]
C.9	Interest, maturity and redemption provisions, yield and representation of the security-holders	<p><i>(Delete this Element C.9 if the Notes are derivative securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes may be lower than par and/or is linked to an underlying asset)</i></p> <p>[See C8 above.]</p> <p><u>Interest</u></p> <p>[The Notes are Fixed Rate Notes: the Notes bear interest at the fixed rate of [specify rate for Notes being issued] per cent. per annum. Interest will be paid [quarterly]/[semi-annually]/[annually] in arrear on [specify interest payment dates for Notes being issued] in each year. The first interest payment will be made on [specify first interest payment date for Notes being issued]. The yield on the Notes is [•].]</p> <p>[The Notes are Floating Rate Notes: the Notes bear interest at floating rate(s) calculated by reference to [specify reference rate(s) for Notes being issued] [plus/minus] a margin of [specify margin for Notes being issued] per cent. Interest will be paid [quarterly]/[semi-annually]/[annually] in arrear on [specify interest payment date(s) for Notes being issued] in each year. The first interest payment will be made on [specify first interest payment date for Notes being issued]. [(If Maximum/Minimum Rate of Interest): Interest for each relevant period is subject to a [maximum]/[minimum] of [•]% per annum [and a [maximum]/[minimum] of [•]% p.a.].]</p> <p>[The Notes are [Rate Linked]/[Index Linked]/[Inflation Linked]/[Share Linked]/[Fund Linked] Notes and the amount payable as interest is linked to an underlying which is [(for Rate Linked Notes:) [describe benchmark rate]]/[(for Index Linked Notes:) [describe index or basket of indices]]/[(for Inflation Linked Notes:) [describe inflation index or basket of inflation indices]]/[(for Share Linked Notes:) [describe share or basket of shares]]/[(for Fund Linked Notes:) [describe basket of funds]].]</p> <p>[The Notes are Zero-Coupon Notes: the Notes do not bear any interest and will be offered and sold at a discount to their nominal amount.]</p> <p><u>Redemption</u></p> <p>Unless previously redeemed or purchased and cancelled, the Notes will be [finally redeemed by the Issuer, in cash, on [•] (the Maturity Date) at [100]/[specify other] per cent. of their nominal amount]/[redeemed in instalments on [insert Instalment Dates] at [insert Instalment Amounts] (repeat as necessary if different Instalment Amounts apply in respect of different Instalment Dates).]</p> <p><i>Representative of Noteholders</i></p> <p>Not Applicable. No representative of the Noteholders has been appointed by the Issuer.</p>

C.10**Derivative component in interest payment**

(Delete this Element C.10 if the Notes are derivative securities or debt securities with a denomination of at least €100,000 for the purposes of the Prospectus Directive)

[Not Applicable. The payment of interest is not linked to a derivative component.][Please see Element C.9.]

[Rate Linked:

The rate of interest will be payable and calculated by reference to the performance of *[describe benchmark rate]* and will be determined as follows: *(insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options)*

[LEVERAGED FLOATER

[In advance] / [In arrears]

Cap [applies]/[does not apply]

Floor [applies]/[does not apply]]

[REVERSE FLOATER

[In advance]/[In arrears]]

[VOL BOND

[In advance]/[In arrears]

Cap [applies]/[does not apply]]

[Index Linked:

The rate of interest will be payable and calculated by reference to the performance of *[describe index or basket of indices]* and will be determined as follows: *(insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options)*

[DOUBLE TOP:

[Autocall]/[Non Callable]

[Barrier Put]/[Leveraged Put]

[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]

Coupons in Fine [applies]/[does not apply]

Strike Min [applies]/[does not apply]]

[ALTAIR:

[Autocall]/[Non Callable]

[Barrier Put]/[Leveraged Put]

[Conditional Coupon]/[Conditional Coupon with Memory Effect]

Coupons in Fine [applies]/[does not apply]]

[TOP:

[Barrier Put]/[Leveraged Put]

Airbag [applies]/[does not apply]

Indexation [applies]/[does not apply]
Fast-Autocall [applies]/[does not apply]
Fast Trigger [applies]/[does not apply]
Absolute [applies]/[does not apply]
Partial-Airbag [applies]/[does not apply]
Strike Min [applies]/[does not apply]]

[ATHOS:

[Autocall]/[Non Callable]
[European Observation]/[Average Observation]/[Floored Average Observation]/[Absolute Average Observation]
Cap [applies]/[does not apply]
Dynamic Bond Floor [applies]/[does not apply]
Ladder [applies]/[does not apply]
Guaranteed Coupon [applies]/[does not apply]]

[ERIDAN:

Cap [applies]/[does not apply]]

[ARAMIS:

[No Memory]/[Memory Effect]/[Partial Memory Effect]
Put Spread [applies]/[does not apply]
Coupons in fine [applies]/[does not apply]
[Bonus Effect]/[Lock-in Effect]
Strike Min [applies]/[does not apply]]

[ORION:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
Cap [applies]/[does not apply]
Ladder mechanism [applies]/[does not apply]]

[ANDROMEDE:

Autocall [applies]/[does not apply]
[Barrier Put] [applies]/[does not apply]
Best-out [applies]/[does not apply]]

[PEGASE]]

[COUPON CLIC:

Coupons in fine [applies]/[does not apply]]

[SIRIUS:

Coupons in fine [applies]/[does not apply]]

[CASSIOPEE:

Cap [applies]/[does not apply]]

[ACAJOU:

[European Observation]/[Average Observation]
Cap [applies]/[does not apply]]

[BEST-IN:

Cap [applies]/[does not apply]]

[ARTÉMIS:

[Linear Performance]/[Compounded Performance]
Coupons in fine [applies]/[does not apply]
Lock-in Effect [applies]/[does not apply]]

[SWITCHER COUPON:
[European Observation]/[Average Observation]
Cap [applies]/[does not apply]]

[SWITCHER CALLABLE:
[European Observation]/[Average Observation]
Cap [applies]/[does not apply]]

[CLIQUET
Coupons in fine [applies]/[does not apply]
Cap [applies]/[does not apply]
Lock-in effect [applies]/[does not apply]
Put Spread [applies]/[does not apply]
Barrier Put [applies]/[does not apply]]

[BASKET DOUBLE TOP:
[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon
with Memory Effect]
Coupons in Fine [applies]/[does not apply]
[Worst-of]/[Best-of]]

[BASKET TOP:
[Barrier Put]/[Leveraged Put]
Airbag [applies]/[does not apply]
Semi Airbag [applies]/[does not apply]
[Worst-of]/[Best-of]]

[BASKET ARAMIS:
[No Memory]/[Memory Effect]
Coupons in fine [applies]/[does not apply]
[Bonus Effect]/[Lock-in Effect]
[Worst-of]/[Best-of]]]

[Inflation Linked:

The rate of interest will be payable and calculated by reference to the performance of [*describe inflation index*] and will be determined as follows: (*insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options*)

[AMORTISSABLE INFLATION:
Floor [applies]/[does not apply]
Cap [applies]/[does not apply]]

[FLOATER INFLATION:
Cap [applies]/[does not apply]
Fixed Coupon [applies]/[does not apply]]

[DIGITAL INFLATION:
Fixed Coupon: [applies]/[does not apply]]]

[Share Linked:

The rate of interest will be payable and calculated by reference to the performance of [*describe share or basket of shares*] and will be determined as follows: (*insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options*)

[DOUBLE TOP:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]
Coupons in Fine [applies]/[does not apply]]
Strike Min [applies]/[does not apply]]

[TOP:

[Barrier Put]/[Leveraged Put]
Airbag [applies]/[does not apply]
Indexation [applies]/[does not apply]
Fast-Autocall [applies]/[does not apply]
Fast Trigger [applies]/[does not apply]
Absolute [applies]/[does not apply]
Partial-Airbag [applies]/[does not apply]
Strike Min [applies]/[does not apply]]

[ARAMIS:

[No Memory]/[Memory Effect]/[Partial Memory Effect]
Coupons in fine [applies]/[does not apply]
[Bonus Effect]/[Lock-in Effect]]

[CASSIOPEE:

Cap [applies]/[does not apply]]

[BASKET DOUBLE TOP:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]
Coupons in Fine [applies]/[does not apply]
[Worst-of]/[Best-of]]

[BASKET TOP:

[Barrier Put]/[Leveraged Put]
Airbag [applies]/[does not apply]
Semi Airbag [applies]/[does not apply]
[Worst-of]/[Best-of]]

[BASKET ARAMIS:

[No Memory]/[Memory Effect]
Coupons in fine [applies]/[does not apply]
[Bonus Effect]/[Lock-in Effect]
[Worst-of]/[Best-of]]

		<p>[Fund Linked:</p> <p>The rate of interest will be payable and calculated by reference to the performance of <i>[describe fund or basket of funds]</i> and will be determined as follows: <i>(insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options)</i></p> <p>[ARTEMIS:</p> <p>Put Spread: Not Applicable Coupon in Fine: <i>[Applicable]/[Not Applicable]</i></p> <p>[BASKET ARTEMIS:</p> <p>Put Spread: Not Applicable Coupon in Fine: <i>[Applicable]/[Not Applicable]</i></p>
C.11	Admission to trading on a regulated market	<i>[Application [has been]/[is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange]/[specify other regulated market]]./[Not applicable: the Notes are not intended to be admitted to trading on any market.]</i>
C.15	Description of how the value of your investment is affected by the value of the underlying assets	<p><i>(Delete this Element C.15 if the Notes are debt securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes is at least equal to par and is not linked to an underlying asset)</i></p> <p><i>[The value of the Notes may be affected by the performance of an underlying which is [(for Index Linked Notes:) [describe index or basket of indices]]/[(for Inflation Linked Notes:) [describe inflation index or basket of inflation indices]]/[(for Share Linked Notes:) [describe share or basket of shares]]/[(for Fund Linked Notes:) [describe basket of funds]].</i></p> <p><i>[Unless previously redeemed or purchased and cancelled, the Notes will be finally redeemed by the Issuer, in cash, on [●] (the Maturity Date) at (for Index Linked Notes) [their Index Linked Redemption Amount specified below]/(for Inflation Linked Notes) [their Inflation Linked Redemption Amount specified below]/(for Share Linked Notes) [their Share Linked Redemption Amount specified below]/(for Fund Linked Notes) [their Fund Linked Redemption Amount specified below].</i></p> <p><i>Therefore such redemption amount may be affected by the price, level or rate of the relevant [underlying]/[basket of underlyings] (without regard to any currency of denomination of such price, level or rate, as the case may be) at the relevant time.]</i></p> <p><i>[[The rate of interest will be payable and calculated by reference to the performance of [describe underlying or basket of underlyings].</i></p> <p><i>Therefore such interest amount may be affected by the price, level or rate of the relevant [underlying]/[basket of underlyings] (without regard to any currency of denomination of such price, level or rate, as the case may be) at the relevant time.]</i></p>
C.16	Exercise date/final reference date	<i>(Delete this Element C.16 if the Notes are debt securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes is at least equal to par and is not linked to an underlying asset)</i>

		[The Maturity Date. See C.15 above.]
C.17	Settlement	<p><i>(Delete this Element C.17 if the Notes are debt securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes is at least equal to par and is not linked to an underlying asset)</i></p> <p>[These Notes are cash settled.]</p>
C.18	Return on derivative securities	<p><i>(Delete this Element C.18 if the Notes are debt securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes is at least equal to par and is not linked to an underlying asset)</i></p> <p>[Index Linked:</p> <p>The Index Linked Redemption Amount payable on early redemption or on redemption on the Maturity Date will be payable and calculated by reference to the performance of [<i>describe index or basket of indices</i>] and will be determined as follows: (<i>insert the formulae, description of Index Linked Redemption Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options</i>)</p> <p>[DOUBLE TOP: Autocall]/[Non Callable] Barrier Put]/[Leveraged Put]] Strike Min [applies]/[does not apply]]</p> <p>[ALTAIR: Autocall]/[Non Callable] Barrier Put]/[Leveraged Put]]</p> <p>[TOP: Barrier Put]/[Leveraged Put] Airbag [applies]/[does not apply] Indexation [applies]/[does not apply] Fast-Autocall [applies]/[does not apply] Fast Trigger [applies]/[does not apply] Absolute [applies]/[does not apply] Partial-Airbag [applies]/[does not apply] Strike Min [applies]/[does not apply]]</p> <p>[ATHOS: Autocall]/[Non Callable] European Observation]/[Average Observation]/[Floored Average Observation]/[Absolute Average Observation] Cap [applies]/[does not apply] Dynamic Bond Floor [applies]/[does not apply] Ladder [applies]/[does not apply]]</p> <p>[ERIDAN: Cap [applies]/[does not apply]]</p> <p>[ORION: Autocall]/[Non Callable] Barrier Put]/[Leveraged Put] Cap [applies]/[does not apply] Ladder mechanism [applies]/[does not apply]]</p>

ANDROMEDE]

Autocall [applies]/[does not apply]
[Barrier Put] [applies]/[does not apply]
Best-out [applies]/[does not apply]]

[CASSIOPEE:

Cap [applies]/[does not apply]]

[ACAJOU:

[European Observation]/[Average Observation]
Cap [applies]/[does not apply]]

[BEST-IN:

Cap [applies]/[does not apply]]

[SWITCHER CALLABLE:

[European Observation]/[Average Observation]
Cap [applies]/[does not apply]]

[CLIQUET

Coupons in fine [applies]/[does not apply]
Cap [applies]/[does not apply]
Lock-in effect [applies]/[does not apply]
Put Spread [applies]/[does not apply]
Barrier Put [applies]/[does not apply]]

[BASKET DOUBLE TOP:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon
with Memory Effect]
Coupons in Fine [applies]/[does not apply]
[Worst-of]/[Best-of]]

[BASKET TOP:

[Barrier Put]/[Leveraged Put]
Airbag [applies]/[does not apply]
Semi Airbag [applies]/[does not apply]
[Worst-of]/[Best-of]]

[Inflation Linked:

The **Inflation Linked Redemption Amount** payable on early redemption or on redemption on the Maturity Date will be payable and calculated by reference to the performance of [*describe inflation index*] and will be determined as follows: (*insert the formulae, description of Inflation Linked Redemption Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options*)

[AMORTISSABLE INFLATION:

Floor [applies]/[does not apply]
Cap [applies]/[does not apply]]

[FLOATER INFLATION:

Cap [applies]/[does not apply]]

Fixed Coupon [applies]/[does not apply]]

[DIGITAL INFLATION

Fixed Coupon [applies]/[does not apply]]]

[Share Linked:

The **Share Linked Redemption Amount** payable on early redemption or on redemption on the Maturity Date will be payable and calculated by reference to the performance of [*describe share or basket of shares*] and will be determined as follows: (*insert the formulae, description of Share Linked Redemption Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options*)

[DOUBLE TOP:

[Autocall]/[Non Callable]

[Barrier Put]/[Leveraged Put]

Strike Min [applies]/[does not apply]]

[TOP:

[Barrier Put]/[Leveraged Put]

Airbag [applies]/[does not apply]

Indexation [applies]/[does not apply]

Fast-Autocall [applies]/[does not apply]

Absolute [applies]/[does not apply]

Partial Airbag [applies]/[does not apply]

Strike Min [applies]/[does not apply]]

[CASSIOPEE:

Cap [applies]/[does not apply]]

[BASKET DOUBLE TOP:

[Autocall]/[Non Callable]

[Barrier Put]/[Leveraged Put]

[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]

Coupons in Fine [applies]/[does not apply]

[Worst-of]/[Best-of]]

[BASKET TOP:

[Barrier Put]/[Leveraged Put]

Airbag [applies]/[does not apply]

Semi Airbag [applies]/[does not apply]

[Worst-of]/[Best-of]]

[Fund Linked:

The **Fund Linked Redemption Amount** payable on early redemption or on redemption on the Maturity Date will be payable and calculated by reference to the performance of [*describe fund or basket of funds*] and will be determined as follows: (*insert the formulae, description of Fund Linked Redemption Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options*)

[ATHOS:

Cap: [Applicable]/[Not Applicable]
[European Observation]/[Average Observation]/[Floored Average Observation]]

[ARTEMIS:

Put Spread: Applicable
Coupon in Fine: [Applicable]/[Not Applicable]]

[BASKET ATHOS:

Cap: [Applicable]/[Not Applicable]
[European Observation]/[Average Observation]/[Floored Average Observation]]

[BASKET ARTEMIS:

Put Spread: Applicable
Coupon in Fine: [Applicable]/[Not Applicable]]

[BASKET HIMALAYA:

Cap: [Applicable]/[Not Applicable]]]

[Index Linked:

The rate of interest will be payable and calculated by reference to the performance of *[describe index or basket of indices]* and will be determined as follows: *(insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options)*

[DOUBLE TOP:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]
Coupons in Fine [applies]/[does not apply]
Strike Min [applies]/[does not apply]]

[ALTAIR:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
[Conditional Coupon]/[Conditional Coupon with Memory Effect]
Coupons in Fine [applies]/[does not apply]]

[TOP:

[Barrier Put]/[Leveraged Put]
Airbag [applies]/[does not apply]
Indexation [applies]/[does not apply]
Absolute [applies]/[does not apply]
Semi Airbag [applies]/[does not apply]
Strike Min [applies]/[does not apply]]

[ATHOS:

[Autocall]/[Non Callable]
[European Observation]/[Average Observation]/[Floored Average Observation]/[Absolute Average Observation]]

Cap [applies]/[does not apply]
Dynamic Bond Floor [applies]/[does not apply]
Ladder [applies]/[does not apply]]

[ERIDAN:

Cap [applies]/[does not apply]]

[ORION:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
Cap [applies]/[does not apply]
Ladder [applies]/[does not apply]]

[ANDROMEDE:

Autocall [applies]/[does not apply]
[Barrier Put] [applies]/[does not apply]
Best-out [applies]/[does not apply]]

[PEGASE]

[COUPON CLIC:

Coupons in fine [applies]/[does not apply]]

[SIRIUS:

Coupons in fine [applies]/[does not apply]]

[CASSIOPEE:

Cap [applies]/[does not apply]]

[ACAJOU:

[European Observation]/[Average Observation]
Cap [applies]/[does not apply]]

[BEST-IN:

Cap [applies]/[does not apply]]

[ARTÉMIS:

[Linear Performance]/[Compounded Performance]
Coupons in fine [applies]/[does not apply]
Lock-in Effect [applies]/[does not apply]]

[SWITCHER COUPON:

[European Observation]/[Average Observation]
Cap [applies]/[does not apply]]

[SWITCHER CALLABLE:

[European Observation]/[Average Observation]
Cap [applies]/[does not apply]]

[CLIQUET

Coupons in fine [applies]/[does not apply]
Cap [applies]/[does not apply]
Lock-in effect [applies]/[does not apply]
Put Spread [applies]/[does not apply]
Barrier Put [applies]/[does not apply]]

[BASKET DOUBLE TOP:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]
Coupons in Fine [applies]/[does not apply]
[Worst-of]/[Best-of]]

[BASKET TOP:

[Barrier Put]/[Leveraged Put]
Airbag [applies]/[does not apply]
Semi Airbag [applies]/[does not apply]
[Worst-of]/[Best-of]]

[BASKET ARAMIS:

[No Memory]/[Memory Effect]
Coupons in fine [applies]/[does not apply]
[Bonus Effect]/[Lock-in Effect]
[Worst-of]/[Best-of]]

[Inflation Linked:

The rate of interest will be payable and calculated by reference to the performance of [*describe inflation index*] and will be determined as follows: (*insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options*)

[AMORTISSABLE INFLATION:

Floor [applies]/[does not apply]
Cap [applies]/[does not apply]]

[FLOATER INFLATION:

Cap [applies]/[does not apply]
Fixed Coupon [applies]/[does not apply]]

[DIGITAL INFLATION:

Fixed Coupon: [applies]/[does not apply]]

[Share Linked:

The rate of interest will be payable and calculated by reference to the performance of [*describe shares or basket of shares*] and will be determined as follows: (*insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options*)

[DOUBLE TOP:

[Autocall]/[Non Callable]
[Barrier Put]/[Leveraged Put]
[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]
Coupons in Fine [applies]/[does not apply]
Strike Min [applies]/[does not apply]]

[TOP:

[Barrier Put]/[Leveraged Put]
Airbag [applies]/[does not apply]]

		<p>Indexation [applies]/[does not apply] Absolute [applies]/[does not apply] Partial Airbag [applies]/[does not apply] Strike Min [applies]/[does not apply] Fast-Autocall [applies]/[does not apply]]</p> <p>[ARAMIS: [No Memory]/[Memory Effect]/[Partial Memory Effect] Coupons in fine [applies]/[does not apply] [Bonus Effect]/[Lock-in Effect]]</p> <p>[CASSIOPEE: Cap [applies]/[does not apply]]</p> <p>[BASKET DOUBLE TOP: [Autocall]/[Non Callable] [Barrier Put]/[Leveraged Put] [Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect] Coupons in Fine [applies]/[does not apply] [Worst-of]/[Best-of]]</p> <p>[BASKET TOP: [Barrier Put]/[Leveraged Put] Airbag [applies]/[does not apply] Semi Airbag [applies]/[does not apply] [Worst-of]/[Best-of]]</p> <p>[BASKET ARAMIS: [No Memory]/[Memory Effect] Coupons in fine [applies]/[does not apply] [Bonus Effect]/[Lock-in Effect] [Worst-of]/[Best-of]]]</p> <p>[Fund Linked:</p> <p>The rate of interest will be payable and calculated by reference to the performance of <i>[describe fund or basket of funds]</i> and will be determined as follows: <i>(insert the formulae, description of Interest Amount and other relevant provisions from the terms and conditions of the Notes applicable to the relevant pay-off formula and options)</i></p> <p>[ARTEMIS: Put Spread: Applicable Coupon in Fine: [Applicable]/[Not Applicable]]</p> <p>[BASKET ARTEMIS: Put Spread: Applicable Coupon in Fine: [Applicable]/[Not Applicable]]]</p> <p>/ [The Notes do not bear any interest.]</p>
C.19	Exercise price/final reference	<i>(Delete this Element C.19 if the Notes are debt securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes is at least</i>

	price of the underlying	<i>equal to par and is not linked to an underlying asset)</i> [Not applicable, there is no final reference price of the underlying.]/[The final reference price of the underlying is the value of the underlying instrument(s) on the relevant valuation date(s) for the redemption, being [●], subject to the occurrence of certain extraordinary events and adjustments affecting such underlying instrument(s). See C.15 above.]
C.20	Underlying and where the information on the underlying can be found	<i>(Delete this Element C.20 if the Notes are debt securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes is at least equal to par and is not linked to an underlying asset)</i> [The underlying of the Notes is [in the case of Index Linked Notes, describe the relevant index or basket of indices]/[in the case of Inflation Linked Notes, describe the relevant index]/[in the case of Share Linked Notes, describe the relevant share or basket of shares]/[in the case of Fund Linked Notes, describe the basket of funds] and information on such underlying may be found on [insert relevant website, etc.]]
[C.21]	Admission to Trading and publication of the Base Prospectus	<i>(Delete this Element C.21 if the Notes are derivative securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes may be lower than par and/or is linked to an underlying asset)</i> Application [has been]/[is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange]/[specify other regulated market].]
Section D – Risks		
D.2	Key risks regarding the Issuer	<p>The following key risk factors relating to the Issuer, its activities, the market in which it operates, and its structure may affect the capacity of the Issuer to fulfil its obligations under the Notes issued under the Programme:</p> <ul style="list-style-type: none"> • Creditworthiness of the Issuer <p>The Notes constitute general and unsecured contractual obligations of the Issuer and of no other person, which will rank equally with all other unsecured contractual obligations of the Issuer and behind preferred liabilities. Noteholders rely upon the creditworthiness of the Issuer and no other person.</p> <ul style="list-style-type: none"> • Credit Risk <p>Credit risk is the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Issuer.</p> <ul style="list-style-type: none"> • Market risk <p>The Issuer’s operating results, financial condition and prospects may be negatively affected by conditions in global financial markets.</p> <ul style="list-style-type: none"> • Risk of non-compliance risk <p>The Issuer operates in a highly regulated environment that imposes costs and significant compliance requirements; changes in regulations may increase the cost and complexity of doing business;</p> <ul style="list-style-type: none"> • Liquidity risk <p>Liquidity risk is the risk that the Issuer will encounter difficulty in realising</p>

		<p>assets or otherwise raising funds to meet commitments.</p> <ul style="list-style-type: none"> • Operating risks <p>Operational risks may disrupt the Issuer's business.</p>
D.3	Key risks regarding the Notes	<p><i>(Delete this Element D.3 if the Notes are derivative securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes may be lower than par and/or is linked to an underlying asset)</i></p> <ul style="list-style-type: none"> • [Purchasing the Notes bears significant risks and is only suitable for investors with the requisite knowledge and experience of financial and business matters to evaluate the information contained herein and to assess the risks and merits of an investment in the Notes. • Potential purchasers should only reach an investment decision after careful consideration with their legal, tax, accounting and other advisers as they determine appropriate under the circumstances, of: (i) the suitability of an investment in the Notes in light of their own particular financial, fiscal, tax and other circumstances, (ii) the information set out in this document and any documents incorporated by reference and (iii) such independent investigation and analysis regarding the Issuer and the Index as they deem appropriate to evaluate the risks and merits of an investment in the Notes. • Amount payable is calculated by reference to <i>(Fixed Rate Notes)</i> [a fixed rate which may be lower than prevailing benchmark funding rates and credit spreads] <i>(Floating Rate Notes or Rate Linked Notes)</i> [a variable floating rate which may fall] <i>(Index Linked Notes, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes)</i> [to the level of an index which may fall]. • The Notes may be redeemed prior to their scheduled Maturity Date in certain circumstances pursuant to the terms and conditions of the Notes. • [Rate Linked Notes][Index Linked Notes][Inflation Linked Notes] are not in any way sponsored, endorsed, sold or promoted by the sponsor of the relevant Index(ices) (the Sponsor) and the Sponsor(s) make(s) no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Index(ices) and/or the figure at which the Index(ices) stands at any particular time on any particular day or otherwise. • <i>[(in respect of Rate Linked Notes, Index Linked Notes, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes) If a disruption event or any other event affecting [the]/[any] [Benchmark Rate]/[Index]/[Inflation Index]/[Share]/[Fund] [in the Basket] or the Notes (a Disruption Event) occurs on an any relevant observation or other date:</i> <ul style="list-style-type: none"> - any consequential postponement of the relevant date or alternative provisions for valuation provided in the terms and conditions of such Notes may have an adverse effect on the value and liquidity of such Notes; and - the Issuer may (i) elect to notify to the Noteholders an early redemption of the Notes or (ii) make such adjustments to the

		<p>terms and conditions of the Notes as it considers appropriate to reflect the consequences of the Disruption Event.]</p> <ul style="list-style-type: none"> • There is no guarantee that a secondary market for the Notes will develop or, if such a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue to exist for the life of the Notes. In an illiquid market an investor may not be able to sell their Notes at all, or at an appropriate market price.]
<p>D.6</p>	<p>Risk warning</p>	<p><i>(Delete this Element D.6 if the Notes are debt securities for the purposes of the Prospectus Directive i.e. the redemption amount of the Notes is at least equal to par and is not linked to an underlying asset)</i></p> <ul style="list-style-type: none"> • [Purchasing the Notes bears significant risks and is only suitable for investors with the requisite knowledge and experience of financial and business matters to evaluate the information contained herein and to assess the risks and merits of an investment in the Notes. • Potential purchasers should only reach an investment decision after careful consideration with their legal, tax, accounting and other advisers as they determine appropriate under the circumstances, of: (i) the suitability of an investment in the Notes in light of their own particular financial, fiscal, tax and other circumstances, (ii) the information set out in this document and any documents incorporated by reference and (iii) such independent investigation and analysis regarding the Issuer and the Index as they deem appropriate to evaluate the risks and merits of an investment in the Notes. • Amount payable is calculated by reference to <i>(Index Linked Notes, Inflation Linked Notes or Share Linked Notes)</i> [to the level of an index which may fall]. • The Notes may be redeemed prior to their scheduled Maturity Date in certain circumstances pursuant to the terms and conditions of the Notes. • [Index Linked Notes][Inflation Linked Notes] are not in any way sponsored, endorsed, sold or promoted by the sponsor of the relevant Index(ices), (the Sponsor) and the Sponsor(s) make(s) no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Index(ices) and/or the figure at which the Index(ices) stands at any particular time on any particular day or otherwise. • the regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”. • future discontinuance of LIBOR may adversely affect the value of Notes which refer to LIBOR. • <i>[(in respect of Index Linked Notes, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes) If a disruption event or any other event affecting [the]/[any] [Index]/[Inflation Index]/[Share]/[Fund] [in the Basket] or the Notes (a Disruption Event) occurs on an any relevant observation or other date:</i>

		<ul style="list-style-type: none"> - any consequential postponement of the relevant date or alternative provisions for valuation provided in the terms and conditions of such Notes may have an adverse effect on the value and liquidity of such Notes; and - the Issuer may (i) elect to notify to the Noteholders an early redemption of the Notes or (ii) make such adjustments to the terms and conditions of the Notes as it considers appropriate to reflect the consequences of the Disruption Event.] <ul style="list-style-type: none"> • There is no guarantee that a secondary market for the Notes will develop or, if such a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue to exist for the life of the Notes. In an illiquid market an investor may not be able to sell their Notes at all, or at an appropriate market price. <p>[The capital invested in the Notes is at risk. Consequently, the amount a prospective investor may receive on redemption of its Notes may be less than the amount invested by it and may be zero (0).]</p>
Section E – Offer		
E.2b	Reasons for the Offer and Use of proceeds when different from making profit and/or hedging certain risks	<p>[Not Applicable. The reasons for the offer and the net proceeds of the issue are for the general corporate purposes of the Issuer, which include making a profit, and/or for hedging purposes].</p> <p>[The net proceeds from the issue of the Notes will be applied by the Issuer for [•].]</p>
E.3	Terms and conditions of the offer	<p>[Not applicable. No public offer in the European Economic Area is being made or contemplated. The total amount of the issue is [•].]</p> <p>[The Notes are being offered to the public in <i>[specify]</i>].</p> <p>The time period, including any possible [•] to [•] amendments, during which the offer will be open and description of the application process:</p> <p>Offer Price: [Issue Price]/ [Not applicable]/<i>[specify]</i></p>
		<p>Conditions to which the offer is subject: [Not applicable]/<i>[specify]</i></p> <p>Offer Period: [Not applicable]/<i>[specify]</i></p> <p>Description of the application process: [Not applicable]/<i>[specify]</i></p>

		<p>Details of the minimum and/or maximum amount of application: [Not applicable]/[specify]</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by the applicants: [Not applicable]/[specify]</p> <p>Details of the method and time limits for paying up and delivering the Notes: [Not applicable]/[specify]</p> <p>Manner and date in which results of the offer are to be made public: [Not applicable]/[specify]</p> <p>Procedure for exercise of any right of pre-emption, negotiability and subscription rights and treatment of the subscription rights not exercised: [Not applicable]/[specify]</p> <p>Whether tranche(s) have been reserved for certain countries: [Not applicable]/[specify]</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not applicable]/[specify]</p> <p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser [Not applicable]/[specify]</p>
E.4	Interest of natural and legal persons involved in the issue/offer	<p>[Not Applicable. So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, including conflicting interests.]</p> <p>[The [Manager[s]]/[Dealer[s]]/[●] will be paid aggregate commissions equal to [●].] [Any [●] [and its affiliates] may also have engaged, and may in the future engage, in transactions or perform other services for the Issuer [and its affiliates] in the ordinary course of business.]</p>
E.7	Expenses charged to the investor by the Issuer or an offeror	<p>[Not Applicable. There are no expenses charged to the investor by the [Issuer][offeror].]</p> <p>[The estimated expenses charged to the investor by the [Issuer][offeror] amount to [●].]</p>

RISK FACTORS

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

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

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

I. Risk Factors relating to the Issuer

Among other areas and with respect to their particular financial situation and investment objectives, potential investors should closely examine all the information contained in the Base Prospectus and the documents incorporated by reference and, in particular, when making their investment decision, the risk factors set out below.

Creditworthiness of the Issuer

The Notes constitute general and unsecured contractual obligations of the Issuer and of no other person, which will rank equally with all other unsecured contractual obligations of the Issuer and behind preferred liabilities, including those mandatorily preferred by law. The Issuer issues a large number of financial instruments, including the Notes, on a global basis and, at any given time, the financial instruments outstanding may be substantial. Noteholders rely upon the creditworthiness of the Issuer and no other person and where the Notes relate to securities, Noteholders have no rights against the company that has issued such securities, and where the Notes relate to an index, Noteholders have no rights against the sponsor of such index and where the Notes relate to a fund, Noteholders have no rights against the manager of such fund. Further, an investment in the Notes is not an investment in the underlying asset(s) and Noteholders will have no rights in relation to voting rights or other entitlements (including any dividend or other distributions). The Notes are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of any underlying assets and such entities have no obligation to take into account the consequences of their actions on any Noteholders.

Credit risk

Credit risk is the risk of financial loss due to a debtor's inability to fulfil its contractual obligations. Exposure to counterparty risk in capital markets activities using derivative instruments is very limited in that outstanding obligations are mostly collateralised. The risk is higher for lending operations, although cautious selection of inter-bank counterparties, the low level of outstanding obligations in respect of commercial loans and the quality of the guarantees secured (Government paper under repurchase agreements, securities portfolios) greatly reduce its impact. Exposure to credit risk through private clients is limited as this activity is mainly focused on collateralised loans. Exposure to credit risk on securities, equities or funds, held in the long term investment portfolio of the Issuer, are controlled and monitored carefully.

Market risks

Market risks arise from unfavourable trends in market parameters affecting the Issuer's treasury and asset-liability management activities. These are non-core activities with

consequently very limited risk profiles and are carried out by dedicated entities centralised in Paris.

- Capital markets activities are sensitive to short-term exchange rates and interest rates exclusively.
- Balance sheet management and long-term investments are exposed, albeit in a tightly controlled framework, to movements in bond prices and interest rates. Nevertheless, the extremely high proportion of assets and liabilities indexed on variable money market rates limits interest rate risk.

Refinancing-liquidity risk

This risk consists of the Issuer being unable to acquire the necessary funds to meet its obligations when due. In view of its status as a private, non-rated bank, the Issuer pays particular attention to monitoring this risk. Hence, the balance sheet consistently posts a capital surplus and prudential ratios considerably higher than generally accepted management standards.

Operating risks

There is a distinction between internal operating risks due to defective procedures (inappropriate procedure, IT breakdown) and external risks due to events beyond the Issuer's control, whether deliberate (fraud, malicious act), accidental (fire) or natural (disaster). Each category of operating risk requires specific measures (reinforcement of procedures and controls, deployment of an emergency plan) and control systems. These risks, which are naturally present in the performance of all activities, are subject to increasingly stringent controls, notably with the implementation of Basel 3 regulations. The Issuer is able to monitor this particular risk factor very closely, thanks to its status as a small, manageable institution and the fact that its activity is both centralised and specialised.

Risk of non-compliance

The risk of non-compliance with applicable rules and regulations directly impacts asset management activities, which are subject to an increasingly stringent regulatory framework. While the Issuer cannot forestall any particular changes in law or practice, it takes all necessary measures, in-house and with respect to its clients, to protect its reputation for excellence and its business ethics.

French law and European legislation regarding the resolution of financial institutions

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**) entered into force on 2 July 2014. As a Directive, the BRRD is not directly applicable in France and had to be transposed into national legislation. The French ordonnance No. 2015-1024 of 20 August 2015, together with the decree N° 2015-1160 of 17 September 2015 and three decrees dated 11 September 2015, transposed the BRRD into French law and amended the *Code monétaire et financier* for this purpose. The French ordonnance has been ratified by law N° 2016-1691 dated 9 December 2016 (*Loi N° 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) which also incorporates provisions which clarify the implementation of the BRRD.

The stated aim of the BRRD and Regulation (EU) No. 806/2014 of the European Parliament and of the Council of the European Union of 15 July 2014 (the **SRM Regulation**) is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the authority designated by each EU Member State (the **Resolution Authority**) with a credible set of tools to intervene sufficiently early and

quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimizing the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses). Under the SRM Regulation a centralized power of resolution is established and entrusted to the Single Resolution Board (the **SRB**) and to the national resolution authorities.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments such as the Notes if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution under resolution in accordance with a set order of priority (the **Bail-in Tool**). The conditions for resolution under the French *Code monétaire et financier* implementing the BRRD are deemed to be met when: (i) the Resolution Authority or the relevant supervisory authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure where the conditions for resolution are met, write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in the form defined in Article L. 613-48 III, 3° of the French *Code monétaire et financier*).

The Bail-in Tool could result in the full (i.e., to zero) or partial write-down or conversion into ordinary shares or other instruments of ownership of the Notes, or the variation of the terms of the Notes (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolutions measures, including the Bail-in Tool. In addition, if the Issuer's financial condition deteriorates, the existence of the Bail-in Tool could cause the market price or value of the Notes to decline more rapidly than would be the case in the absence of such power.

In addition to the Bail-in Tool, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

Since 1 January 2016, French credit institutions, investment firms and financial institutions have to meet, at all times, a minimum requirement for own funds and eligible liabilities (**MREL**) pursuant to Article L. 613-44 of the French *Code monétaire et financier*. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at avoiding institutions to structure their liabilities in a manner that impedes the effectiveness of the Bail-in Tool.

In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the banks' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The application of any resolution measure under the French BRRD implementing provisions or any suggestion of such application with respect to the Issuer or the Group could materially adversely affect the rights of Noteholders, the price or value of an investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

French insolvency law

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

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a euro medium term notes programme) and regardless of their governing law.

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

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

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convene the Assembly.

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

II. Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes in respect of which interest and/or redemption payments are subject to a cap and/or a floor

If Notes are structured such that the amount payable in respect of interest (if any) or principal is subject to the application of a cap or a floor, or a combination of those factors or similar related features, their market values may be even more volatile than those for securities that do not include those features. In particular, but without limiting the generality of the foregoing, the effect of a cap or floor, or a combination thereof, may mean that the investor will not fully participate in any positive performance of the underlying(s) and any payments in respect of the Notes will be lower than they would have been without a cap, floor or combination thereof, as the case may be.

Rate Linked Notes, Index Linked Notes, Inflation Linked Notes, Share Linked Notes and Fund Linked Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula or a basket of indices or formulas, an inflation index, a share or a basket of shares or to changes in the prices or levels of shares, indices or inflation indices (each, a **Relevant Factor**). Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) movements in the Relevant Factor may adversely affect the amount of nominal and/or interest (if applicable) to be paid to the Noteholder and may also affect the market value of the Notes;
- (iii) they may receive no interest;
- (iv) payment of principal or interest may occur at a different time than expected;
- (v) they may lose all or a substantial portion of their principal;
- (vi) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vii) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (viii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index, an inflation index or a share should not be viewed as an indication of the future performance of such index, inflation index or share during the term of any Rate Linked Notes, Index Linked Notes, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Rate Linked Notes, Index Linked Notes, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes and the suitability of such Notes in light of its particular circumstances.

A Note will not represent a claim against any underlying reference asset(s) (**Underlying Reference(s)**) to which the amount of principal and/or interest payable or amount of specified assets deliverable in respect of the Notes is dependent and, in the event that the amount paid by the Issuer or value of the specified assets delivered on redemption of the Notes is less than the principal amount of the Notes, a Noteholder will not have recourse under a Note to any Underlying Reference. In addition investing in a Note will not entitle the Noteholder to benefit from a voting right (if any) attached to an Underlying Reference.

Risks relating to Notes linked to a "benchmark" rate or index

Benchmarks, including benchmarks such as LIBOR and EURIBOR have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause the relevant benchmark (a **Benchmark**) to perform differently than in the past, or have other consequences which may have a material adverse effect on the value of and the amount payable under the Notes.

International proposals for reform of benchmarks include Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the **Benchmarks Regulation**). The Benchmarks Regulation has entered into force on 30 June 2016 and has applied in its entirety since 1 January 2018. In addition, there are numerous other proposals, initiatives and

investigations which may impact Benchmarks. The Benchmarks Regulation applies to "contributors", "administrators" and "users" of Benchmarks in the EU, and (I) requires, among other things, Benchmark administrators to be authorised (or, if non-EU-based, to have satisfied certain "equivalence" conditions in its local jurisdiction, to be "recognised" by the authorities of a Member State pending an equivalence decision or to be "endorsed" for such purpose by an EU competent authority) and to comply with requirements in relation to the administration of Benchmarks and (II) bans the use of Benchmarks of unauthorised administrators. The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices such as EURIBOR and LIBOR, could also apply to many interest rate and foreign exchange rate indices, equity, commodity and other indices (including proprietary indices or strategies) where used to determine the amount payable under or the value or performance of certain listed financial instruments traded on a trading venue, financial contracts and investment funds.

The Benchmarks Regulation could have a material impact on Notes linked to a Benchmark, including in any of the following circumstances:

- (A) A rate or index which is a Benchmark could not be used as such if its administrator does not obtain authorisation (or such authorisation is subsequently rejected, suspended or withdrawn) or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be adjusted, redeemed prior to maturity or otherwise impacted.
- (B) The methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level of such Benchmark.
- (C) Under certain conditions, the Issuer will have a right of an early redemption of the Notes. In the event of an early redemption, the investor may, as a result, receive a lower than the expected yield on the invested capital.

Any changes to a Benchmark as a result of the Benchmarks Regulation or other initiatives could have a material adverse effect on the costs of financing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any relevant regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks.

It is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be, and/or could have an effect on the value of any Notes whose interest or principal return is linked to the relevant Benchmark. Investors should therefore be aware that they face the risk that any changes to the relevant Benchmark, or the replacement of one Benchmark for another Benchmark, may have a material adverse effect on the value of and the amount payable under the Notes whose rate of interest or principal return is linked to a Benchmark.

In addition, Benchmarks could be discontinued entirely. For example, on 27 July 2017, the United Kingdom's Financial Conduct Authority (**FCA**) announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. If a Benchmark were to be discontinued or otherwise unavailable, the return on Notes which are linked to such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes (which may include an adjustment to the terms of the Notes to take account of such discontinuation or unavailability, or an early redemption of the

Notes). There is a risk that the application of such fall-back provisions may result in a lower return to the holders of the Notes than the use of other provisions. Notwithstanding these fall-back provisions, the discontinuance of the relevant Benchmark may adversely affect the market value of the Notes. Any of the foregoing could have a material adverse effect on the value or liquidity of, and the amounts payable on, Notes where the return is linked to a discontinued Benchmark.

Risks related to Index Linked Notes and Inflation Linked Notes

Index Linked Notes and Inflation Linked Notes are not in any way sponsored, endorsed, sold or promoted by the sponsor of the relevant Index(ices), Inflation Index(ices) (as the case may be) (the **Sponsor**) and the Sponsor(s) make(s) no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Index(ices) and/or the figure at which the Index(ices) stands at any particular time on any particular day or otherwise. An investor's decision to invest in the Notes should be made without reliance on the Sponsor(s). The Sponsor(s) shall not be liable (whether in negligence or otherwise) for any loss, damages, costs, charges, expenses or other liabilities including, without limitation, liability for any special, punitive, indirect or consequential damages, even if notified of the possibility of such damages to any person for any error in the Index(ices) and the Sponsor(s) shall not be under any obligation to advise any person of an error therein.

The risk factors set out in this paragraph are not intended to be and should not be relied upon as a substitute for reading the relevant index rules. The investor should carefully read the index rules in their entirety to understand the terms of the Index.

See also the risk entitled "*Risks relating to Notes linked to a "benchmark" rate or index*".

Risks relating to Inflation Linked Notes

The Issuer may issue Inflation Linked Notes where the amount of principal and/or interest payable is dependent upon changes in the level of inflation. The risk factors set out under "Index Linked Notes" above also apply to Inflation Linked Notes. In addition, the decision to purchase Inflation Linked Notes involves complex financial appreciations and risks as the inflation cannot be foreseen with any degree of certainty. The yield of Inflation Linked Notes may be lower than the yield of other types of Notes. The Issuer makes no representation as to the tax treatment of such Notes or as to the lawfulness of the purchase of such Notes in any jurisdiction.

Inflation Indices may not correlate with other indices and may not correlate perfectly with the rate of inflation experienced by purchasers of the Notes in such jurisdiction. The value of the Notes which are linked to an Inflation Index may be based on a calculation made by reference to such Inflation Index for a month which is several months prior to the date of payment on the Notes and therefore could be substantially different from the level of inflation at the time of the payment on the Notes.

Risks relating to Share Linked Notes

The Issuer may issue Share Linked Notes in respect of which the amount of principal and/or interest payable are dependent upon the price of or changes in the price of shares or a basket of shares. Accordingly an investment in Share Linked Notes may bear similar market risks to a direct equity investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that depending on the terms of the Share Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the share or basket of shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the share(s) may affect the actual yield to investors, even if the average level is consistent with

their expectations. In general, the earlier the change in the price of the share(s), the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the share(s) on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date, the volatility of the share or shares, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant share or shares as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such shares may be traded.

A holder of the Notes will not be a beneficial owner of the underlying shares and therefore will not be entitled to receive any dividends or similar amounts paid on the underlying shares, nor will a Noteholder be entitled to purchase the underlying shares by virtue of its ownership of the Notes. Moreover, holders of the Notes will not be entitled to any voting rights or other control rights that holders of the underlying shares may have with respect to the issuer of such underlying shares. The Final Redemption Amount or the Early Redemption Amount of the Notes will not reflect the payment of any dividends on the underlying shares, the return on the Notes will not reflect the return which could be realised with the reception of dividends if any, paid on those securities being the owner of the underlying shares. Therefore, the yield to maturity based on the methodology for calculating the Final Redemption Amount will not be the same yield as would be produced if the underlying shares were purchased directly and held for a similar period.

The Calculation Agent may make adjustments to elements of the Notes as described in the additional terms and conditions for Share Linked Notes set out in the Share Annex. The Calculation Agent is not required to make an adjustment for every corporate event that may affect the underlying shares. Those events or other actions by the issuer of underlying shares or a third party may nevertheless adversely affect the market price of the underlying shares and, therefore, adversely affect the value of the Notes. The issuer of underlying shares or a third party could make an offering or exchange offer or the issuer of underlying shares could take another action that adversely affects the value of the underlying shares and the Notes but does not result in an adjustment. The issuers of underlying shares are not involved in the offer of the Notes in any way and have no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes. The issuers of underlying shares may take actions that will adversely affect the value of the Notes.

Risks related to Fund Linked Notes

- (i) *Where the Underlying is a fund, there is a risk that such fund will not accurately track its underlying share or index*

Where the Notes are linked to a Fund and the investment objective of such Fund is to track the performance of a share or an index, the investors of such Notes are exposed to the performance of such Fund rather than the underlying share or index such Fund tracks. For certain reasons, including to comply with certain tax and regulatory constraints, a Fund may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such Fund. Accordingly, investors who purchase Notes that are linked to a Fund may receive a lower return than if such investors had invested in the share or the index underlying such Fund directly.

- (ii) *Action or non-performance by the management company, fund administrator or sponsor of a fund may adversely affect the Notes*

The management company, fund administrator or sponsor of a Fund will have no involvement in the offer and sale of the Notes and will have no obligation to any purchaser of such Notes. The management company, fund administrator or sponsor of a Fund may take any actions in respect of such Fund without regard to the interests of the purchasers of the Notes, and any of these actions could adversely affect the market value of the Notes. In its day-to-day operations and its investment strategy, a Fund will rely on the fund advisor, the investment advisor, the management company and/or on third parties providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments used by such Fund to employ its investment strategy. The insolvency or non-performance of services of any such persons or institutions may expose a Fund to financial loss. Failure of procedures or systems, as well as human error or external events associated with a Fund's management and/or administration may cause losses to a Fund and affect the market value of the Notes.

- (iii) *Funds are not actively managed*

A Fund is not actively managed and may be affected by general movements in market segments related to the index or other asset it is tracking. A Fund invests in instruments included in, or that are representative of, the index or other asset it is tracking regardless of their investment merits.

- (iv) *Funds may engage in securities lending*

Securities lending involves the risk that the Fund may lose money because the borrower of the Fund's loaned securities fails to return the securities in a timely manner or at all.

- (v) *Funds are subject to market trading risks*

A Fund faces numerous market trading risks, including but not limited to the potential lack of an active market for its shares, losses from trading in secondary markets, periods of high volatility, limited liquidity and disruption in the creation or redemption process of such Fund. If any of these risks materialises, this may lead to the Fund shares trading at a premium or discount to the net asset value.

- (vi) *Investors should investigate the underlying fund(s) as if investing directly*

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

- (vii) *No ownership rights in any underlying fund(s)*

An investment in the Notes does not entitle Noteholders to any ownership interest or rights in any underlying fund(s), such as voting rights or rights to

any payments made to owners of the underlying fund(s). Instead, a Note represents a notional investment in the underlying fund(s). The term "notional" is used because although the value of the underlying fund(s) will be used to calculate payments under the Notes, an investment in the Notes may not be used to purchase interests in the underlying fund(s) on behalf of an investor. The Issuer, or an affiliate of the Issuer, may purchase interests in the underlying fund(s) in order to hedge its obligations under the Notes but it is under no obligation to do so.

(viii) *Determinations made by the Calculation Agent in respect of Potential Adjustment Events and Extraordinary Events may have an adverse effect on the value of the Notes*

Upon determining that a Potential Adjustment Event or an Extraordinary Event has occurred in relation to an underlying fund or in relation to a share or unit of an underlying fund, the Calculation Agent has discretionary authority under the terms and conditions of the Notes to make certain determinations to account for such event including to (i) make adjustments to the terms of the Notes and/or (ii) cause early redemption of the Notes, any of which determinations may have an adverse effect on the value of the Notes.

Market Disruption and adjustments provisions may affect the value and liquidity of the Notes as well as postpone due dates for payment

If an issue of Rate Linked Notes, Index Linked Notes, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes includes provisions dealing with the occurrence of a disruption event or any other event, *however* defined, set out under the terms and conditions of the Notes and affecting such Notes or the underlying Benchmark Rate, Index, Inflation Index, Share, Basket of Indices, Basket of Inflation Indices, Basket of Shares or Basket of Funds, as applicable, (a **Disruption Event**) on an Observation Date or any other relevant date and the Calculation Agent determines that a Disruption Event has occurred or exists on such date, any consequential postponement of the relevant date or alternative provisions for valuation provided in any the terms and conditions of such Notes may have an adverse effect on the value and liquidity of such Notes.

The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Notes *such* that the Noteholder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Notes than otherwise would have been the case. In addition, any such consequential postponement may result in the postponement of the relevant due date for payment under the Notes and/or Maturity Date.

Furthermore, following the occurrence of such a Disruption Event, the Issuer may (i) elect to notify to the Noteholders an early redemption of the Notes or (ii) make such adjustments to the terms and conditions of the Notes as it considers appropriate to reflect the consequences of the Disruption Event.

Additional factors relating to Share Linked Notes.

In the case of Share Linked Notes following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any terms of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share). Such adjustment may have an adverse effect on the value and liquidity of the affected Share Linked Notes.

If an Extraordinary Event occurs in relation to a Share it may lead to:

- (a) adjustments to any of the terms of the Notes (including, in the case of Share Linked Notes linked to a Basket of Shares, adjustments to and/or substitution of constituent shares of the Basket of Shares);
- (b) early redemption in whole or, in the case of Share Linked Notes relating to a Basket of Shares, in part or the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption; or
- (c) the Calculation Agent making an adjustment to any terms of the Notes which corresponds to any adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **Option Exchange**) or, if options on the Shares are not traded on the Option Exchange, the Calculation Agent making such adjustment, if any, to the terms of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Option Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Option Exchange if such options were so traded.

Additional factors relating to Fund Linked Notes.

In the case of Fund Linked Notes following the declaration of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Funds and, if so, will make the corresponding adjustment, if any, to any terms of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Fund). Such adjustment may have an adverse effect on the value and liquidity of the affected Fund Linked Notes.

If an Extraordinary Event occurs in relation to a Fund it may lead to:

- (a) adjustments to any of the terms of the Notes (including, in the case of Fund Linked Notes linked to a Basket of Funds, adjustments to and/or substitution of constituent shares of the Basket of Funds); or
- (b) early redemption in whole or, in the case of Fund Linked Notes relating to a Basket of Funds, in part or the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption.

Notes linked to a basket of Indices or Shares

Where Notes are linked to the value of multiple Indices or multiple Shares (in each case, the **Underlyings**) forming a basket of assets (in each case, a **Basket**), investors will be exposed to the value of the Basket and will bear the risk of the value of each of the Underlyings in the Basket.

Investors should be aware that, even in the case of a positive performance of one or more of the Underlyings in the Basket, the value of the Basket as a whole may be negative if the performance of the other Underlyings in the Basket is negative to a greater extent.

Investors should also be aware that the value of a Basket that includes fewer Underlyings will generally be affected to a greater extent by changes in the value of any particular Underlying included in the Basket than a Basket that includes a greater number of Underlyings.

Where the underlyings in a Basket are subject to weighting, the performance of an Underlying with a greater weighting in the Basket will generally have a greater effect on the performance of the Basket than an Underlying with a lesser weighting in the Basket.

Variable rate Notes with a multiplier or other leverage factor

Notes with *variable* interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

The yield associated with Fixed Rate Notes or Zero Coupon Notes will differ according to the price at which the Notes are purchased

The indication of yield or accrual yield stated within any Final Terms of Notes applies only to investments made at (as opposed to above or below) the issue price of such Notes. If an investor invests in Notes at a price other than the issue price of the Notes, the yield or accrual yield on that particular investor's investment in the Notes will be different from the indication of yield or accrual yield on the Notes as set out in the Final Terms.

Zero Coupon Notes

The prices at which Zero Coupon Notes trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes subject to automatic redemption

Notes may be subject to automatic early redemption if certain conditions (as specified in the Terms and Conditions of the Notes) are met. Such features may negatively affect the value of the Notes and may lead to redemption at an amount or time less favourable for Noteholders.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally.

Modification and waivers

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who did not vote in line with the majority.

Unsecured obligations

The Notes constitute general, unsecured, contractual obligations of the Issuer and of no other person. Any person who purchases such Notes is relying upon the creditworthiness of the Issuer and has no rights under the terms and conditions of the Notes against any other person. The Notes will not be secured by any property of the Issuer and all Notes rank equally among themselves and with all other unsecured and unsubordinated obligations of the Issuer.

Taxation

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

The Issuer will not make any gross-up payment to the holders of the Notes to compensate for withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any jurisdiction.

Potential U.S. Foreign Account Tax Compliance Act Withholding

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (**FATCA**) impose a withholding tax of 30% (**FATCA Withholding**) on certain U.S.-source payments and proceeds from the sale of assets that give rise to U.S.-source interest or dividends (including Dividend Equivalent Payments, as defined in (viii) *Legislation Affecting Dividend Equivalent Payments* below), as well as certain payments by non-U.S. entities to persons that fail to meet certain certification or reporting requirements. Under current law, withholding is currently imposed in respect of certain U.S.-source payments (including interest and dividends) and will be imposed starting (x) 1 January 2019 in respect of proceeds from the sale of assets that give rise to U.S.-source interest or dividends and (y) 1 January 2019, at the earliest, in respect of "foreign passthru payments" (which term is not yet defined under existing FATCA guidance). The Issuer and other financial institutions through which payments on the Notes are made may be required to withhold on account of FATCA if (a) an investor does not provide information sufficient for the Issuer or the relevant financial institution to determine whether the investor is subject to FATCA Withholding or (b) a "foreign financial institution" (as defined under FATCA) to or through which payment on the Notes are made (including a foreign financial institution that is a beneficial owner of the Notes) does not become a "participating foreign financial institution" by entering into an agreement with the U.S. Internal Revenue Service to provide certain information on its account holders.

The application of FATCA to interest, nominal or other amounts paid with respect to the Notes is not clear.

In this context, France has entered into an intergovernmental agreement with the United States on 14 November 2013 so as to help implement FATCA for certain entities in France. As a result of France entering into an intergovernmental agreement with the United States, the Issuer may be required to report certain information on its U.S. account holders to the government of France (pursuant to the guidelines published by the French tax authorities under the references BOI-INT-AEA-10-20150805 et seq.) in order (i) to obtain an exemption

from FATCA Withholding on payments the Issuer receives and/or (ii) to comply with French applicable domestic laws. It is not yet certain how the United States and France will address withholding on "foreign passthru payments" (which may include payments on the Notes) or if such withholding will be required at all.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer nor any Agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected. The Noteholders should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

FATCA is particularly complex and its application with respect to "foreign passthru payments" is uncertain at this time. Each prospective investor should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how this legislation might affect the investor in its particular circumstance. The application of FATCA to Notes that may be affected by FATCA may be addressed in any applicable drawdown prospectus or a Supplement to the Base Prospectus, as applicable. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, the Notes may be redeemed early.

European Market Infrastructure Regulation and Markets in Financial Instruments Directive

Regulation (EU) No. 648/2012, known as the European Market Infrastructure Regulation (**EMIR**) entered into force on 16 August 2012 and took direct effect in the member states of the European Union. Under EMIR, certain over-the-counter (OTC) derivatives that are traded in the European Union by financial counterparties (**FCs**), such as investment firms, credit institutions and insurance companies, and certain non-financial counterparties (**NFCs**) have to be cleared (the clearing obligation) via an authorised central clearing counterparty (a **CCP**). In addition, EMIR requires the reporting of OTC derivative contracts to a trade repository (the reporting obligation) and introduces certain risk mitigation requirements in relation to OTC derivative contracts that are not cleared by a CCP.

Under EMIR, a CCP will be used to meet the clearing obligation by interposing itself between the counterparties to the eligible derivative contracts. CCPs will connect with derivative counterparties through their clearing members. Each derivative counterparty which is required to clear OTC derivatives contracts will be required to post both initial and variation margin to the clearing member, which will in turn be required to post margin to the CCP. EMIR requires CCPs to only accept highly liquid collateral with minimal credit and market risk. Where an NFC enters into an OTC derivative contract, which is not "eligible" for clearing, it will have to ensure that appropriate procedures and arrangements are in place to monitor and minimise operational and credit risk.

Furthermore, parties subject to EMIR have to apply certain risk mitigation techniques in relation to timely confirmation, portfolio reconciliation and compression, and dispute resolution that are applicable to OTC derivatives contracts that are not cleared by a CCP. In addition, such parties are required to deliver certain information about any OTC derivatives contract to a registered or recognised trade repository. EMIR also imposes a record-keeping requirement pursuant to which counterparties must keep records of any derivative contract they have concluded and any modification for at least five years following the termination of the contract.

The EU regulatory framework relating to derivatives is set not only by EMIR but also by Directive 2014/65/EU (**MiFID II**) on markets in financial instruments, which repeals the existing Directive 2004/39/EC, and Regulation (EU) No. 600/2014 on markets in financial instruments (**MiFIR**). In particular, MiFID II require transactions in certain classes of OTC derivatives to be executed on a trading venue. In this respect, it is difficult to predict the full impact of these regulatory requirements on the Issuer.

Investors in the Notes should be aware that the regulatory changes arising from EMIR, MiFID II and MiFIR may in due course significantly raise the costs of entering into OTC derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivative contracts. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. The full impact of EMIR, MiFID II and MiFIR remains to be clarified. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR, MiFID II and MiFIR and technical implementation in making any investment decision in respect of the Notes.

It should also be noted that further changes may be made to the EMIR framework in the context of the EMIR review process, including in respect of counterparty classification. In this regard, the European Commission has published legislative proposals providing for certain amendments to EMIR. If the proposals are adopted in their current form, the classification of certain counterparties under EMIR would change. It is not clear when, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted and will become applicable and how they might affect the Issuer. In addition, the compliance position under any adopted amended framework of swap transactions entered into prior to adoption is uncertain. No assurances can be given that any changes made to EMIR would not cause the status of the Issuer to change and lead to some or all of the potentially adverse consequences outlined above.

Proposed Financial Transaction Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **Participating Member States**). However, Estonia has since stated that it will not participate.

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

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

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

Change of law

The conditions of the Notes are governed by English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Potential Conflicts of Interest

Each of the Issuer, the Dealer(s) or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any issuer

of the securities taken up in an index, their respective affiliates or any guarantor or any other person or entities having obligations relating to any issuer of the securities taken up in an index or their respective affiliates or any guarantor in the same manner as if any index-linked Notes issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on an issuer of the securities taken up in the index, any of their respective affiliates or any guarantor.

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

In addition, potential conflicts of interest may arise between the Calculation Agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

Besides, the Issuer has taken sensible measures in order to avoid any potential conflict of interest due the fact that the Issuer acts both as a dealer and as an issuer.

The Issuer makes its best efforts to identify and avoid any conflict of interest which may arise when delivering investment services and ancillary services offered to clients.

In this respect, the Issuer has set up an internal organisation, a dedicated procedure and other measures which enable it to identify and manage those situations in the best way possible.

The Issuer undertakes to inform the client about the nature of, and the reasons for, a conflict of interest to the extent that the same arises.

Notes where denominations involve integral multiples: Definitive Notes

In relation to any issue of Notes, which have denominations consisting of a minimum Specified Denomination, plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a nominal amount of Notes such that its holding amounts to a Specified Denomination.

If Definitive Notes are issued, holders should be aware that Definitive Notes, which have a denomination, that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Certain considerations associated with public offers of Notes

The applicable Final Terms may provide that certain specific information relating to the Notes (such as certain amounts, levels, percentages, prices, rates or values (as applicable) used to determine the final offer price or the amount of the Notes to be offered to the public) may not be fixed or determined until the end of the offer period. In such case, the applicable Final Terms will specify in place of the relevant amounts, levels, percentages, prices, rates or values (as applicable), such indicative amounts, levels, percentages, prices, rates or values (as applicable), or an indicative range thereof, which may be subject to a minimum or maximum amount, level, percentage, price, rate or value (as applicable).

The actual amounts, levels, percentages, prices, rates or values (as applicable) will be determined based on market conditions by the Issuer on or around the end of the offer period and may be the same as or different from any indicative amount specified in the applicable Final Terms, provided that such actual amounts will not be less than any indicative minimum

amount specified therein and will not be more than any indicative maximum amount specified therein.

Holders of the Notes will be required to make their investment decision based on the indicative amounts or indicative range rather than the actual amounts, levels, percentages, prices, rates or values (as applicable), which will only be fixed or determined at the end of the offer period after their investment decision is made but will apply to the Notes once issued.

If the applicable Final Terms provides an indicative range of amounts, levels, percentages, prices, rates or values (as applicable), holders of the Notes should, for the purposes of evaluating the risks and benefits of an investment in the Notes, assume that the actual amounts, levels, percentages, prices, rates or values (as applicable) fixed or determined at the end of the offer period may have a negative impact on the amounts payable or assets deliverable in respect of the Notes and consequently, have an adverse impact on the return on the Notes (when compared with other amounts, levels, percentages, prices, rates or values (as applicable) within any indicative range, or less than any indicative maximum amount, or greater than any indicative minimum amount). Holders should therefore make their decision to invest in the Notes on that basis.

If Notes are distributed by means of a public offer, whether or not in a Member State of the European Economic Area, under certain circumstances indicated in the applicable Final Terms, the Issuer and/or the other entities indicated in the Final Terms, will have the right to withdraw or revoke the offer, and the offer will be deemed to be null and void according to the terms indicated in the applicable Final Terms. In such case, any amounts segregated by a distributor as intended payment of the offer price by an investor will be released to the relevant investor by the distributor but may or may not accrue interest depending on the agreements between the investor and the relevant distributor or depending on the policies applied by the distributor in this regard. In these circumstances, there may also be a time lag in the release of any such amounts and, unless otherwise agreed with the relevant distributor no amount will be payable as compensation and the applicant may be subject to reinvestment risk.

Unless otherwise provided in the applicable Final Terms, the Issuer and/or the other entities specified in the applicable Final Terms may terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the applicable Final Terms. Any such termination may occur, even where the maximum amount for subscription in relation to that offer (as specified in the applicable Final Terms), has not been reached and, in such circumstances, the early closing of the offer may have an impact on the aggregate number of the Notes issued and, therefore, may have an adverse effect on the liquidity of the Notes.

Furthermore, under certain circumstances, the Issuer and/or the other entities indicated in the applicable Final Terms will have the right to postpone the originally-designated issue date. For the avoidance of doubt, this right applies also in the event that the Issuer publishes a supplement to the Base Prospectus in accordance with the provisions of the Prospectus Directive. In the event that the issue date is so delayed, no compensation or amount in respect of interest shall be payable or otherwise accrue in relation to such Notes unless otherwise agreed between the investor and the relevant distributor as payable by the distributor or the policies of the distributor otherwise provide for the distributor to make any such payments.

Distributors may acquire Notes at a price that is lower than the issue price and/or receive a placement fee in relation to a transaction in the Notes. Investors should be aware that the payment of the fee may create a potential conflict of interest for the distributor. For any reduced price or fee received in connection with any transaction in the Notes, the distributor is solely responsible for making adequate disclosure to investors as required by applicable law, regulation, rule or best market practice.

Listing of Notes

In respect of Notes which are (in accordance with the applicable Final Terms) to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list the relevant Notes, although in this case it will use all reasonable endeavours to obtain and maintain (as soon as reasonably practicable after the relevant delisting) an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide. If such an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that certain Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

Eurozone crisis

Concerns about credit risk (including that of sovereigns) and the Eurozone crisis have recently intensified. The large sovereign debts and/or fiscal deficits of a number of European countries and the US have raised concerns regarding the financial condition of financial institutions, insurers and other corporates (i) located in these countries; (ii) that have direct or indirect exposure to these countries; and/or (iii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Issuer operates and the businesses and economic condition and prospects of the Issuer's counterparties, customers or creditors, directly or indirectly, in ways which it is difficult to predict.

The impact of these conditions could be detrimental to the Issuer and its businesses and could adversely affect its business, operations and profitability; its solvency and the solvency of its counterparties, customers and service providers; its credit rating; its share price; the value and liquidity of its assets and liabilities; the value and liquidity of the Notes and/or the ability of the Issuer to meet its obligations under the Notes and under its debt obligations more generally.

Prospective investors should ensure that they have sufficient knowledge and awareness of the Eurozone crisis, global financial crisis and the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Notes. In particular, prospective investors should take into account the

considerable uncertainty as to how the Eurozone crisis, the global financial crisis and the wider economic situation will develop over time.

Exchange rate risks and exchange controls

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

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

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended (the **CRA Regulation**)) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Notes and Markets Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. To the extent applicable certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

Legal investment considerations may restrict certain investments

Each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it

(whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. Potential investors should consult with their own tax, legal, accounting and/or financial advisors before considering investing in the Notes.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks in relation to the United Kingdom's vote to leave the European Union

On 23 June 2016 the United Kingdom (**UK**) voted to leave the European Union in a referendum (the "**Brexit Vote**") and on 29 March 2017 the UK gave formal notice (the "**Article 50 Notice**") under Article 50 of the Treaty on European Union ("**Article 50**") of its intention to leave the European Union.

The timing of the UK's exit from the EU remains subject to some uncertainty, but it is unlikely to be before March of 2019. Article 50 provides that the EU treaties will cease to apply to the UK two years after the Article 50 Notice unless a withdrawal agreement enters into force earlier or the two year period is extended by unanimous agreement of the UK and the European Council.

The terms of the UK's exit from the EU are also unclear and will be determined by the negotiations taking place following the Article 50 Notice. It is possible that the UK will leave the EU with no withdrawal agreement in place if no agreement can be reached and approved by all relevant parties within the allotted time. If the UK leaves the EU with no withdrawal agreement, it is likely that a high degree of political, legal, economic and other uncertainty will result.

On 23 March 2018, the EU announced that agreement in principle had been reached on a transition period running from the UK's withdrawal from the EU in March 2019 to the end of 2020, during which the UK would retain access to the EU Internal Market and Customs Union on its current terms. This agreement is only political in nature and will not be legally binding until any withdrawal agreement is formally agreed and ratified, a process which is expected to start in October 2018. The EU also announced that the European Council has adopted guidelines for the EU's negotiators, with a view to opening the negotiations with the UK to agree a framework for the future relationship between the EU and the UK post-Brexit.

In addition to the economic and market uncertainty this brings (see "*Market uncertainty*" below) there are a number of potential risks in relation to an investment in the Notes that Noteholders should consider:

(a) Political uncertainty

The UK is experiencing a period of acute political uncertainty connected to the negotiations with the EU. Such uncertainty could lead to a high degree of economic and market disruption and legal uncertainty. It is not possible to ascertain how long this period will last and the impact it will have on the UK in general and the market, including market value and liquidity for the Notes. The Issuer cannot predict when or if political stability will return, or what the market conditions relating to the Notes will be at that time.

(b) Legal uncertainty

A significant proportion of English law currently derives from or is designed to operate in concert with European Union law. This is especially true of English law relating to financial markets, financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, and market infrastructure. The European Union (Withdrawal) Bill introduced into the UK Parliament on 13 July 2017 (the "**Withdrawal Bill**") aims to incorporate the EU law *acquis* into UK law the moment before the UK ceases to be a member of the EU, with the intention of limiting immediate legal change. The Withdrawal Bill, if enacted in the form in which it was introduced, would grant the UK Government wide powers to make secondary legislation in order to, among other things, implement any withdrawal agreement and to adapt those laws that would otherwise not function sensibly once the UK has left the EU, on the whole with minimal parliamentary scrutiny. The secondary legislation made under those powers would be able to do anything that could be done by an act of Parliament. Over time, however – and depending on the timing and terms of the UK's exit from the EU – significant changes to English law in areas relevant to the Notes and the parties to the Programme are likely. The Issuer cannot predict what any such changes will be and how they may affect payments of principal and interest to the Noteholders.

(c) *Regulatory uncertainty*

There is significant uncertainty about how financial institutions from the remaining EU (the "**EU27**") with assets (including branches) in the UK will be regulated and *vice versa*. At present, EU single market regulation allows regulated financial institutions (including credit institutions, investment firms, alternative investment fund managers, insurance and reinsurance undertakings) to benefit from a passporting system for regulatory authorisations required to conduct their businesses, as well as facilitating mutual rights of access to important elements of market infrastructure such as payment and settlement systems. EU law is also the framework for mutual recognition of bank recovery and resolution regimes.

Once the UK ceases to be a Member State of the EU, the current passporting arrangements will cease to be effective, as will the current mutual rights of access to market infrastructure and current arrangements for mutual recognition of bank recovery and resolution regimes. The ability of regulated financial institutions to continue to do business between the UK and the EU27 after the UK ceases to be a Member State of the EU would therefore be subject to separate arrangements between the UK and the EU27. Although the UK Government has said that it "will be aiming for the freest possible trade in financial services between the UK and EU Member States" in a white paper setting out its Brexit negotiation objectives, there can be no assurance that there will be any such arrangements concluded and, if they are concluded, when and on what terms. Such uncertainty could adversely impact the ability of third parties who are regulated financial institutions to provide services to the Issuer and the Notes.

(d) *Market uncertainty*

Since the Brexit Vote, there has been volatility and disruption of the capital, currency and credit markets. There may be further volatility and disruption depending on the conduct and progress of the formal withdrawal negotiations initiated by the Article 50 Notice.

Potential investors should be aware that these prevailing market conditions could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for the Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes in secondary resales.

The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there would be an increase in the market value and/or there will be a more liquid market for the Notes at that time.

(e) *Counterparty risk*

Counterparties to the Programme documents may be unable to perform their obligations due to changes in regulation, including the loss of existing regulatory rights to do cross-border

business. Additionally, they may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the Brexit Vote, the Article 50 Notice and the conduct and progress of the formal withdrawal negotiations. As a result, there is an increased risk of such counterparties becoming unable to fulfil their obligations which could have an adverse impact on their ability to provide services to the Issuer and accordingly, on the ability of the Issuer to make payments of interest and repayments of principal to the Noteholders.

(f) *Break-up of the UK*

The Brexit Vote has also caused increased constitutional tension within the UK. Majorities of voters in both Scotland and Northern Ireland voted to remain in the European Union. Leading figures in both Scotland and Northern Ireland have suggested that they have a mandate from their voters to remain in the EU and might seek to leave the UK in order to achieve that outcome. The border between Northern Ireland and the Republic of Ireland has been a particularly difficult and contentious issue in the withdrawal negotiations thus far. The Issuer cannot predict the outcome of this continuing constitutional tension or how the potential future departure of Scotland and/or Northern Ireland from the UK would affect the Notes and the ability of the Issuer to pay interest and repay principal to Noteholders.

(g) *Rating actions*

The Brexit Vote has resulted in downgrades of the UK sovereign and the Bank of England by Standard and Poor's, Fitch and Moody's. In June 2016 both Standard and Poor's and Fitch lowered their ratings for the UK sovereign and that of the Bank of England with a negative outlook. Moody's took the same approach, however they decided to downgrade the UK and the Bank of England even further in September 2017, citing increasingly apparent challenges to policy making since the Brexit Vote.

The rating of the sovereign affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Further downgrades may cause downgrades to counterparties to the Programme documents meaning that they cease to have the relevant required ratings to fulfil their roles and need to be replaced. If rating action is widespread, it may become difficult or impossible to replace counterparties on the Programme with others who have the required ratings on similar terms or at all.

While the extent and impact of these issues is unknown, Noteholders should be aware that they could have an adverse impact on Noteholders and the payment of interest and repayment of principal on the Notes.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

The Issuer (the **Responsible Person**) accepts responsibility for the information contained in this Base Prospectus. To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Edmond de Rothschild (France)
47, rue du Faubourg Saint-Honoré
75008 Paris

Duly represented by:

Vincent Taupin
Chairman of the Executive Board

**IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES
WHERE THERE IS NO EXEMPTION FROM THE OBLIGATION UNDER THE
PROSPECTUS DIRECTIVE TO PUBLISH A PROSPECTUS**

RETAIL CASCADES

In the context of any offer of Notes from time to time in France, Luxembourg (the "**Public Offer Jurisdictions**") that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a **Non-exempt Offer**), the Issuer consents to the use of this Base Prospectus as so supplemented in connection with a Non-exempt Offer of any Notes during the offer period specified in the applicable Final Terms (the "**Offer Period**") and in the Public Offer Jurisdiction(s) specified in the applicable Final Terms by:

- (1) if Specific Consent is specified in the applicable Final Terms:
 - (a) any financial intermediary named therein, subject to the relevant conditions set out in such Final Terms; and
 - (b) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website (<http://www.edmond-de-rothschild.fr>) and identified as an Authorised Offeror in respect of the Non-exempt Offer;
- (2) if General Consent is specified in the applicable Final Terms, any financial intermediary which shall, for the duration of the relevant Offer Period, publish on its website that it is using this Base Prospectus for such Non-exempt Offer in accordance with the consent of the Issuer and that it accepts the Authorised Offeror Terms set out below relating to the use of the consent and the other conditions attached thereto.

"**Authorised Offeror Terms**" are that the relevant financial intermediary will, and agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer of the Notes:

- (i) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "Rules") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor and will immediately inform the Issuer and the Dealers if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all aspects;
- (ii) comply with the restrictions set out under "*Offer and Sale*" in this Base Prospectus which would apply as if it were a Dealer;
- (iii) consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms;
- (iv) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to investors or potential investors;
- (v) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
- (vi) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including taking appropriate steps, in compliance with such

Rules, to establish and document the identity of each potential investor prior to initial investment in any Notes by the investor), and will not permit any application for the Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

- (vii) retain investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer and/or the relevant Dealer(s);
- (viii) ensure that no holder of Notes or potential investor in Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- (ix) co-operate with the Issuer and the relevant Dealer in providing any information (including without limitation documents and records maintained pursuant to paragraph (vi) above) upon written request from the Issuer and/or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time together with such further assistance as is reasonably requested by the Issuer and/or the relevant Dealer in connection with any request or investigation by any regulator, any complaint received in relation to the Notes or which the Issuer and/or the relevant Dealer may require to comply with its own legal, tax and regulatory requirements as soon as is reasonably practicable and, in any event, within any time frame set by any regulator or regulatory process pursuant to which such information has been requested by the Issuer and/or the relevant Dealer;
- (x) during the primary distribution period of the Notes: (a) not sell the Notes at any price other than the Issue Price (unless otherwise agreed with the relevant Dealer); (b) not sell the Notes otherwise than for settlement on the Issue Date (as specified in the applicable Final Terms); and (c) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer);
- (xi) make available to each potential investor in the Notes the Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus;
- (xii) if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (a) is fair, clear and not misleading and complies with the Rules, (b) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that neither the Issuer nor the relevant Dealer accepts any responsibility for such communication and (c) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the Notes on the basis set out in the Base Prospectus;
- (xiii) agrees and undertakes to indemnify each of the Issuer and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents,

affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer;

- (xiv) agrees and accepts that:
 - (a) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Non-exempt Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
 - (b) the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the jurisdiction of the English courts; and
 - (c) the Issuer and each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms;
- (xv) ensure that it does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and
- (xvi) satisfy any further conditions specified in the applicable Final Terms,

in each case for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (in each case any such financial intermediary being an "**Authorised Offeror**").

For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

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

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of the approval of this Base Prospectus by the CSSF. In case it is contemplated that a Member State will be added to the list of Public Offer Jurisdictions for which the consent referred to above is given, a relevant supplement to the Base Prospectus will be prepared by the Issuer

In the event the applicable Final Terms designate Authorised Offeror(s) to whom the Issuer has given their consent to use this Base Prospectus during an Offer Period, the Issuer may also give consent to additional financial intermediary(ies) so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (also an Authorised Offeror) after the date of the applicable Final Terms and, if they do so, they will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the applicable Final Terms at www.bourse.lu.

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

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the "**Terms and Conditions of the Non-exempt Offer**"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. **The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the time of the Non-exempt Offer.** Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the English version of the audited consolidated annual financial statements of the Issuer for the financial year ending 31 December 2016 and 31 December 2017 which have been previously published and which have been filed by the Issuer with the CSSF. Such documents are incorporated by reference in, and form part of, this Base Prospectus.

The following additional documents which have previously been published or are published simultaneously within this Base Prospectus and have been filed with the CSSF are incorporated by reference in, and form part of, this Base Prospectus:

- the terms and conditions set out on pages 108 to 139 of the base prospectus 12 July 2017 relating to the Programme under the heading "Terms and Conditions of the Notes" (the **2017 Conditions**); and
- the terms and conditions set out on pages 87 to 116 of the base prospectus 12 July 2016 relating to the Programme under the heading "Terms and Conditions of the Notes" (the **2016 Conditions**).

The information incorporated by reference that is not included in the above cross-reference list, is considered as additional information and is not required by the relevant schedules of Regulation (EC) No. 809/2004 of 29 April 2004, as amended.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus, as well as this Base Prospectus, may be obtained from the website of the Luxembourg Stock Exchange (www.bourse.lu).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

The Issuer will, in the event of there being any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of the Notes, prepare if appropriate a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

For the purposes of the Prospectus Directive, information can be found in such documents incorporated by reference of this Base Prospectus in accordance with the following cross-reference tables:

INFORMATION INCORPORATED BY REFERENCE	PAGE REFERENCE
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31 December 2017 Financial Statements (within Annual Report 2017)

Management Report	Pages 13 to 81
Report of the Statutory Auditors on the consolidated financial statements	Pages 179 to 188
Consolidated Balance Sheet	Page 96
Consolidated Income Statement	Page 97
Cash Flow Statement	Page 99
Notes to the Consolidated Financial Statements	Page 101 to 149

INFORMATION INCORPORATED BY REFERENCE	PAGE REFERENCE
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31 December 2016 Financial Statements (within Annual Report 2016)

Management Report	Pages 13 to 73
Report of the Statutory Auditors on the consolidated financial statements	Pages 171 to 176
Consolidated Balance Sheet	Page 84
Consolidated Income Statement	Page 85
Cash Flow Statement	Page 87
Notes to the Consolidated Financial Statements	Page 89 to 141

The information incorporated by reference that is not included in the above cross-reference list, is considered as additional information and is not required by the relevant schedules of Regulation (EC) No. 809/2004 of 29 April 2004, as amended.

GENERAL DESCRIPTION OF THE PROGRAMME

The following General Description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Purchaser may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplement to the Base Prospectus will be published.

This General Description constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive, as amended.

Issuer:	Edmond de Rothschild (France)
Description:	Euro Medium Term Note Programme for the continuous offer of Notes (the Programme)
Arranger:	Edmond de Rothschild (France)
Dealers:	Edmond de Rothschild (France) Edmond de Rothschild (Europe)

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "Dealers" are to all persons appointed as a dealer in respect of one or more Tranches.

At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member State of the European Union (EU) and which are authorised by the relevant authority of such member home State to lead-manage bond issues in such member State may, in the case of Notes to be listed on the Eurolist of Euronext Paris S.A., act (a) as Dealers with respect to non-syndicated issues of Notes denominated in Euro and (b) as lead manager of issues of Notes denominated in Euro issued on a syndicated basis.

Programme Limit:	Up to €600,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Principal Paying Agent:	Banque Internationale à Luxembourg, société anonyme
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a Series) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a Tranche) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in final terms to this Base Prospectus (the Final Terms).
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from one year from the date of original issue.

Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling and in any other currency agreed between the Issuer and the relevant Purchasers.
Denomination(s):	Notes will be in such denominations as may be specified in the relevant Final Terms. The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Purchaser save that the minimum denomination of each Note listed and admitted to trading on a regulated market, or offered to the public, in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Status of the Notes:	Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and equally with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.
Events of Default:	There will be events of default in respect of the Notes as set out in Condition 9 – See "Terms and Conditions of the Notes – Events of Default".
Redemption Amount:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Early Redemption:	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons as set out in Condition 6. See "Terms and Conditions of the Notes — Redemption, and Purchase".
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms
Fixed Rate Notes:	Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions or the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms),

in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Rate Linked Notes: Rate Linked Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions or the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms),

in each case as adjusted for any applicable margin and then multiplied by a leverage.

Coupon periods will be each period from a coupon payment date to the next coupon payment (coupon payment date being as specified in the relevant Final Terms).

Index Linked Notes, Inflation Linked Notes, Share Linked Notes and Fund Linked Notes: Payments of principal and interest in respect of Index Linked Notes, Inflation Linked Interest Notes, Share Linked Notes or Fund Linked Notes will be calculated by reference to such index, share and/or formula as may be specified in the relevant Final Terms.

Indices underlying the Indexed Linked Notes are rate indices, equity indices, bond indices, fund (including exchange traded fund) indices, proprietary indices, indices referenced to a basket of equity and/or bond and/or rate and/or fund (including exchange traded fund) and or proprietary indices (excluding proprietary indices composed by the Issuer or any of its affiliates), etc, such as Eurostoxx50 Index, S&P 500 Index, Nikkei 225, Ethical Europe Equity Index, iBoxx Euro Sovereigns Eurozone Performance Index or iShares MSCI Emerging Market Index.

Indices underlying the Inflation Linked Notes are official indices representing the price appreciation of goods and services in a given economic area, such as Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA.

Shares underlying the Share Linked Notes are shares listed on major exchanges, member of indices like the Stoxx 600, the Nikkei 225, the

S&P 500 or other indices.

Funds underlying the Fund Linked Notes are mutual funds.

- Redenomination:** Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro, all as more fully provided in section 2 (*Redenomination*) of the "Terms and Conditions of the Notes" below.
- Consolidation:** Notes of one Series may be consolidated with Notes of another Series as more fully provided in section 16 (*Further Issues*) of the "Terms and Conditions of the Notes" below.
- Form of Notes:** The Notes will be in bearer form as described in "Form of Notes".
- Governing Law:** English law.
- Clearing Systems:** Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Agent and the relevant Purchaser in relation to the Notes.
- Issue Price:** Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
- Taxation:** All payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of any jurisdiction, unless such withholding or deduction is required by law.
- If French law should require that payments in respect of the Notes be subject to withholding or deduction with respect to taxes, the Issuer will make payments of nominal and interest to the holders of the Notes net of withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any jurisdiction; the Issuer will not make any gross-up payment to the holders of the Notes to compensate for withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any jurisdiction.
- Listing and Admission to Trading:** Listing on the Official List of the Luxembourg Stock Exchange and/or admission to trading on the Regulated Market of the Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may or may not be admitted to trading.
- Offer to the public:** Unless the Final Terms so specify, the Notes shall not be offered to the public in Luxembourg and/or in any Member State of the European Economic Area.
- Method of Publication of the Final Terms:** The Final Terms related to Notes listed and admitted to trading on any Regulated Market and/or offered to the public will be published, if relevant, will always be published on the websites of the Luxembourg Stock Exchange (www.bourse.lu).
- Rating:** Unless otherwise specified in the relevant Final Terms, Notes to be issued under the Programme will not be rated. In the event that the Notes are to be rated whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC)

No. 1060/2009 (as amended) will be disclosed in the Final Terms.

Selling Restrictions:

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See "Subscription and Sale". In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the **D Rules**) unless (i) the relevant Final Terms states that such Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the **C Rules**) or (ii) such Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes (**Definitive Notes**) of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available, or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the

instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Permanent Global Notes and all Definitive Notes which have an original maturity of more than 365 days and on all receipts and interests coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

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 specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 11 July 2018 and executed by the Issuer.

FORM OF FINAL TERMS

[MiFID II product governance / Professional investors and eligible counterparties (ECPs) only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market. Possible wording could include, for example, "The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]"*]. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] (*Include this legend alternative if the target market is intended to be professional investors only (ie, it does not include retail investors)*)

[MiFID II product governance / Retail investors, professional investors and eligible counterparties (ECPs) target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); *EITHER* [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] *OR* [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] [non-advised sales][and pure execution services][, subject to the suitability and appropriateness obligations of the Distributor (as defined below) under MiFID II, as applicable]]. [*Consider any negative target market. Possible wording could include, for example, "The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]"*]. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the Distributor's suitability and appropriateness obligations under MiFID II, as applicable].] (*Include this legend alternative if the target market is intended to include retail investors*)

[PRIIPs Regulation / [Prospectus Directive] PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.] (*Include this legend alternative if Notes are a "packaged product" for the purpose of the PRIIPs Regulation and a key information document will not be made available*)

[PRIIPs Regulation /[Prospectus Directive /] PROHIBITION OF SALES TO EEA RETAIL INVESTORS WITHOUT KID – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA) without an updated key information document required by Regulation (EU) No. 1286/2014 for offering or selling the Notes or otherwise making them available to retail investors in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of **MiFID II**; (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended).] *(Include this legend alternative if Notes are a "packaged product" for the purpose of the PRIIPS Regulation and a key information document will be made available)*

Final Terms dated [●]

[Logo, if document is printed]

Edmond de Rothschild (France)

€600,000,000

Euro Medium Term Note Programme

for the issue of Notes

Due from one year from the date of original issue

ISSUE OF [●]

SERIES NO: [●]

TRANCHE NO: [●]

Issued by: Edmond de Rothschild (France) (the Issuer)

Any person making or intending to make an offer of the Notes may only do so[

- (i) in those Public Offer Jurisdictions mentioned in Paragraph 30 of Part A below, provided such person is a Dealer or an Authorised Offeror (as such term is defined in the Base Prospectus) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Base Prospectus are complied with; or
- (ii) otherwise]¹ in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area), including any relevant implementing measure in the relevant Member State of the European Economic Area (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 11 July 2018 [and the supplement to the Base Prospectus dated [●]] which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the

¹ Include this wording where a non-exempt offer of Securities is anticipated.

Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. *(Only required for Notes with a denomination of less than €100,000 (or its equivalent in any other currency))* [A summary of the individual issue of Notes is annexed to these Final Terms].

The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing at the office of the Agent or each of the Paying Agents and on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from Edmond de Rothschild (France), 47, rue du Faubourg St. Honoré – 75008 Paris, France. [In addition², the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at]/[on] [●].][Investors should consult the Issuer in case they require a copy of the 2000 ISDA Definitions or the 2006 ISDA Definitions.]

(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.)

[This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area), including any relevant implementing measure in the relevant Member State of the European Economic Area (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 11 July 2018 [and the supplement[s] to the Base Prospectus dated [●] 2018 which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. *(Only required for Notes with a denomination of less than €100,000 (or its equivalent in any other currency))* [A summary of the individual issue of Notes is annexed to these Final Terms].

The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing at the office of the Agent or each of the Paying Agents and on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from Edmond de Rothschild (France), 47, rue du Faubourg St. Honoré – 75008 Paris, France. [In addition³, the Base Prospectus [and the supplement[s] to the Base Prospectus] [is]/[are] available for viewing [at]/[on] [●].][Investors should consult the Issuer in case they require a copy of the 2000 ISDA Definitions or the 2006 ISDA Definitions.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [12 July 2016][12 July 2017] (the **Terms and Conditions**) which are incorporated by reference in the Base Prospectus dated 11 July 2018 [and the supplement[s] to the Base Prospectus dated [●]].]

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

1. (i) Series Number: [●]
- (ii) Tranche Number: [Not Applicable]/[●]

(If fungible with an existing tranche(s) of the same Series, insert the following:) [The Notes will be consolidated and form a single series with the [(insert series number, tranche number, specified currency, aggregate nominal amount, type of Notes and maturity date of each existing tranche(s))]

² If the Notes are admitted to trading on a regulated market other than the *Bourse de Luxembourg*.

³ If the Notes are admitted to trading on a regulated market other than the *Bourse de Luxembourg*.

Notes issued on [(insert issue date of existing tranche(s))] (the **Original Notes**) not less than 40 days after the Issue Date on certification of non-US beneficial ownership which is expected to be on or after [(insert date 40 calendar days after the Issue Date)] (the Exchange Date)]

2. (i) Specified Currency(ies): [●]
- (ii) Business Centre(s) [Not Applicable]/[●]
(Conditions 4(b)(i) and 5(c)):
3. Aggregate Nominal Amount:
- (i) Series: [●]
- (ii) Tranche: [Not Applicable]/[●]
4. (i) Issue Price: [[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] / [●] (insert amount)]
- (ii) Net Proceeds: [Not Applicable]/[●] (Required only for listed issues)
5. (i) Specified Denomination(s): [●]
- (N.B. If an issue of Notes is (i) not admitted to trading on a European Economic Area Exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.)
- (ii) Calculation Amount: [●]
- (If only one Specified Denomination, insert the Specified Denomination.
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
6. (i) Issue Date: [●]
- (ii) Maturity Date: [specify date]/(for Floating Rate Notes only) [Interest Payment Date falling in or nearest to [insert the relevant month and year]]
7. Type of Notes
- (i) [Fixed Rate]/[Floating Rate]/[Zero Coupon]/[Rate Linked]/[Index Linked]/[Inflation Linked]/[Share Linked]/[Fund Linked] Notes
- (ii) [The Notes relate to [the Benchmark Rate]/[the Index]/[the Basket of Indices]/[the Share]/[the Basket of

Shares]/[the Basket of Funds]]/[The Notes do not relate to any underlying.]

8. Redemption/Payment Basis⁴: Subject to any purchase and cancellation or early redemption, each Note will be redeemed on [the Maturity Date]/[specify dates] at [[100]/[●] per cent. of its nominal amount]/[its Index Linked Redemption Amount]/[its Inflation Linked Redemption Amount]/[its Share Linked Redemption Amount]]/[its Fund Linked Redemption Amount].
9. Put/Call Options: [Investor Put]/[Not Applicable]
[Issuer Call]/[Not Applicable]
10. Dates of the corporate authorisations for issuance of the Notes: [decision of the *Conseil de surveillance* of the Issuer dated [●] [and [●] of [specify function] of the Issuer dated [●]]/[decision of [●] [specify function] of the Issuer dated [●]]/[Not Applicable]
11. Method of distribution: [Syndicated]/[Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. Fixed Rate Note Provisions [Applicable]/[Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Commencement Date [●]
- (ii) Rate(s) of Interest: [●] per cent. per annum / payable in arrears on each Interest Payment Date
- (iii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify business day convention]]/[not adjusted]
- (iv) Fixed Coupon Amount(s): [●] per [Note of [●] Specified Denomination]/[Calculation Amount]
(N.B. Calculation Amount is applicable to Definitive Notes only.)
- (v) Broken Amount(s): [Not Applicable]/[[●] per [Note of [●] Specified Denomination]/[Calculation Amount], payable on the Interest Payment Date falling [in/on] [●]]
(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)) (N.B. Calculation Amount is applicable to Definitive Notes only.)
- (vi) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[Actual/Actual (ISDA)]

⁴ Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. If the Final Redemption Amount is linked to an underlying (whether a reference index, rate, security or otherwise) and may be less than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

- (vii) Determination Dates: [Not Applicable]/[●] in each year (*insert regular interest payment dates, ignoring issue date or maturity 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))
13. Floating Rate Note Provisions [Applicable]/[Not Applicable]
- (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Interest Commencement Date [●]
- (ii) Interest Period(s) [●]
- (iii) Specified Interest Payment Dates: [●]
- (iv) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
- (vi) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent): [Not Applicable]/[specify name and address of the relevant entity]/[The Issuer]
- (vii) Screen Rate Determination (Condition 4(b)(ii)(B)): [Applicable]/[Not Applicable]
- (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- Relevant Time: [●]
- Interest Determination Date [●] [TARGET 2] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Period]/[each Interest Payment Date]
- Primary Source for Floating Rate: [Specify relevant screen page]/[Reference Banks]
- Reference Banks: [Specify four] (if Primary Source is "Reference Banks")/[Not Applicable]
- Relevant Financial Centre: [Specify the financial centre most closely connected to the Benchmark]
- Benchmark: [EURIBOR]/[LIBOR]/[specify other benchmark]
- Representative Amount: [●]
- Effective Date: [Not Applicable]/[Specify if quotations are not to be obtained with effect from commencement of Interest Period]

	Specified Duration:	[Not Applicable]/[Specify period for quotation if not duration of Interest Period]
(viii)	ISDA Determination (Condition 4(b)(ii)(A)):	[2000 ISDA Definitions][2006 ISDA Definitions] (delete as applicable)/[Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	Floating Rate Option:	[•]
	Designated Maturity:	[•]
	Reset Date:	[•]
(ix)	Margin(s):	[+]/[•] per cent. per annum
(x)	Minimum Rate of Interest:	[[•] per cent. per annum]/[Not Applicable]
(xi)	Maximum Rate of Interest:	[[•] per cent. per annum]/[Not Applicable]
(xii)	Day Count Fraction:	[Actual/365] (2000 ISDA Definitions only)/[Actual/Actual (ISDA)] (2006 ISDA Definitions only)/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[Actual/Actual ICMA]/[30E/360 (ISDA)] (2006 ISDA Definitions only)
(xiv)	FRN Additional Disruption Events:	FRN Change in Law: [Applicable]/[Not Applicable] FRN Hedging Disruption: [Applicable]/[Not Applicable] FRN Increased Cost of Hedging: [Applicable]/[Not Applicable]
14.	Zero Coupon Note Provisions	[Applicable]/[Not Applicable]
	(i) Accrued Yield	[•] per cent. per annum
	(ii) Day Count Fraction	[30/360]/[Actual/Actual (ICMA)]/[Actual/Actual (ISDA)]
	(iii) Reference Price:	[•]
15.	Rate Linked Note Provisions	[Applicable]/[Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(i) Coupon Commencement Date	[•]
	(ii) Coupon Period(s)	[•]/[As per the Additional Terms and Conditions for Rate Linked Notes]
	(iii) Coupon Payment Dates:	[•]/[As per the Additional Terms and Conditions for Rate Linked Notes]

- (iv) Business Day Convention: [Benchmark Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
- (v) Manner in which the Benchmark Rate Level(s) is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
- (vi) Calculation Agent responsible for calculating the Benchmark Rate Level (if not the Agent): [Not Applicable]/[specify name and address of the relevant entity]/[The Issuer]
- (vii) Screen Rate Determination: [Applicable]/[Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Relevant Time: [•]
- Coupon Observation Date [•] Business Days [in [specify city]] [for [specify currency]] prior to [the first day in each Coupon Period]/[each Coupon Payment Date]
- Primary Source for Benchmark Rate Level: [Specify relevant screen page]/[Reference Banks]
- Reference Banks: [Specify four] (if Primary Source is "Reference Banks")/[Not Applicable]
- Relevant Financial Centre: [Specify the financial centre most closely connected to the Benchmark]
- Benchmark Rate [EURIBOR]/[LIBOR]/[specify other benchmark]
[In advance]/[In arrears] applies.
- Representative Amount: [•]
- Effective Date: [Not Applicable]/[Specify if quotations are not to be obtained with effect from commencement of Interest Period]
- Specified Duration: [Not Applicable]/[Specify period for quotation if not duration of Interest Period]
- (viii) ISDA Determination: [2000 ISDA Definitions]/[2006 ISDA Definitions] *(delete as applicable)*/[Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]

- (ix) Day Count Fraction: [Actual/365] (2000 ISDA Definitions only)/
[Actual/Actual (ISDA)] (2006 ISDA Definitions
only)/[Actual/365 (Fixed)]/[Actual/360]/
[30/360]/[360/360]/[Bond Basis]/
[30E/360]/[Eurobond Basis]/[Actual/Actual
ICMA]/[30E/360 (ISDA)] (2006 ISDA Definitions
only)
- (If not applicable, delete the remaining sub-
paragraphs of this paragraph)*
- (x) Leverage: [●]
- (xi) Additional Disruption Events:
- Change in Law: [Applicable]/[Not Applicable]
- Hedging Disruption: [Applicable]/[Not Applicable]
- Increased Cost of Hedging: [Applicable]/[Not
Applicable]
- (xii) Pay-off Formula: *(Select the relevant pay-off formula and options and
delete the other pay-off formulas and options.)*
- [LEVERAGED FLOATER
Floor: [Applicable]/[Not Applicable]
Cap: [Applicable]/[Not Applicable]
Cap Level: [[●] per cent] (only if "Cap"
applies)/[Not Applicable]
Floor Level: [[●] per cent] (only if "Floor"
applies)/[Not Applicable]
Margin: [+]/[●] per cent. per annum]]
- [REVERSE FLOATER
Z: [●]
Floor Level[●]]
- [VOL BOND
Cap: [Applicable]/[Not Applicable]
Cap Level: [[●] per cent] (only if "Cap"
applies)/[Not Applicable]
Benchmark Rate Level₀: [●]]
16. Index-Linked Note Provisions [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-
paragraphs of this paragraph)*
- (i) Single Index: [Applicable]/[Not Applicable]
- (If not applicable, delete the rest of the sub
paragraph)*
- Index [Index A or Index B, as applicable;
- Index A: [●]
- Index B: [●]/

[•]

- Initial Price [In respect of Index A: [•]/[The Settlement Price on the Initial Observation Date]; In respect of Index B: [•]/[The Settlement Price on the Initial Observation Date]]/[•]/[The Settlement Price on the Initial Observation Date]/[The lowest of the Settlement Prices for the Strike Determination Dates]/[Not Applicable]
- Final Price [In respect of Index A: The Settlement Price of Index A on the Final Observation Date; In respect of Index B: The Settlement Price of Index B on the Final Observation Date]]/[The Settlement Price on the Final Observation Date]/[Not Applicable]
- Exchange(s): [•]
- Related Exchange: [•]/[All Exchanges][Not Applicable]
- Multiple Exchange: [Applicable]/[Not Applicable]
- Consequences of an Index Adjustment Event: [Calculation Agent Adjustment]/[Negotiated Close-Out]/[Cancellation and Payment]
- Futures Price Valuation: [Applicable]/[Not Applicable]
- Exchange-traded Contract: [•]/[Not Applicable]

(ii) Basket of Indices [Applicable]/[Not Applicable]

(If not applicable, delete the rest of the sub paragraph)

Scheduled Business Day: [Scheduled Business Day (All Share Basis)][Scheduled Business Day (Per Share Basis)]

Exchange Business Day: [Exchange Business Day (All Share Basis)][Exchange Business Day (Per Share Basis)]

<u>Index</u>	<u>Initial Price</u>	<u>Final Price</u>	<u>Exchange</u>	<u>Related Exchange</u>	<u>Multiple Exchange</u>	<u>Consequences of an Index Adjustment Event</u>	<u>Futures Price Valuation</u>	<u>Exchange-traded Contract</u>
[•]	[•]/[The Settlement Price on the Initial Observation Date]/[The lowest of the Settlement Prices for the Strike Determination Dates]/[Not Applicable]	[The Settlement Price on the Final Observation Date]/[Not Applicable]	[•]	[•]/[All Exchanges][Not Applicable]	[Applicable]/[Not Applicable]	[Calculation Agent Adjustment]/[Negotiated Close-Out]/[Cancellation and Payment]	[Applicable]/[Not Applicable]	[•]/[Not Applicable]
<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>

- (i) Coupon Rate: [[●] per cent]/[Not applicable]
- (ii) Coupon Payment Dates: [The Coupon Payment Date(s) [is]/[are] [●]]/[Not Applicable]
- (iii) Coupon Observation Date(s): [The Coupon Observation Date(s) is/are [[each Scheduled Trading Day]/[●]]/[Not Applicable]
- (iv) Coupon Option Dates: [The Coupon Option Date(s) [is]/[are] [●]]/[Not Applicable]
- (v) Call Option Dates: [The Call Option Date(s) [is]/[are] [●]]/[Not Applicable]
- (vi) Pay-off Formula: *(Select the relevant pay-off formula and options and delete the other pay-off formulas and options)*

[DOUBLE TOP:

[Autocall]/[Non Callable]
 [Barrier Put]/[Leveraged Put]
 [Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]
 Coupons in Fine: [Applicable]/[Not Applicable]
 Bonus Rate: [●] per cent
 Autocall Trigger Level: [[●] per cent of the Initial Price.][in respect of the following Autocall Observation Date[s] [●], [●] per cent of the Initial Price. *(Insert and repeat as necessary)*][in respect of the Final Observation Date [●], [●] per cent of the Initial Price.] *(only if "Autocall" applies)*/[Not Applicable]
 Strike Min: [Applicable]/[Not Applicable]
 Knock-in Level: [[●] per cent of the Initial Price] *(only if "Barrier Put" applies)*/[Not Applicable]
 Put Strike Level: [[●] per cent of the Initial Price.] *(only if "Leveraged Put" applies)*/[Not Applicable]
 Coupon Trigger Level: [[●] per cent of the Initial Price] *(only if "Conditional Coupon" or "Conditional Coupon with Memory Effect" applies)*/[Not Applicable]

[ALTAIR:

[Autocall]/[Non Callable]
 [Barrier Put]/[Leveraged Put]
 [Conditional Coupon]/[Conditional Coupon with Memory Effect]
 Coupons in Fine: [Applicable]/[Not Applicable]

Applicable]
Knock-in Level: [[●] per cent of the of Settlement Price of Index A] (*only if "Barrier Put" applies*)/[Not Applicable]
Put Strike Level: [[●] per cent of the Settlement Price of Index A.] (*only if "Leveraged Put" applies*)/[Not Applicable]]

[TOP:

[Barrier Put]/[Leveraged Put]
Airbag: [Applicable]/[Not Applicable]
Indexation: [Applicable]/[Not Applicable]
Absolute: [Applicable]/[Not Applicable]
Fast-Autocall : [Applicable]/[Not Applicable]
Fast Trigger: [Applicable]/[Not Applicable]
Partial Airbag: [Applicable]/[Not Applicable]
Strike Min: [Applicable]/[Not Applicable]
Autocall Trigger Level: [[●] per cent of the Initial Price.][in respect of the following Autocall Observation Date[s] [●], [●] per cent of the Initial Price. (*Insert and repeat as necessary*)] [in respect of the Final Observation Date [●], [●] per cent of the Initial Price.]
Airbag Barrier Level: [[●] per cent of the Initial Price.] (*only if Partial Airbag applies*)/[Not Applicable]
Knock-in Level: [[●] per cent of the Initial Price.] (*only if "Barrier Put" applies*)/[Not Applicable]
Put Strike Level: [[●] per cent of the Initial Price.] (*only if "Leveraged Put" applies*)/[Not Applicable]
Airbag Rate: [[●] per cent] (*only if Airbag or Partial Airbag applies*)/[Not Applicable]
Redemption Lag: [[●]] (*only if "Fast-Autocall" applies*)/[Not Applicable]
Gearing: [[●] per cent] (*only if "Indexation" or "Absolute" apply*)/[Not Applicable]]

[ATHOS:

[Autocall]/[Non Callable]
[European Observation]/[Average Observation]/[Floored Average Observation]/[Absolute Average Observation]
Cap: [Applicable]/[Not Applicable]

Ladder: [Applicable] (*only if "Dynamic Bond Floor" does not apply*)/[Not Applicable]
Dynamic Bond Floor: [●]/[Not Applicable]
Leverage: [●]
Floor: [●] (*only if "Dynamic Bond Floor" does not apply*)/[Not Applicable]
Autocall Trigger Level: [[●] per cent of the Initial Price] (*only if "Autocall" applies*)/[Not Applicable]
Rebate: [●] (*only if "Autocall" applies*)/[Not Applicable]
Cap Level: [●] (*only if "Cap" applies*)/[Not Applicable]
Ladder Level: [●] (*only if "Ladder" applies*)/[Not Applicable]
Initial Floor Level: [●] (*only if "Dynamic Bond Floor" applies*)/[Not Applicable]
Guaranteed Coupon: [Applicable]/[Not Applicable]

[ERIDAN:

Cap: [Applicable]/[Not Applicable]
Leverage 1: [●]
Leverage 2: [●]
Cap Level: [●] (*only if "Cap" applies*)/[Not Applicable]

[ARAMIS:

[No Memory]/[Memory Effect]/[Partial Memory Effect]
Coupons in fine: [Applicable]/[Not Applicable]
Put Spread: [Applicable]/[Not Applicable]
Strike Min: [Applicable]/[Not Applicable]
[Bonus Effect]/[Lock-in Effect]
Coupon Trigger Level: [●] per cent of the Initial Price
Coupon Recovery Rate: [[●] per cent] (*only if "Partial Memory Effect" applies*)/[Not Applicable]
Bonus Rate: [[●] per cent] (*only if "Bonus Effect" applies*)/[Not Applicable]
Knock-in Put Spread Level: [[●] per cent of the Initial Price] (*only if "Put Spread" applies*)/[Not Applicable]
Floor: [●] (*only if "Put Spread" applies*)/[Not Applicable]
Securitisation Level: [[●] per cent] (*only if "Lock-in Effect" applies*)/[Not Applicable]

[ORION:

[Autocall]/[Non Callable]

[Barrier Put]/[Leveraged Put]
Autocall Trigger Level: [[●] per cent of the Initial Price.] (*only if "Autocall" applies*)/[Not Applicable]
Bonus Rate: [●] per cent
Knock-in Level: [[●] per cent of the Initial Price] (*only if "Barrier Put" applies*)/[Not Applicable]
Put Strike Level: [[●] per cent of the Initial Price.] (*only if "Leveraged Put" applies*)/[Not Applicable]
Cap: [Applicable]/[Not Applicable]
Ladder mechanism: [Applicable]/[Not Applicable]
Leverage: [●]
Floor Level:
[●]
see (b) (i)
[[●]% if the value corresponding to Ladder Level is equal to [●]%
[●]% if the value corresponding to Ladder Level is equal to [●]%
[●]% if the value corresponding to Ladder Level is equal to [●]%
[●]% if the value corresponding to Ladder Level is equal to [●]%
(As many rows as required to be inserted)]
[Not Applicable]
Cap Level: [●] (*only if "Cap" applies*)/[Not Applicable]
Ladder Levels: [●] (*only if "Ladder" applies*)/[Not Applicable]

[ANDROMEDE:

Autocall: [Applicable]/[Not Applicable]
Autocall Trigger Level: [●] per cent of the Initial Price (*only if Autocall applies*) / [Not Applicable]
Leverage: [●]
Barrier Put: [Applicable]/[Not Applicable]
Knock-in Level: [[●] per cent of the Initial Price.] (*only if "Barrier Put" applies*)/[Not Applicable]
Best-out: [Applicable]/[Not Applicable]

[PEGASE:

Knock-in Level: [●] per cent of the Initial Price
Securitisation Level: [●] per cent of the Initial Price
Rebate: [●] per cent]

[COUPON CLIC:

Coupons in fine: [Applicable]/[Not Applicable]

Knock-in Level: [●] per cent of the Initial Price
Securitisation Level: [●] per cent of the Initial Price
Coupon Trigger Level: [●] per cent of the Initial Price]

[SIRIUS:

Coupons in fine: [Applicable]/[Not Applicable]
Knock-in Level: [●] per cent of the Initial Price
Securitisation Level: [●] per cent of the Initial Price
Coupon Trigger Level: [●] per cent of the Initial Price]

[CASSIOPEE:

Knock-in Level: [●] per cent of the Initial Price
Cap: [Applicable]/[Not Applicable]
Cap Level: [●] (*only if "Cap" applies*)/[Not Applicable]]

[ACAJOU:

[European Observation]/[Average Observation]
Cap: [Applicable]/[Not Applicable]
Leverage: [●]
Securitisation Level: [●] per cent of the Initial Price
Rebate: [●] per cent
Cap Level: [[●] per cent of the Initial Price] (*only if "Cap" applies*)/[Not Applicable]]

[BEST-IN:

Cap: [Applicable]/[Not Applicable]
Cap Level: [[●] per cent of the Initial Price] (*only if "Cap" applies*)/[Not Applicable]]

[ARTÉMIS:

[Linear Performance]/[Compounded Performance]
Coupons in fine: [Applicable]/[Not Applicable]]
Lock-in Effect: [Applicable]/[Not Applicable]

[SWITCHER COUPON:

[European Observation]/[Average Observation]
Cap: [Applicable]/[Not Applicable]
Leverage: [●]
Floor: [●]

Cap Level: [[●] per cent of the Initial Price] (*only if "Cap" applies*)/[Not Applicable]

[SWITCHER CALLABLE:

[European Observation]/[Average Observation]

Cap: [Applicable]/[Not Applicable]

Leverage: [●]

Floor: [●]

Cap Level: [[●] per cent of the Initial Price] (*only if "Cap" applies*)/[Not Applicable]

[CLIQUET

Coupons in fine: [Applicable]/[Not Applicable]

Cap: [Applicable]/[Not Applicable]

Cap Level: [●] (*only if "Cap" applies*)/[Not Applicable]

Lock-in effect: [Applicable]/[Not Applicable]

Put Spread: [Applicable]/[Not Applicable]

Knock-in Put Spread Level : [[●] per cent of the Initial Price] (*only if "Put Spread" applies*)/[Not Applicable]

Floor: [●]: (*only if "Put Spread" applies*)/[Not Applicable]

Global Floor: [●]

Local Floor: [●]

N: [●]

Barrier Put: [Applicable]/[Not Applicable]

Knock-In Level: [[●] per cent of the Initial Price] (*only if "Barrier Put" applies*)/[Not Applicable]

[BASKET DOUBLE TOP:

[Autocall]/[Non Callable]

[Barrier Put]/[Leveraged Put]

[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]

[Worst-of]/[Best-of]

Coupons in Fine: [Applicable]/[Not Applicable]

Bonus Rate: [●] per cent

Autocall Trigger Level: [●] (*only if "Autocall" applies*)/[Not Applicable]

Knock-in Level: [●] (*only if "Barrier Put" applies*)/[Not Applicable]

Put Strike Level: [●] (*only if "Leveraged Put" applies*)/[Not Applicable]

Coupon Trigger Level: [●] (*only if "Conditional Coupon" or "Conditional Coupon with Memory Effect"*)

applies)/[Not Applicable]]

[BASKET TOP:

[Barrier Put]/[Leveraged Put]

Airbag: [Applicable]/[Not Applicable]

Semi Airbag: [Applicable]/[Not Applicable]

[Worst-of]/[Best-of]

Knock-in Level: [●] (*only if "Barrier Put" applies*)/[Not Applicable]

Put Strike Level: [●] (*only if "Leveraged Put" applies*)/[Not Applicable]

Autocall Trigger Level: [●]]

[BASKET ARAMIS:

[No Memory]/[Memory Effect]

[Bonus Effect]/[Lock-in Effect]

[Worst-of]/[Best-of]

Coupons in fine: [Applicable]/[Not Applicable]

Coupon Trigger Level: [●]

Bonus Rate: [●] (*only if "Bonus Effect" applies*)/[Not Applicable]

Securitisation Level: [●] (*only if "Lock-in Effect" applies*)/[Not Applicable]]

- (vii) Calculation Agent responsible for calculating any amount due under the Notes: [●] (*NB. Specify name and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address*)/[The Issuer]
- (viii) Observation Date(s): [The Observation Date(s) is/are [each Scheduled Trading Day]/[●]]/[Not Applicable]
- (ix) Initial Observation Date: [In respect of Index A:[●]; In respect of Index B: [●]]/[Not Applicable]/[●]
- (x) Final Observation Date: [In respect of Index A:[●]; In respect of Index B: [●]]/[Not Applicable]/[●]
- (xi) Relevant Observation Date: [In respect of Index A:[●]; In respect of Index B: [●]]/[Not Applicable]
- (xii) Autocall Observation Date(s): [The Autocall Observation Date(s) is/are [[each Scheduled Trading Day]/[●]]/[Not Applicable]
- (xiii) Automatic Early Redemption Date(s) [●]/[Not Applicable]
- (xiv) Strike Determination Date(s) [●]/[Not Applicable]
- (xv) Additional Disruption Events: Change in Law: [Applicable]/[Not Applicable]
Hedging Disruption: [Applicable]/[Not Applicable]
Increased Cost of Hedging: [Applicable]/[Not

Applicable]

Increased Cost of Stock Borrow: [Applicable]/[Not Applicable]

Loss of Stock Borrow: [Applicable]/[Not Applicable]

The Maximum Stock Loan Rate [in respect of *[specify in relation to each relevant Component]* is [●.] *(only if Loss of Stock Borrow applies)*/[is not applicable].

The Initial Stock Loan Rate [in respect of *[specify each relevant Component]* is [●] *(only if Increased Cost of Stock Borrow applies)*/[is not applicable.]

17. Inflation Linked Note Provisions

[Applicable]/[Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Inflation Index: [●]

(ii) Pay-off Formula: *(Select the relevant pay-off formula and options and delete the other pay-off formulas and options.)*

[AMORTISSABLE INFLATION

Floor: [Applicable]/[Not Applicable]

Cap: [Applicable]/[Not Applicable]

Amortisation Rate: [●] per cent]

Cap Level: [[●] per cent] *(only if "Cap" applies)*/[Not Applicable]

Floor Level: [[●] per cent] *(only if "Floor" applies)*/[Not Applicable]

[FLOATER INFLATION:

Cap: [Applicable]/[Not Applicable]

Fixed Coupon: [Applicable]/[Not Applicable]

Floor Level: [●] per cent

Coupon Rate: [[●] per cent] *(only if "Fixed Coupon" applies)*/[Not Applicable]

Cap Level: [[●] per cent] *(only if "Cap" applies)*/[Not Applicable]

[DIGITAL INFLATION:

Fixed Coupon: [Applicable]/[Not Applicable]

Trigger Level: [●] per cent

Rebate: [●] per cent]

Coupon Rate: [[●] per cent] *(only if "Fixed Coupon" applies)*/[Not Applicable]

(iii) Coupon Rate [[●] per cent]/[Not Applicable]

(iv) Calculation Agent responsible for calculating any amount due [●] *(NB. Specify name and, if the Notes are derivative securities to which Annex XII of the*

	under the Notes:	<i>Prospectus Directive Regulation applies, address)/[The Issuer]</i>
(v)	Reference Month(s):	[●]
(vi)	Initial Reference Month:	[Not Applicable]/[●]
(vii)	Final Reference Month:	[Not Applicable]/[●]
(viii)	Initial Level:	[●] [The level of the Inflation Index published or announced by the Inflation Index Sponsor for the Initial Reference Month]/[Not Applicable]
(ix)	Final Level	[●] [The level of the Inflation Index published or announced by the Inflation Index Sponsor for the Final Reference Month]/[Not Applicable]
(x)	Coupon Observation Date(s)	[The Coupon Observation Date(s) is/are [[each Scheduled Trading Day]/[●]]/[Not Applicable]
(xi)	Fixed Coupon Payment Date(s)	[●]/[Not Applicable]
(xii)	Indexed Coupon Payment Date(s)	[●]/[Not Applicable]
(xiii)	Partial Redemption Date(s)	[●]/[Not Applicable]
(xiv)	Related Bond:	[●]/[Fallback Bond]/[None]
(xv)	Fallback Bond:	[Applicable]/[Not Applicable]
(xvi)	Additional Disruption Events:	Change in Law: [Applicable]/[Not Applicable] Hedging Disruption: [Applicable]/[Not Applicable] Increased Cost of Hedging: [Applicable]/[Not Applicable]
18.	Share-Linked Note Provisions	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Single Share:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
-	Share:	issuer: [●]; identification number: [●]
-	Initial Price:	[●]/[The Settlement Price on the Initial Observation Date]/[The lowest of the Settlement Prices for the Strike Determination Dates]/[Not Applicable]
-	Final Price	[The Settlement Price on the Final Observation Date]/[Not Applicable]
-	Exchange(s)	[●]

(ii) Basket of Shares: [Applicable]/[Not Applicable]

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

Scheduled Business Day: [Scheduled Business Day (All Share Basis)][Scheduled Business Day (Per Share Basis)]

Exchange Business Day: [Exchange Business Day (All Share Basis)][Exchange Business Day (Per Share Basis)]

<u>Share</u>	<u>Initial Price</u>	<u>Final Price</u>	<u>Exchange</u>
issuer: [●]; identification number: [●]	[●]/[The Settlement Price on the Initial Observation Date]/[the lowest of the Settlement Prices for the Strike Determination Dates]/[Not Applicable]	[The Settlement Price on the Final Observation Date]/[Not Applicable]	[●]
<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>

(i) Coupon Rate: [[●] per cent]/[Not applicable]

(ii) Coupon Payment Dates: [The Coupon Payment Date(s) [is]/[are] [●]]/[Not Applicable]

(iii) Coupon Observation Date(s): [The Coupon Observation Date(s) is/are [[each Scheduled Trading Day]/[●]]/[Not Applicable]

(iv) Pay-off Formula: *(Select the relevant pay-off formula and options and delete the other pay-off formulas and options)*

[DOUBLE TOP:

[Autocall]/[Non Callable]

[Barrier Put]/[Leveraged Put]

[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]

Coupons in Fine: [Applicable]/[Not Applicable]

Bonus Rate: [●] per cent

Autocall Trigger Level: [[●] per cent of the Initial Price.][in respect of the following Autocall Observation Date[s] [●], [●] per cent of the Initial Price. *(Insert and repeat as necessary)*][in respect of the Final Observation Date [●], [●] per cent of the Initial Price.] *(only if "Autocall" applies)*/[Not Applicable]

Strike Min: [Applicable]/[Not Applicable]

Knock-in Level: [[●] per cent of the Initial Price] *(only if "Barrier Put" applies)*/[Not Applicable]

Put Strike Level: [[●] per cent of the Initial Price.] *(only if "Leveraged Put"*

applies)/[Not Applicable]

Coupon Trigger Level: [[●] per cent of the Initial Price] (*only if "Conditional Coupon" or "Conditional Coupon with Memory Effect" applies*)/[Not Applicable]

[TOP:

[Barrier Put]/[Leveraged Put]

Airbag: [Applicable]/[Not Applicable]

Indexation: [Applicable]/[Not Applicable]

Absolute: [Applicable]/[Not Applicable]

Fast-Autocall : [Applicable]/[Not Applicable]

Partial Airbag: [Applicable]/[Not Applicable]

Strike Min: [Applicable]/[Not Applicable]

Autocall Trigger Level: [[●] per cent of the Initial Price.][in respect of the following Autocall Observation Date[s] [●], [●] per cent of the Initial Price. (*Insert and repeat as necessary*)] [in respect of the Final Observation Date [●], [●] per cent of the Initial Price.]

Airbag Barrier Level: [[●] per cent of the Initial Price.] (*only if "Fast-Autocall" applies*)/[Not Applicable]

Knock-in Level: [[●] per cent of the Initial Price.] (*only if "Barrier Put" applies*)/[Not Applicable]

Put Strike Level: [[●] per cent of the Initial Price.] (*only if "Leveraged Put" applies*)/[Not Applicable]

Airbag Rate: [[●] per cent] (*only if "Fast-Autocall" applies*)/[Not Applicable]

Redemption Lag: [[●]] (*only if "Fast-Autocall" applies*)/[Not Applicable]

Gearing: [[●] per cent] (*only if "Indexation" or "Absolute" apply*)/[Not Applicable]

[ARAMIS:

[No Memory]/[Memory Effect]/[Partial Memory Effect]

Coupons in fine: [Applicable]/[Not Applicable]

[Bonus Effect]/[Lock-in Effect]

Coupon Trigger Level: [●] per cent of the Initial Price

Coupon Recovery Rate: [[●] per cent] (*only if "Partial Memory Effect" applies*)/[Not Applicable]

Bonus Rate: [[●] per cent] (*only if "Bonus Effect" applies*)/[Not Applicable]

Securitisation Level: [[●] per cent] (*only if "Lock-in Effect" applies*)/[Not Applicable]

[CASSIOPEE:

Knock-in Level: [●] per cent of the Initial Price

Cap: [Applicable]/[Not Applicable]

Cap Level: [●] (*only if "Cap" applies*)/[Not Applicable]

[BASKET DOUBLE TOP:

[Autocall]/[Non Callable]

[Barrier Put]/[Leveraged Put]

[Guaranteed Coupon]/[Conditional Coupon]/[Conditional Coupon with Memory Effect]

[Worst-of]/[Best-of]

Coupons in Fine: [Applicable]/[Not Applicable]

Bonus Rate: [●] per cent

Autocall Trigger Level: [●] (*only if "Autocall" applies*)/[Not Applicable]

Knock-in Level: [●] (*only if "Barrier Put" applies*)/[Not Applicable]

Put Strike Level: [●] (*only if "Leveraged Put" applies*)/[Not Applicable]

Coupon Trigger Level: [●] (*only if "Conditional Coupon" or "Conditional Coupon with Memory Effect" applies*)/[Not Applicable]

[BASKET TOP:

[Barrier Put]/[Leveraged Put]

Airbag: [Applicable]/[Not Applicable]

Semi Airbag: [Applicable]/[Not Applicable]

[Worst-of]/[Best-of]

Knock-in Level: [●] (*only if "Barrier Put" applies*)/[Not Applicable]

Put Strike Level: [●] (*only if "Leveraged Put" applies*)/[Not Applicable]

Autocall Trigger Level: [●]

[BASKET ARAMIS:

[No Memory]/[Memory Effect]

Coupons in fine: [Applicable]/[Not Applicable]

[Bonus Effect]/[Lock-in Effect]

[Worst-of]/[Best-of]

Coupon Trigger Level: [●]

Bonus Rate: [●] (*only if "Bonus Effect"*

applies)/[Not Applicable]
 Securitisation Level: [●] (*only if "Lock-in Effect" applies*)/[Not Applicable]

- (vii) Calculation Agent responsible for calculating any amount due under the Notes: [●] (*NB. Specify name and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address*)/[The Issuer]
 - (viii) Initial Observation Date: [Not Applicable]/[●]
 - (ix) Final Observation Date: [Not Applicable]/[●]
 - (x) Autocall Observation Date(s): [The Autocall Observation Date(s) is/are [[each Scheduled Trading Day]/[●]]/[Not Applicable]
 - (xi) Automatic Early Redemption Date(s) [●]/[Not Applicable]
 - (xii) Strike Determination Date(s) [●]/[Not Applicable]
 - (xiii) Additional Disruption Events: Change in Law: [Applicable]/[Not Applicable]
 Hedging Disruption: [Applicable]/[Not Applicable]
 Increased Cost of Hedging: [Applicable]/[Not Applicable]
 Insolvency Filings: [Applicable]/[Not Applicable]
19. Fund-Linked Note Provisions [Applicable]/[Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Single Fund: [Applicable]/[Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
 - Fund Unit: issuer: [●]; identification number: [●]
 - Initial Price: [●]/[The NAV per Fund Unit on the Initial Observation Date]/[the lowest of the NAV per Fund Units for the Strike Determination Dates]/[Not Applicable]
 - Final Price: [The NAV per Fund Unit on the Final Observation Date]/[Not Applicable]
 - NAV Trigger Period(s): [●]
 - NAV Trigger Percentage(s): [●]

- AUM Level: [●]

(ii) Basket of Funds: [Applicable]/[Not Applicable]

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

Fund Business Day: [Fund Business Day (All Funds Basis)][Fund Business Day (Per Fund Basis)]

Fund Valuation Day: [Fund Valuation Day (All Funds Basis)][Fund Valuation Day (Per Fund Basis)]

<u>Fund Unit</u>	<u>Initial Price</u>	<u>Final Price</u>	<u>NAV</u> <u>Period(s)</u>	<u>Trigger</u>	<u>NAV</u> <u>Percentage(s)</u>	<u>Trigger</u>	<u>AUM Level</u>
issuer: [●]; identification number: [●]	[●]/[The NAV per Fund Unit on the Initial Observation Date]/[the lowest of the NAV per Fund Units for the Strike Determination Dates]/[Not Applicable]	[The NAV per Fund Unit on the Final Observation Date]/[Not Applicable]	[●]		[●]		[●]
<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>(Add rows as required)</i>	<i>as</i>	<i>(Add rows as required)</i>	<i>as</i>	<i>(Add rows as required)</i>

(iii) Coupon Payment Dates: [The Coupon Payment Date(s) [is]/[are] [●]]/[Not Applicable]

(iv) Observation Date(s): [The Observation Date(s) is/are [[each Fund Business Day]/[●]]/[Not Applicable]

(v) Pay-off Formula: *(Select the relevant pay-off formula and options and delete the other pay-off formulas and options)*

[ATHOS:

Cap: [Applicable]/[Not Applicable]
[European Observation]/[Average
Observation]/[Floored Average
Observation]

Floor: [●] *(only if "Floor Average
Observation" applies)*/[Not Applicable]

Cap Level: [●] *(only if "Cap" applies)*/[Not
Applicable]

Leverage: [●] *(only if "European
Observation" or "Average Observation"
applies)*/[Not Applicable]

T: [●] *(only if "European Observation"
applies)*/[Not Applicable]

Adjustment Factor: [●]

[ARTEMIS:

Put Spread: [Applicable]/[Not Applicable]

Coupon in Fine: [Applicable]/[Not
Applicable]

Floor: [●] (*only if "Put Spread" applies*)/[Not Applicable]
Adjustment Factor: [●]]

[BASKET ATHOS:

Cap: [Applicable]/[Not Applicable]
[European Observation]/[Average Observation]/[Floored Average Observation]
Floor: [●] (*only if "Floor Average Observation" applies*)/[Not Applicable]
Cap Level: [●] (*only if "Cap" applies*)/[Not Applicable]
Leverage: [●] (*only if "European Observation" or "Average Observation" applies*)/[Not Applicable]
T: [●] (*only if "European Observation" applies*)/[Not Applicable]
Adjustment Factor: [●]]

[BASKET ARTEMIS:

Put Spread: [Applicable]/[Not Applicable]
Coupon in Fine: [Applicable]/[Not Applicable]
Floor: [●] (*only if "Put Spread" applies*)/[Not Applicable]
Adjustment Factor: [●]]

[BASKET HIMALAYA:

Cap: [Applicable]/[Not Applicable]
Cap Level: [●] (*only if "Cap" applies*)/[Not Applicable]
Floor: [●]
Adjustment Factor: [●]]

(vi) Calculation Agent responsible for calculating any amount due under the Notes: [●] (*NB. Specify name and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address*)/[The Issuer]

(vii) Initial Observation Date: [Not Applicable]/[●]

(viii) Final Observation Date: [Not Applicable]/[●]

(ix) Additional Disruption Events: Change in Law: [Applicable]/[Not Applicable]

Hedging Disruption: [Applicable]/[Not Applicable]

Increased Cost of Hedging: [Applicable]/[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

20. Call Option [Applicable]/[Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per [Note of [●] Specified Denomination]/[Calculation Amount]

(N.B. Calculation Amount is applicable to Definitive Notes only)

- (iii) If redeemable in part: [Applicable]/[Not Applicable]
- (a) Minimum nominal amount to be redeemed: [●]/[Not Applicable]
- (b) Maximum nominal amount to be redeemed: [●]/[Not Applicable]

- (iv) Notice period: [Minimum notice period: [●]]
[Maximum notice period: [●]]

(N.B. The Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

21. Put Option [Applicable]/[Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per [Note of [●] Specified Denomination]/[Calculation Amount]

(N.B. Calculation Amount is applicable to Definitive Notes only.)

- (iii) Notice period: [●]

(N.B. The Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

22. Final Redemption Amount of each [[●] per [Note of [●] Specified Denomination]/[Calculation Amount]]/[The

Note⁵: [Rate]/[Index]/[Inflation]/[Share]/[Fund] Linked Redemption Amount specified above]/[Not Applicable]

(N.B. Calculation Amount is applicable to Definitive Notes only.)

23. Early Redemption Amount

- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (FATCA Withholding (Condition 6(d)), or on Event of Default (Condition 9) or other early redemption: [●]
- (ii) Unmatured Coupons to become void upon early redemption (Condition 5(b)) (*materialised bearer notes only*): [Yes]/[No]/[Not Applicable]

BENCHMARK PROVISIONS

- 24. (i) Specified Public Source: [Not Applicable][●][As per the definition in the Note Conditions]
- (ii) Relevant Rate Benchmark: [●][As per the definition in the Rate Annex]
 - Impacted Index: [Not Applicable][●] (*Specify an index, benchmark or price source*)
 - Alternative Nominated Index: Pre- [Not Applicable] [●] (*Specify one or more indices, benchmarks or other price sources*)
- (iii) Relevant Index Benchmark: [Not Applicable][●][As per the definition in the Index Annex]
 - Alternative Nominated Index: Pre- [Not Applicable] [●] (*Specify one or more indices, benchmarks or other price sources*)
- (iv) Relevant Inflation Index Benchmark: [Not Applicable][●][As per the definition in the Inflation Annex]
 - Alternative Nominated Index: Pre- [Not Applicable] [●] (*Specify one or more indices, benchmarks or other price sources*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25. (i) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

⁵ If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex12 are dealt with.

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 7 includes language substantially to the following effect: "[€50,000]/[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]./[€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

- (ii) New Global Note: [Yes]/[No]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into Definitive Notes, more than 27 coupon payments are still to be made.]/[No]/[Not Applicable] *(Only applicable to Definitive Notes)*
27. Details relating to Instalment Notes: [Applicable]/[Not Applicable]
- (if not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Instalment Amount(s): [●]
- (ii) Instalment Date(s): [●]
28. Redenomination provisions (Condition 2): [Applicable]/[Not Applicable]

DISTRIBUTION

29. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable]/*[give names, addresses and underwriting commitments]*
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same)*

as the Managers.)

- (ii) Date of Subscription Agreement: [●]/[Not Applicable]
- (iii) Stabilising Manager(s) (if any): [Not Applicable]/[give name]
30. If non-syndicated, name and address of Dealer: [Not Applicable]/[give name and address]
31. Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
32. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C]/[TEFRA not applicable]
33. Non-Exempt Offer Consent of the Issuer to use the Base Prospectus during the Offer Period: [Not Applicable]
[Applicable. An offer of the Notes may be made by the Dealers [and [(specify, if applicable)]] [and any additional financial intermediaries who have or obtain the Issuer's [specific] consent to use the Base Prospectus in connection with the Non-exempt Offer and who are identified on [the website at www.[●]] (together, the "**Authorised Offerors**") other than pursuant to article 3(2) of the Prospectus Directive in [[France][Luxembourg] (the "**Public Offer Jurisdictions**") during the period from [(specify date)] until [(specify date)] (the "**Offer Period**").] (Only required for Notes with a denomination of less than €100,000 (or its equivalent in any other currency)).
34. Authorised Offeror(s) in the various countries where the offer takes place: [Not Applicable]
[Any financial intermediary which satisfies the conditions set out below in item "*Conditions attached to the consent of the Issuer to use the Base Prospectus*"] [●]
(Insert name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s))
35. Conditions attached to the consent of the Issuer to use the Base Prospectus: [Not Applicable]
[General Consent]
[Specific Consent]
36. Other conditions to consent: [Not Applicable]
[●]
(Where the Issuer has given a "General Consent" to any financial intermediary to use the Base Prospectus, specify any additional conditions to consent or any condition replacing the conditions set under 'Retail cascades' in the Base Prospectus.)

(Where the Issuer has given a "Specific Consent" to a financial intermediary to use the Base Prospectus, specify any applicable conditions to consent.)

(Where Authorised Offeror(s) have been designated herein, specify any applicable conditions to consent.)

THIRD PARTY INFORMATION

(Where a statement or report attributed to a person as an expert is included in respect of the Issuer or the Notes, provide such person's name, business address, qualifications and material interest if any in the Issuer. If the report has been produced at the Issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part in respect of the Issuer or the Notes.)

[[Relevant third party information, for example in compliance with Annex 12 to the Prospectus Directive Regulation in relation to an index or its components] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of Edmond de Rothschild (France):

Duly represented by:

[●]

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of [the Luxembourg Stock Exchange]/[(specify)], and to be listed on [the Official List of the Luxembourg Stock Exchange]/[(specify)] with effect from [●].]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of [the Luxembourg Stock Exchange]/[(specify)], and to be listed on [the Official List of the Luxembourg Stock Exchange]/[(specify)] with effect from [●].]/[Not Applicable]

(If fungible with an existing tranche(s) of the same Series, insert the following:) [The Original Notes have been admitted to trading on the regulated market of [the Luxembourg Stock Exchange]/[(specify)], and to be listed on [the Official List of the Luxembourg Stock Exchange]/[(specify)], with effect from the Issue Date of the Original Notes, [insert issue date of existing tranche(s)]]

[Estimate of total expenses related to admission to trading:

[●]] *(Only applicable to Notes which (i) have denomination per unit higher than EUR 100,000 and (ii) are not derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. If the Final Redemption Amount is not linked to an underlying (whether a reference index, rate, security or otherwise) or may not be less than 100 per cent. of the nominal value, the Notes will not be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation.)*

2. RATINGS

Ratings:

[Not Applicable - The Notes to be issued have not been rated]

[The Notes to be issued [have been]/[are expected to be] rated:]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally:]

[S&P: [●]]

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider. The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or,

where the issue has been specifically rated, that rating)

Insert one (or more) of the following options, as applicable:

[[Insert legal name of credit rating agency/ies] [is]/[are] established in the European Union and registered under Regulation (EC) No. 1060/2009 as amended from time to time (the **CRA Regulation**). As such [Insert legal name of credit rating agency/ies] [is]/[are] included in the list of credit rating agencies published by the European Notes and Markets Authority on its website in accordance with the CRA Regulation.]

[[Insert legal name of credit rating agency/ies] [is]/[are] established in the European Union and Regulation (EC) No. 1060/2009 as amended from time to time (the **CRA Regulation**), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[Insert legal name of credit rating agency/ies] [is]/[are] not established in the European Union but [is]/[are] endorsed by [insert legal name of credit rating agency/ies], which [is]/[are] established in the European Union and registered under Regulation (EC) No. 1060/2009 as amended from time to time (the **CRA Regulation**).]

[[Insert legal name of credit rating agency/ies] [is]/[are] not established in the European Union and [is]/[are] not endorsed under Regulation (EC) No. 1060/2009 as amended from time to time (the CRA Regulation) but [is]/[are] certified under the **CRA Regulation**.]

[[Insert legal name of credit rating agency/ies] [is]/[are] not established in the European Union and [has]/[have] not applied for registration under Regulation (EC) No. 1060/2009.]

3. NOTIFICATION

[Not Applicable]/[The Commission de Surveillance du Secteur Financier in Luxembourg [has been requested to provide]/[has provided] (include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues) the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

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

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

[Save for [any fees payable to the [Managers/Dealers],]so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]/[●]

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

5. *(Only required for Notes with a denomination of less than €100,000 (or its equivalent in any other currency))* **[REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer: [●][Not Applicable]

(See "Use of Proceeds" wording in Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(If the Notes are derivative securities to which Annex V or Annex XII of the Prospectus Directive Regulation applies this is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) below are also required.)

(ii) [Estimated net proceeds: [●]

(If proceeds are intended for more than one use, proceeds will need to be split out and presented in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) Estimated expenses: [None]/[(Include breakdown of expenses)]

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

6. **YIELD**

Indication of yield: [Not Applicable]/ (for Fixed Rate Notes only) [●].

7. **HISTORIC INTEREST RATES**

[Not Applicable]/(For Floating Rate Notes with a denomination per unit of less than EUR 100,000 only) [Details of historic [LIBOR]/[EURIBOR]/[specify other] rates can be obtained from the [specify relevant screen page] of the [Reuters]/[Telerate]/[Bloomberg] service.]

8. **PERFORMANCE OF THE UNDERLYING⁶**

[Not Applicable]/(For Rate Linked Notes, Index Linked Notes, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes only)

[Name of [Benchmark [●]
Rate][Index]/[Inflation
Index]/[Share]/[Indexes]/[Inflation
Indices]/[Shares]/[Funds]: [In case of Indexes or Index, include details of
where the information about the Index(es) can be
obtained]

Information on [Benchmark [●]
Rate][Index]/[Inflation
Index]/[Share]/[Indexes]/[Shares]/[Fun
ds]: [indication where information about the past and
the further performance of the underlying and its
volatility can be obtained]

[The underlying is a basket of [disclosure of relevant weightings of each
[Indexes]/[Shares][Funds]: underlying in the basket]]

9. **POST-ISSUANCE INFORMATION CONCERNING THE UNDERLYING⁷**

[Not Applicable]/[Indicate whether or not the Issuer intends to provide post-issuance information concerning the underlying. If the Issuer intends to report such information, specify what information will be reported and where such information can be obtained.]

10. **EU BENCHMARKS REGULATION**

EU Benchmarks Regulation: Article 29(2) statement on benchmarks: [Not Applicable][Applicable: Amounts payable under the Notes are calculated by reference to [insert name[s] of benchmark(s)], which [is/are] provided by [insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark].
[As at the date of these Final Terms, [insert name[s] of the administrator[s]] [is/are] [not] included in the register of administrators and benchmarks established and maintained by [the European Securities and Markets Authority (ESMA)][ESMA] pursuant to article 36 of [the Benchmarks Regulation (Regulation (EU) No. 2016/1011) (the **Benchmarks Regulation**)] [the Benchmarks Regulation].] (Repeat as necessary)]

⁶ Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. If the Final Redemption Amount is linked to an underlying (whether a reference index, rate, security or otherwise) and may be less than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

⁷ Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. If the Final Redemption Amount is linked to an underlying (whether a reference index, rate, security or otherwise) and may be less than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

11. *(Only required for Notes with a denomination of less than €100,000 (or its equivalent in any other currency) and not issued pursuant to an exemption under Article 3(2) of the Prospectus Directive)* **[TERMS AND CONDITIONS OF THE OFFER**

- (i) Member State(s): [The Notes will be offered to the public in [France]/[Luxembourg]/[Not Applicable]
- (ii) Conditions to which the offer is subject: [Not Applicable]/
 [Offers of Notes are conditional on their issue and are subject to *[specify conditions]*]/
 [The Issuer reserves the right for any reason to cancel the issuance of the Notes.]/
 [In particular, the issuance of the Notes is conditional, amongst other matters, on the Issuer receiving valid subscriptions for Notes amounting to an aggregate subscription value of at least [●] on or prior to [●]. In the event that this condition is not satisfied, the Issuer may cancel the issuance of the Notes as of [●].]/
 [The Issuer reserves the right for any reason to close the subscription period early. [If the aggregate subscription of the Notes at any time on any Business Day prior to the primary market end date reaches [●], the Issuer will close the subscription of the Security at such time on such Business Day, without any prior notification.]]/
 [As between the [each]/[the] [Dealer]/[Manager] and its customers, offers of Notes are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]
- (iii) Time period, including any possible amendments, during which the offer will be open, and description of the applicable process: [●]/[Not Applicable]
- (iv) Total amount of the offer: [●] *(If the amount is not fixed, describe the arrangements and time for announcing the final amount of the offer)*
- (v) Offer price: [●] *(Indicate the expected price at which the securities will be offered)*
- (vi) Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [●]/[Not Applicable]
- (vii) Details of the minimum and/or maximum amount of application, (whether in number of securities or

aggregate amount to invest):

- (viii) Method and time limits for paying up the securities and for delivery of the securities: [●]/[Not Applicable]
- (ix) Full description of the manner and date in which results of the offer are to be made public: [●]/[Not Applicable]
- (x) Procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: [●]/[Not Applicable]
- (xi) If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indication of any such tranche: [Not Applicable]/[Indicate Tranche]
- (xii) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [●]/[Not Applicable]
- (xiii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:: [●]/[None]

12. OPERATIONAL INFORMATION

- (i) ISIN Code: [●]
(If fungible with an existing tranche(s) of the same Series, insert the following: Temporary number [insert temporary number] will apply until the Exchange Date, and from such date, permanent number [insert existing number])
- (ii) Common Code: [●]
(If fungible with an existing tranche(s) of the same Series, insert the following:) [Temporary number [insert temporary number] will apply until the Exchange Date, and from such date, permanent number [insert existing number]]
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable]/[give name(s) and number(s)]
- (iv) Delivery: Delivery [against]/[free of] payment
- (v) Names and addresses of [●]/[Not Applicable]

additional Paying Agent(s) (if any):

- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the international central securities depositaries as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

13. **INDEX DISCLAIMER**

[Not Applicable][*(Insert relevant index disclaimer required by the index sponsor)*]

[ANNEX [A]

SUMMARY

**(ISSUER TO ANNEX SUMMARY TO THE FINAL TERMS HAVING COMPLETED
THE RELEVANT ELEMENTS IN ACCORDANCE WITH THE SPECIFIC
CONDITIONS OF THE NOTES)]**

(Only required for Notes with a denomination of less than €100,000 (or its equivalent in any other currency))

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes (the **Terms and Conditions**) to be issued by the Issuer, which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant regulated market (if any) and agreed with the Issuer and the relevant Purchaser(s) at the time of issue, but, if not so permitted and agreed, such Definitive Note will have endorsed upon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Temporary Global Note, Permanent Global Note and Definitive Note. Reference should be made to "Form of Final Terms" above for a description of the content of Final Terms which will include the definitions of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a series of Notes issued by Edmond de Rothschild (France) (the **Issuer**) pursuant to the Agency Agreement (as defined below). References herein to the **Notes** shall be references to the Notes of this Series (as defined below) and shall mean:

- (i) in relation to any Notes represented by a temporary global Note (a **Temporary Global Note**) or a permanent global Note (a **Permanent Global Note** and, together with a **Temporary Global Note**, the **Global Notes**), units of the lowest denomination(s) of such Notes in the currency or currencies in which payment in respect of such Notes is to be made (the **Specified Currency**);
- (ii) definitive Notes (**Definitive Notes**) issued in exchange (or partial exchange) for a Global Note; and
- (iii) any Global Note.

The Notes, the Receipts (as defined below), and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement dated 11 July 2018 (the **Agency Agreement**, which expression shall include such agreement as it may be amended or modified as at the time the Notes are issued) between the Issuer, Banque Internationale à Luxembourg, société anonyme as principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent specified in the applicable Final Terms) and Edmond de Rothschild (Europe) as paying agent (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, in the case of Notes which, when issued as Definitive Notes, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons, unless the context otherwise requires, shall be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached hereto or endorsed hereon and complete these Terms and Conditions. References herein to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) attached hereto or endorsed hereon.

Any reference herein to **Noteholders** shall mean the holders of the Notes, and, in relation to any Notes represented by a Global Note, shall be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts, and any reference herein to **Couponholders** shall mean the holders of the Coupons, and, unless the context otherwise requires, shall include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing), and **Series** means a Tranche of Notes together with any further Tranche or Tranches

of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 11 July 2018 made by the Issuer. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear (as defined below) and Clearstream (as defined below).

Copies of the Agency Agreement, the Final Terms applicable to this Note and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Agent and the other Paying Agents. Copies of the Final Terms are obtainable from the Agent and the other Paying Agents upon the written request of a Noteholder, save that if a series of Notes is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC, Final Terms will be available for inspection, and copies thereof obtainable, only by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to identity. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of and are entitled to the benefit of, all the provisions of the Deed of Covenant, the Agency Agreement and the applicable Final Terms which are binding on them.

The Agency Agreement, contains, *inter alia*, provisions (i) for the issue and exchange of Notes, for the convening of meetings of Noteholders and the issue of voting certificates and block voting instructions in connection therewith, (ii) for making the form of Put Notice available to holders of Notes in the case of Notes the Conditions of which provide for redemption at the option of the Noteholders, (iii) for receiving and communicating notices from any Noteholder or to the Noteholders, and (iv) for notice to the Noteholders of a change in Paying Agent or Agent or the specified office thereof. With respect to the Noteholders, this Base Prospectus contains all information material to them relating to the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

For the purpose of these Terms and Conditions, **Regulated Market** means any regulated market situated in a Member State of the European Economic Area as defined in Directive 2014/65/EU (as amended) and as listed on the website of Europa:

(http://ec.europa.eu/internal_market/securities/isd/index_en.htm).

1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of Definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s) (as defined below). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the **Specified Denomination(s)**) save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are

denominated in a currency other than Euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. The Notes shall be issued in one Specified Denomination only.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Rate Linked Note, an Index Linked Note, an Inflation Linked Note, a Share Linked Note, a Fund Linked Note or a combination of any of the foregoing, as specified in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes, in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer and any Paying Agent may deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For as long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream**), each person (other than Euroclear or Clearstream), who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes 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 by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note (and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.

References to Euroclear and/or Clearstream, whenever the context so permits, shall be deemed to include a reference to any additional or alternative clearing system, approved by the Issuer and the Agent.

2. **REDENOMINATION**

Notes denominated in a currency that may be converted into Euro may be subject to redenomination, renominalisation and/or consolidation with other Notes denominated in Euro.

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 13, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes held (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on a Fixed Interest Date, it will be calculated:
 - (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

- (ii) in the case of Definitive Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note which is a Definitive Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount determined in the manner provided above for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

- (g) if the Notes are Floating Rate Notes, the Issuer may, with the approval of the Principal Paying Agent, without the consent of the Noteholders, make any changes or addition to these terms and conditions (including without limitation, any change to any applicable business day definition, business day convention, principal financial centre, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes is not prejudicial to the interests of such holder. Any changes or additions shall, in the absence of manifest error be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In these Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

Euro or **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

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

3. STATUS OF THE NOTES

The Notes and, where applicable, any relative Receipts and Coupons will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

4. INTEREST

The applicable Final Terms will indicate whether the Notes are (i) Fixed Rate Notes, (ii) Floating Rate Notes, (iii) Zero Coupon Notes or (iv) Notes linked to an underlying reference asset(s) or any combination thereof.

- (a) Interest on Fixed Rate Notes

This Condition 4(a) applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4(a) for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest (the **Interest Amount**) on its nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest so specified in the applicable Final Terms payable in arrears on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Date Payment. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the initial Broken Amount. If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the final Broken Amount.

If the Notes are Definitive Notes, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if, in the case of Notes which are Definitive Notes, no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the Fixed Rate Notes; or
- (ii) in the case of Fixed Rate Notes which are Definitive Notes, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note which is a Definitive Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

- (b) Interest on Floating Rate Notes

This Condition 4(b) applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4(b) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Duration, the Interest Commencement Date, the Business Day Convention, any Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate applies to the calculation of interest, the Final Terms will also specify the applicable Benchmark, Relevant Financial Centre, Interest Determination Date(s) and the Primary Source for Floating Rate.

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its nominal amount from (and including) the Interest Commencement Date, and such interest will be payable in arrears on either:

- (A) the Specified Interest Payment Date(s) in each year (the period from and including the Interest Commencement Date to but excluding the first Specified Interest Payment Date or, as applicable, Interest Payment Date, and each successive period from and including a Specified Interest Payment Date or, as applicable, Interest Payment Date, to but excluding the next Specified Interest Payment Date or, as applicable, Interest Payment Date., each being an **Interest Period**); or
- (B) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an **Interest Payment Date**) which is the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

If any Interest Payment Date or, as applicable, Specified Interest Payment Date, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified in the Final Terms is:

- (A) in any case where Interest Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which is the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Interest Payment Date occurred;

- (B) the Following Business Day Convention, such Specified Interest Payment Date or, as applicable, Interest Payment Date, shall be postponed to the next day which is a Business Day;
- (C) the Modified Following Business Day Convention, such Specified Interest Payment Date or, as applicable, Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Specified Interest Payment Date or, as applicable, Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Business Day means a day which is either:

- (A) in relation to interest payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets generally settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively); or
- (B) in relation to interest payable in Euro, a TARGET 2 Settlement Date (as defined in the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) as published by the International Swaps and Derivatives Association Inc. (the **2006 ISDA Definitions**)),

provided that if Business Centres are specified in the applicable Final Terms, such day shall also be a day on which commercial banks and foreign exchange markets generally settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Business Centre so specified in the applicable Final Terms.

- (ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

- (A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate for an Interest Period** means a rate equal to the Floating Rate that

should be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series), as published by the International Swaps and Derivatives Association Inc. (the **2000 ISDA Definitions**) or the 2006 ISDA Definitions (as specified in the Final Terms) 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 either (1) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (2) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the 2000 ISDA Definitions or the 2006 ISDA Definitions (as specified in the Final Terms).

(B) Screen Rate Determination for Floating Rate Notes

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

- (I) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (x) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
 - (y) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date, subject as otherwise specified in the relevant Final Terms
- (II) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (I)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (I)(y) applies and fewer than two

Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and

- (III) if paragraph (II) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the euro-zone as selected by the Calculation Agent (the **Principal Financial Centre**) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum Rate of Interest or Minimum Rate of Interest applicable to the preceding Interest Period and to the relevant Interest Period).

For the purpose of this paragraph, the following defined terms shall have the meanings set out below:

Benchmark means the reference rate as set out in the relevant Final Terms;

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

Interest Determination Date means, with respect to a Rate of Interest and Interest Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two Business Days prior to the first day of such

Interest Period if the Specified Currency is euro or (ii) the first day of such Interest Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor euro;

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

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

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

Relevant Rate means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date;

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

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

Specified Duration means, with respect to any Rate of Interest to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration

specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Period, ignoring any adjustment pursuant to Condition 5(b)(i).

(iii) Minimum and/or Maximum Interest Rate

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(iv) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Specified Interest Payment Date or, as applicable, Interest Payment Date, to be notified to the Issuer, the other Paying Agents and any Regulated Markets on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter. So long as the Floating Rate Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, such notification will be made by the Agent no later than the first day of each Interest Period.

The expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg. Each Interest Amount and Specified Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13.

(v) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent (or, if applicable, the Calculation Agent), at or as soon as practicable after each time at which the Rate of Interest is to be determined, will determine the Rate of Interest for the relevant Interest Period.

The Agent (or, if applicable, the Calculation Agent) will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the Day Count Fraction indicated in the relevant Final Terms, and rounding the resultant figure to the lowest recognised unit of account in the relevant Specified Currency with a half of such lowest

unit of account being rounded upwards, save in the case of yen, which shall be rounded down to the nearest yen.

(vi) FRN Additional Disruption Events

The provisions of this Condition 4(b)(vi) apply to Floating Rate Notes only.

(A) Consequences of the occurrence of a FRN Additional Disruption Event

If "FRN Change in Law", "FRN Hedging Disruption" and/or "FRN Increased Cost of Hedging" (each, a **FRN Additional Disruption Event**) is specified in the Final Terms to be applicable, then upon the occurrence of any such an event, the Issuer in its sole and absolute discretion may take the action, if applicable, described in (1) or (2) below:

- (1) require the Calculation Agent to make such adjustments to any of the Conditions as it considers appropriate in its sole and absolute discretion to account for such FRN Additional Disruption Event and determine the date(s) on which any such adjustments will be effective; or
- (2) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount.

Upon the occurrence of a FRN Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders stating the occurrence of the FRN Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

(B) Definitions

FRN Change of Law means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the floating element of the Interest Rate.

FRN Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (1) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk including but not limited to the currency risk of the Issuer in issuing and performing its obligations with respect to the Notes, or (2) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

FRN Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with

circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, index price risk, foreign exchange risk and interest rate risk) of the Issuer in issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

(c) Interest on Rate Linked Notes

This Condition 4(c) applies to Rate Linked Notes only. The interest amount payable on the Index Linked Notes (the **Interest Amount**) will be determined in accordance with the provisions of the Rate Annex and the Pay-Off Annex attached to these Conditions. The applicable Final Terms contains provisions applicable to the determination of interest and must be read in conjunction with this Condition 4(c) for full information on the manner in which interest is calculated on Rate Linked Notes.

The Calculation Agent will cause each Interest Amount (if any) to be notified to the Issuer, the other Paying Agents and any Regulated Markets on which the relevant Indexed Linked Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter.

The expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.

(d) Interest on Index Linked Notes

This Condition 4(d) applies to Index Linked Notes only. The interest amount payable on the Index Linked Notes (the **Interest Amount**) will be determined in accordance with the provisions of the Index Annex and the Pay-Off Annex attached to these Conditions. The applicable Final Terms contains provisions applicable to the determination of interest and must be read in conjunction with this Condition 4(d) for full information on the manner in which interest is calculated on Index Linked Notes.

The Calculation Agent will cause each Interest Amount (if any) to be notified to the Issuer, the other Paying Agents and any Regulated Markets on which the relevant Indexed Linked Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter.

The expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.

(e) Interest on Inflation Linked Notes

This Condition 4(e) applies to Inflation Linked Notes only. The interest amount payable on the Inflation Linked Notes (the **Interest Amount**) will be determined in accordance with the provisions of the Inflation Annex and the Pay-Off Annex attached to these Conditions. The applicable Final Terms contains provisions applicable to the determination of interest and must be read in conjunction with this Condition 4(e) for full information on the manner in which interest is calculated on Inflation Linked Notes.

The Calculation Agent will cause each Interest Amount (if any) to be notified to the Issuer, the other Paying Agents and any Regulated Markets on which the relevant Inflation Linked Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter.

The expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.

(f) Interest on Share Linked Notes

This Condition 4(f) applies to Share Linked Notes only. The interest amount payable on the Share Linked Notes (the **Interest Amount**) will be determined in accordance with the provisions of the Share Annex and the Pay-Off Annex attached to these Conditions. The applicable Final Terms contains provisions applicable to the determination of interest and must be read in conjunction with this Condition 4(f) for full information on the manner in which interest is calculated on Share Linked Notes.

The Calculation Agent will cause each Interest Amount (if any) to be notified to the Issuer, the other Paying Agents and any Regulated Markets on which the relevant Share Linked Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter.

The expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.

(g) Interest on Fund Linked Notes

This Condition 4(g) applies to Fund Linked Notes only. The interest amount payable on the Fund Linked Notes (the **Interest Amount**) will be determined in accordance with the provisions of the Fund Annex and the Pay-Off Annex attached to these Conditions. The applicable Final Terms contains provisions applicable to the determination of interest and must be read in conjunction with this Condition 4(g) for full information on the manner in which interest is calculated on Fund Linked Notes.

The Calculation Agent will cause each Interest Amount (if any) to be notified to the Issuer, the other Paying Agents and any Regulated Markets on which the relevant Fund Linked Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter.

The expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.

(h) Notes to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, by the Agent (or, if applicable, the Calculation Agent) shall be binding (in the absence of negligence, wilful misconduct, bad faith or manifest error) on the Issuer, the Agent (or, if applicable, the Calculation Agent), the other Paying Agents and all Noteholders, Receiptholders and Couponholders, and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent (or, if applicable, the Calculation Agent) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(i) Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 13 or individually.

(j) Day Count Fraction

In these Terms and Conditions, **Day Count Fraction** means in respect of the calculation of an amount of interest on any Fixed Rate Note, Floating Rate Note, Zero Coupon Note or Rate Linked Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting an Interest Period, the **Calculation Period**):

- (i) if "Actual/365" or "Actual/Actual-ISDA" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if "30/360" or "360/360" or "Bond Basis" is specified hereon, (A) if the 2000 ISDA Definitions apply, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months

(unless (a) the last day of the Calculation Period is the thirty-first day of a month but the first day of the Calculation Period is a day other than the thirtieth or thirty-first day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) or (B) if the 2006 ISDA Definitions apply, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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 of 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 of the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 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;

- (v) if "30E/360" or "Eurobond Basis" is specified hereon, (A) if the 2000 ISDA Definitions apply, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) or (B) if the 2006 ISDA Definitions apply, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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 of 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 of 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;

- (vi) if "Actual/Actual ICMA" is specified hereon,
- (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 (I) the number of days in such Determination Period and (II) 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:
 - I. 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
 - II. 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: **Determination Period** means the period from and including an Interest Determination Date or, as applicable, a Coupon Payment Date, in any year to but excluding the next such date; and

- (vii) if "30E/360 (ISDA)" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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 of 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 of the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) 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 (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and in which case D₂ will be 30.

5. PAYMENTS

(a) Method of Payment

Subject as provided below, payments in a Specified Currency will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be an authorised foreign exchange bank) in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Wellington, respectively or, in the case of Euro, in a city which banks have access to the TARGET 2 System).

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives but without prejudice to the provisions of Condition 7 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (Taxation)) any law implementing an intergovernmental approach thereto (FATCA).

Subject to the final paragraph of Condition 5(b) below, no payment on any Note or Coupon will be made at the corporate trust office of a Paying Agent or any other agency maintained by the Issuer in the United States or its

possessions and no payment will be made by any transfer to an account in, or by mail to an address in, the United States or its possessions, except as may be permitted by U.S. tax law in effect at the time of such payment without detriment to the Issuer in the opinion of the Agent.

(b) Presentation of Notes, Receipts and Coupons

Payments of principal in respect of Definitive Notes will be made in the manner provided in paragraph (a) above only against surrender of Definitive Notes, and payments of interest in respect of Definitive Notes will be made as aforesaid only against surrender of Coupons, in each case (subject as provided below) at the specified office of any Paying Agent outside the United States or its possessions.

Payments of instalments of principal (if any), other than the final instalment, will be made in the manner provided in paragraph (a) above against surrender of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against surrender of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes which are Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto (which expression, for this purpose, shall include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter. **Relevant Date** in relation to any Note, Receipt or Coupon means whichever is the later of:

- (A) the date on which payment in respect of such Note, Receipt or Coupon first became due and payable; and
- (B) if the full amount of moneys payable on such date in respect of such Note, Receipt or Coupon has not been received by the Agent on or prior to the due date, the date on which the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void, and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Rate Linked Notes, Index Linked Note, Inflation Linked Notes, Share Linked Notes or Fund Linked Notes which are Definitive Notes becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall

become void, and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Note is not an Interest Payment Date or, as applicable, a Specified Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as applicable, Specified Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any Global Note (subject as provided below) will be made in the manner specified above in relation to Definitive Notes or otherwise in the manner specified in the relevant Global Note where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by such Paying Agent, or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note, and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payments due on that Global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(c) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which is both:

- (i) for Definitive Notes, a day on which commercial banks and foreign exchange markets generally settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation; and
- (ii) a Business Day (as defined in Condition 4(b)).

(d) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the Notes;
- (ii) the Early Redemption Amount of the Notes;
- (iii) the Optional Redemption Amount(s) of the Notes;
- (iv) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

6. **REDEMPTION AND PURCHASE**

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the date specified in the applicable Final Terms (the **Maturity Date**).

(b) Redemption at the Option of the Issuer

If "Call Option" is specified in the applicable Final Terms as being applicable, the Issuer, having given:

- (i) not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13; and
- (ii) not fewer than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable), may redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any such

redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms. In the case of a partial redemption of Notes (if specified as being applicable in the applicable Final Terms) the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, in accordance with the rules of Euroclear and/or Clearstream (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion); in the case of Redeemed Notes represented by a Global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).

In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not fewer than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount, if necessary, shall be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes.

No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least ten days prior to the Selection Date. So long as the Notes are listed on the Luxembourg Regulated Market 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 Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate principal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(c) Redemption at the Option of the Noteholders

If "Put Option" is specified in the applicable Final Terms as being applicable, each Noteholder, having given:

- (i) not fewer than 30 nor more than 60 days' notice to the Issuer; and
- (ii) not fewer than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable), may require all or some only of its Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s)

If the Note is a Definitive Note, to exercise the right to require redemption of the Note the holder of the Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and

signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is to be made by cheque, an address) to which payment is to be made under this Condition.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(d) **Redemption for FATCA Withholding**

The Issuer may redeem any FATCA Affected Notes, at any time, in accordance with the provisions of this Condition 6(d).

Upon becoming aware that a Note is a FATCA Affected Note, the Issuer shall use reasonable endeavours to deliver a FATCA Issuer Notice, which shall specify

- (i) the relevant series number and ISIN in relation to Notes that have become FATCA Affected Notes;
- (ii) whether or not the Issuer will redeem any of the FATCA Affected Notes; and:
- (iii) where the Issuer elects to redeem any of the FATCA Affected Notes,
 - (i) the FATCA Affected Notes the Issuer will redeem; and
 - (ii) the date on which such FATCA Affected Notes will be redeemed by the Issuer.

Where the FATCA Issuer Notice specifies that the Issuer will not redeem a FATCA Affected Note, the holder of any such FATCA Affected Note, provided that such Note continues to be a FATCA Affected Note, may deliver a FATCA Investor Notice requesting the early redemption of the FATCA Affected Note and specifying a date for redemption that must be at least ten (10) Business Days after the effective date of such notice. Following receipt of the FATCA Investor Notice, the Issuer will redeem such FATCA Affected Note on the date specified for redemption in the relevant FATCA Investor Notice.

Notes redeemed pursuant to this Condition 6(d) will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

For the purposes of these Conditions:

Code means the U.S. Internal Revenue Code of 1986, as amended.

FATCA Affected Note means any Note in respect of which (i) the Issuer, in relation to any future payments due under the Notes, will be obliged to make a FATCA Withholding and (ii) such FATCA Withholding cannot be avoided by the Issuer taking reasonable measures available to it.

FATCA Investor Notice means a notice given by the holder of any FATCA Affected Note to the Issuer in accordance with Condition 13. A copy of such FATCA Investor Notice shall be given to the Agent (which notice shall be

irrevocable and shall 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 6(d)).

FATCA Issuer Notice means a notice given by the Issuer to the Agent and, in accordance with Condition 13, to the Noteholders.

FATCA Withholding means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or any withholding or deduction otherwise imposed pursuant to Sections 1471 through 1474 of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code.

(e) Early Redemption Amounts

For the purpose of paragraphs (b) to (d) above, Condition 4(b)(vi), Condition 9 and any early redemption event described in the Index Annex, the Inflation Annex and the Share Annex attached to these Conditions (as applicable), the Notes will be redeemed at the **Early Redemption Amount** calculated as follows (subject always and without prejudice to the relevant provisions of such Index Annex, Inflation Annex and Share Annex, as applicable):

- (i) in the case of Notes other than Zero Coupon Notes but including Instalment Notes, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at an amount determined by the Calculation Agent as of the date for such early redemption in its absolute discretion (acting reasonably) as being the market value of the Notes reduced by the cost to the Issuer of unwinding any swap or other contractual arrangement concluded by it for the purpose of hedging its obligations under the Notes; with respect to each Index Linked Note, Inflation Linked Note and Share Linked Note, the Early Redemption Amount will be subject to the pay-off features specified as applicable in the applicable Final Terms et further described in the Pay-off Annex attached to these Conditions; or
- (ii) in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) equal to the sum of:
 - (A) the Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed or such other Day Count Fraction as may be specified in the applicable Final Terms.

(h) Instalments

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6(e) above.

(i) Purchases

The Issuer or any of its subsidiaries at any time may purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise in accordance with applicable laws and regulations. Such Notes (together with any unmatured Receipts, Coupons and Talons appertaining thereto) purchased by or on behalf of the Issuer, will either be surrendered to any Paying Agent for cancellation or held and resold in accordance with applicable legislation.

(j) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (i) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(k) Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholder either in accordance with Condition 13 or individually.

7. TAXATION

- (a) All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law or an agreement made pursuant to FATCA.
- (b) If French law should require that payments in respect of the Notes, the Receipts and the Coupons be subject to withholding or deduction with respect to any present or future taxes, duties, assessments or governmental charges of

whatever nature imposed or levied by or on behalf of France or any authority in France or of France, having power to tax, the Issuer will make payments of nominal and interest to the holders of the Notes, Receipts and Coupons net of withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any jurisdiction; the Issuer will not make any gross-up payment to the holders of the Notes to compensate for withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any jurisdiction.

As used herein, **FATCA** means (a) Section 1471(b) of the Code or (b) (i) Sections 1471 through 1474 of the Code, or (ii) any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code.

8. **PRESCRIPTION**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 5(b)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. **EVENTS OF DEFAULT**

The following events will be **Events of Default**:

- (a) the Issuer fails to make payment of any amount in respect of any of the Notes when it becomes due and payable, and such failure continues for a period of 30 days (in the case of interest) or seven days (in the case of principal); or
- (b) the Issuer fails to perform or observe any other term, covenant or agreement contained in the Notes for a period of 60 days after written notice thereof in accordance with Condition 13 shall have been given to the Issuer by the Agent or Noteholders holding at least 10 per cent. in aggregate principal amount of the Notes then outstanding; or
- (c) the Issuer is dissolved prior to the repayment in full of the Notes unless all its assets shall be transferred to and all its debts and liabilities assumed by another similar entity whose main purpose is the continuation of, and which effectively continues, the Issuer's activities; or
- (d) a judgment for the liquidation of the Issuer, being *liquidation judiciaire* or a *redressement judiciaire* or *cession totale de l'entreprise* or a *procédure de sauvegarde* or *liquidation conventionnelle* (within the meaning of the French *Code de commerce*) is issued or the Issuer is subject to similar proceedings.

If an Event of Default has occurred and is continuing, any Noteholder, by written notice to the Issuer, may identify the applicable Event or Events of Default, declare the principal of its Note or Notes, together with accrued interest and additional amounts, if any, to be due and payable immediately, whereupon such amounts shall become due and payable immediately, unless prior to the receipt of such notice by the Issuer all such Events of Default have been cured.

10. **REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws and stock exchange regulations, at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. **EXCHANGE OF TALONS**

On and after the Interest Payment Date, or, as applicable, the Specified Interest Payment Date, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon, for the purposes of these Terms and Conditions, shall be deemed to mature on the Interest Payment Date or, as applicable, the Specified Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

12. **AGENT AND PAYING AGENTS**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out on the last page of this Base Prospectus.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) as long as the Notes are listed on any Regulated Market, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant Regulated Market;
- (b) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (c) except in the circumstances described in the final paragraph of Condition 5(b), there will at no time be a Paying Agent having a specified office in the United States; and
- (d) there will at all times be an Agent;

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City only in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not fewer than 30 nor more than 60 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

13. **NOTICES**

All notices regarding the Notes shall be published as soon as possible (a) so long as such Notes are admitted to trading on any Regulated Market and the rules of such Regulated Market so permit, on the website of the Regulated Market where the admission is sought, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange (www.bourse.lu) or, (b) at the option of the Issuer in a daily leading newspaper of general circulation in Europe

(which is expected to be the Financial Times) and, so long as such Notes are listed and admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes is/are listed and admitted to trading which (i) in the case of the Eurolist by Euronext of Euronext Paris S.A., is expected to be *La Tribune or Les Echos*, and (ii) in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any relevant authority of other Regulated Market(s) on which the Notes are for the time being listed. If any such publication shall not be practicable, notice shall be given if published in an English language newspaper with general circulation in Europe. Any such notice will be deemed to have been given on the date of the first publication in the relevant newspapers.

Until such time as any Definitive Notes are issued, as long as the Global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, there may (provided that, in the case of Notes listed on a Regulated Market, the rules of the Regulated Market permits) be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which such notice was given to Euroclear and Clearstream.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same as soon as possible, together with the relative Note or Notes with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

14. **SUBSTITUTION**

The Issuer may, at its own expense, be replaced and any subsidiary of the Issuer may, at the Issuer's expense, be substituted for the Issuer as the principal debtor in respect of the Notes, Receipts and Coupons, without the consent of the Noteholders, Receiptholders or Couponholders. If the Issuer shall determine that such subsidiary shall become the principal debtor (in such capacity, the **Substituted Debtor**), the Issuer shall give not less than 30 nor more than 45 days' notice, in accordance with Condition 13, to the Noteholders of such event and, immediately on the expiry of such notice, the Substituted Debtor shall become the principal debtor in respect of the Notes, Receipts and Coupons in place of the Issuer, and the Noteholders, Receiptholders and Couponholders shall thereupon cease to have any right or claim whatsoever against the Issuer. However, no such substitution shall take effect:

- (a) if the effect of such substitution would, at the time of such substitution, be that payments in respect of the Notes would be required to be made subject to any withholding or deduction which would not otherwise arise in the absence of such substitution;
- (b) until the Issuer shall have entered a guarantee irrevocably and unconditionally guaranteeing the obligations of the Substituted Debtor;
- (c) in any case, until the Substituted Debtor shall have provided to the Agent such documents as may be necessary to make the Notes and the Agency Agreement its legal, valid and binding obligations; and
- (d) until the Substituted Debtor shall have been approved by the relevant authorities as able to issue the relevant Notes.

Upon any such substitution, the Notes, Receipts and Coupons will be modified in all material respects.

15. **MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

- (a) The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held), specifying the place, day, and hour of meeting, shall be given to the Noteholders prior to any meeting of the Noteholders in the manner provided by Condition 13. Such a meeting may be convened by the Issuer or Noteholders holding not fewer than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. (or for passing a resolution that is not an Extraordinary Resolution, $33\frac{1}{3}$ per cent.) in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying or waiving the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the quorum shall be one or more persons holding or representing not less than $66\frac{2}{3}$ per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than $33\frac{1}{3}$ per cent. in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

- (i) any modification (except such modifications in respect of which an increased quorum is required) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

- (b) Where a Benchmark Trigger Event occurs in respect of a Relevant Rate Benchmark which is used in whole or in part to calculate interest under this Condition 4(b), the Calculation Agent shall elect to take one of the actions described in section 3 of the Rate Linked Conditions (regardless of whether the Rate Linked Conditions are specified as applying in the relevant Final Terms).

Any such action shall be binding on all Noteholders, Receiptholders and Couponholders and shall be notified by the Issuer as soon as reasonably practicable thereafter to the Noteholders in accordance with Condition 13 (*Notices*).

For the purpose of this Condition 4(b), the Rate Linked Conditions, the Index Linked Conditions and the Inflation Linked Conditions:

Administrator/Benchmark Event means, in respect of a Series of Notes, delivery of a notice to the Noteholders by the Issuer specifying, and citing Benchmark Publicly Available Information that reasonably confirms, that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Relevant Benchmark to perform its or their respective obligations under the Notes.

Administrator/Benchmark Event Date means, in respect of a Series of Notes and an Administrator/Benchmark Event, the date on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:

- (a) required under any applicable law or regulation; or
- (b) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the Relevant Benchmark is not permitted to be used under the Notes following rejection, refusal, suspension or withdrawal,

or, in each case, if such date occurs before the Issue Date, the Issue Date.

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

Alternative Pre-nominated Index means:

- (a) in respect of a Relevant Rate Benchmark and an Impacted Index, the first of the indices, benchmarks or other price sources specified as an "Alternative Pre-nominated Index" in the applicable Final Terms and not subject to a Benchmark Trigger Event; or
- (b) in respect of a Relevant Index Benchmark, the first of the indices, benchmarks or other price sources specified in the applicable Final Terms as an "Alternative Pre-nominated Index" and not subject to an Index Cancellation, Index Modification or Administrator/Benchmark Event; to the extent that the Alternative Pre-nominated Index is used pursuant to the index Linked Conditions, such Alternative Pre-nominated Index shall be the "Index" from the day on which it is used; or
- (c) in respect of a Relevant Inflation Benchmark, the first of the indices, benchmarks or other price sources specified in the applicable Final Terms as an "Alternative Pre-nominated Index" and not subject to an Index Cancellation, Index Modification or Administrator/Benchmark Event; to the extent that the Alternative Pre-nominated Index is used pursuant to the index Linked Conditions, such Alternative Pre-nominated Index shall be the "Index" from the day on which it is used.

Benchmark Publicly Available Information means, in respect of an Administrator/Benchmark Event, one or both of the following:

- (a) information received from or published by (i) the administrator or sponsor of the Relevant Benchmark or (ii) any national, regional or other supervisory or regulatory authority which is responsible for supervising the administrator or sponsor of the Relevant Benchmark or regulating the Relevant Benchmark, provided that where any information of the type described in sub-paragraphs (i) or (ii) above is not publicly available, it can only constitute Benchmark Publicly Available Information if it can be made public without violating any law, regulation, agreement, understanding or other restriction regarding the confidentiality of such information; or
- (b) information published in a Specified Public Source (regardless of whether the reader or user thereof pays a fee to obtain such information).

In relation to any information of the type described in sub-paragraph (a) above, the Calculation Agent may assume that such information has been disclosed to it or its Affiliates without violating any law, regulation, agreement, understanding or other restriction regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the administrator or sponsor or any relevant national, regional or other supervisory or regulatory authority that would be breached by, or would prevent, the disclosure of such information to the Calculation Agent or its Affiliates.

Benchmark Trigger Event means an Index Cessation Event or an Administrator/Benchmark Event.

Index Cessation Event means, in respect of a Relevant Rate Benchmark, the occurrence of one or more of the following events:

- (a) a public statement by the administrator of the Relevant Rate Benchmark announcing that it has ceased or will cease to provide the Relevant Rate Benchmark permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide the Relevant Benchmark;
- (b) the publication of information which reasonably confirms that the administrator of the Relevant Rate Benchmark has ceased or will cease to provide the Relevant Rate Benchmark permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide the Relevant Benchmark;
- (c) a public statement by either a regulator or other official sector entity prohibiting the use of the Relevant Rate Benchmark that applies to, but need not be limited to, the Notes; or
- (d) any event which otherwise constitutes an “index cessation event” (howsoever regardless of how it is actually defined or described in the definition of the Relevant Rate Benchmark) in relation to which a Priority Fallback is specified.

Relevant Benchmark means:

- (a) in respect of a Series of Notes that are Rate Linked Notes, the Relevant Rate Benchmark, as defined in section 5 (*Definitions*) of the Rate Linked Conditions;
- (b) in respect of a Series of Notes that are Index Linked Notes, the Relevant Index Benchmark, as defined in section 8 (*Definitions*) of the Index Linked Conditions; or
- (c) in respect of a Series of Notes that are Inflation Linked Notes, the Relevant Inflation Benchmark, as defined in section 9 (*Definitions*) of the Inflation Linked Conditions.

Relevant Market Data means, in relation to any determination, any relevant information including, without limitation, one or more of the following types of information:

- (a) information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, alternative benchmarks, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market, unless that relevant market data is not readily available or would produce a result that is not commercially reasonable; or
- (b) information of the type described in sub-paragraph (a) above from internal sources (including any of the Calculation Agent's Affiliates) if that information is of the same type used by the Calculation Agent for adjustments to, or valuations of, similar transactions.

Third parties supplying market data pursuant to sub-paragraph (a) above may include, without limitation, central counterparties, exchanges, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other recognised sources of market information.

Specified Public Source means each source specified as such in the applicable Final Terms (or, if no such source is specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and successor publications, the main source(s) of business news in the country in which the administrator or sponsor of the Relevant Benchmark is incorporated or organised and any other internationally recognised published or electronically displayed news sources).

16. **FURTHER ISSUES**

- (a) The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receipholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects, save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.
- (b) The Issuer may also from time to time, without the consent of the Noteholders, on giving not less than 30 days' prior notice to the Noteholders, consolidate Notes denominated or redenominated in Euro with one or more issues of other notes (**Other Notes**) issued by it and denominated in the currency of any of the Member States of the European Union provided that such Other Notes are denominated in, or have been redenominated into Euro and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

In the event of any such consolidation, the Issuer may, without the consent of the Noteholders, provide for additional, and/or substitute denominations of such Notes.

Notice of any such consolidation and/or provision of additional or substitute denominations will be given to the Noteholders in accordance with Condition 13.

17. **COVENANT TO DISCLOSE INFORMATION**

Each Noteholder (being in the case of Notes held by a nominee or held in a clearing system, the beneficial owner of the Notes), by subscribing or purchasing the Notes or an interest in the Notes:

- (a) agrees to provide to the Issuer (or agents acting on its behalf) all information and documentation available to it that is reasonably requested by the Issuer (or agents acting on its behalf) in connection with legal, tax or regulatory matters, including any information that is necessary or advisable in order for the Issuer to comply with legal, tax and regulatory requirements applicable to the Issuer from time to time;
- (b) agrees to provide to the Issuer (or agents acting on its behalf) all information and documentation available to it that is reasonably requested by the Issuer (or agents acting on its behalf) to verify the Noteholder's identity and the source of the payment used by such Noteholder or its subsequent transferee when purchasing Notes; and

- (c) agrees that the Issuer (or agents acting on its behalf) may, subject to any applicable banking secrecy laws and relevant confidentiality provisions (1) provide such information and documentation and any other information concerning its investment in the Notes to any relevant governmental, banking, taxation or other regulatory authority and (2) take such other steps as they deem necessary or helpful (in all cases, in the sole discretion of the Issuer or its respective agents) to comply with any applicable law or regulation.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- (a) Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

- (b) Submission to jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and/or the Coupons) and that accordingly any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and/or the Coupons) (together referred to as **Proceedings**) may be brought in such courts.

Nothing contained in the paragraph above shall limit the right of any party to the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and/or the Coupons 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.

- (c) Appointment of Process Agent

The Issuer appoints Edmond de Rothschild (UK) Limited at its registered office for the time being at 4 Carlton Gardens, London SW1Y5AA, United Kingdom (reference Edmond de Rothschild (France)) as its agent for service of process, and undertakes that, in the event of Edmond de Rothschild (UK) Limited ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve Proceedings in any other manner permitted by law.

- (d) Waiver of immunity

The Issuer hereby irrevocably and unconditionally waives with respect to the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and/or the Coupons any right to claim immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

19. STATUTORY WRITE-DOWN OR CONVERSION

(a) Acknowledgement

Notwithstanding any other term of a given Series of Notes or any other agreement, arrangement or understanding between the Issuer and the holders of any Note, by its acquisition of any of Note, each Noteholder (which for the purposes of this Condition 19 includes each holder of a beneficial interest in any Note) acknowledges, accepts, consents and agrees:

- (i) to be bound by the effect of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
 - 1) the reduction of all, or a portion, of the Amounts Due on a permanent basis;
 - 2) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the holder of the Notes of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of such Notes, in which case the holder of such Notes agrees to accept in lieu of its rights under such Notes any such shares, other securities or other obligations of the Issuer or another person;
 - 3) the cancellation of the Notes;
 - 4) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority.

For purposes of this Condition 19:

Amounts Due means the outstanding principal amount of the Notes and any accrued and unpaid interest on the Notes.

Statutory Loss Absorption Powers means any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, the **BRRD**), including without limitation pursuant to French decree-law No. 2015-1024 dated 20 August 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time, the **20 August 2015 Decree Law**), Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single Resolution

Mechanism and a Single Resolution Fund and amending Regulation (EU) No. 1093/2010 (as amended from time to time, the **SRM**), or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of the bail-in tool following placement in resolution or of write-down or conversion powers before a resolution proceeding is initiated or without a resolution proceeding, or otherwise.

Regulated Entity means any entity referred to in Section I of Article L.613-34 of the French *Code monétaire et financier* as modified by the 20 August 2015 Decree Law, which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

Relevant Resolution Authority means the *Autorité de contrôle prudentiel et de résolution*, the Single Resolution Board established pursuant to the SRM and/or any other authority entitled to exercise or participate in the exercise of the Statutory Loss Absorption Powers from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the SRM).

(b) Payment of Interest and Other Outstanding Amounts Due

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of the Edmond de Rothschild group.

(c) No Event of Default

Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes will be an event of default or otherwise constitute nonperformance of a contractual obligation, or entitle the holder of such Notes to any remedies (including equitable remedies) which are hereby expressly waived.

(d) Notice to Noteholders

Upon the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the holders of such Notes in accordance with Condition 13 (*Notices*) as soon as practicable regarding such exercise of the Statutory Loss Absorption Powers. The Issuer will also deliver a copy of such notice to the Agent for informational purposes, although the Agent shall not be required to send such notice to the holders of such Notes. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the

Statutory Loss Absorption Powers nor the effects on the Notes described in Condition 19 (a) above.

(e) Duties of the Paying Agents

Upon the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority, (a) the Paying Agents shall not be required to take any directions from holders of Notes, and (b) the Agency Agreement shall impose no duties upon any of the Paying Agents whatsoever, in each case with respect to the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority.

Notwithstanding the foregoing, if, following the completion of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority, any Notes remain outstanding (for example, if the exercise of the Statutory Loss Absorption Powers results in only a partial write-down of the principal of the Notes), then the Paying Agents' duties under the Agency Agreement shall remain applicable with respect to the Notes following such completion to the extent that the Issuer and the Paying Agents shall agree pursuant to an amendment to the Agency Agreement.

(f) Proration

If the Relevant Resolution Authority exercises the Statutory Loss Absorption Powers with respect to less than the total Amounts Due, unless any of the Paying Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the relevant Series of Notes pursuant to the Statutory Loss Absorption Powers will be made on a pro-rata basis.

(g) Conditions Exhaustive

The matters set forth in this Condition 19 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of Notes.

20. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a Noteholder shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from such Act.

RATE ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR RATE LINKED NOTES

*The terms and conditions applicable to Rate Linked Notes shall comprise the Terms and Conditions of the Notes (the **Note Conditions**) and the additional Terms and Conditions set out below (the **Rate Linked Conditions**) (together the **Conditions**) and, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Rate Linked Conditions, the Rate Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and the Rate Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Rate Linked Conditions to **Notes** shall be deemed to be references to **Rate Linked Notes**. Defined terms used in this Rate Annex or the related section of the Final Terms where the same term may be used in another Annex (e.g. Coupon Observation Date) shall have the meanings given in this Rate Annex or in the section of the Final Terms relating to Rate Linked Notes notwithstanding the same terms being used in another Annex or section of the Final Terms.*

1. **Rate Linked Notes**

(a) **Coupon Payment Dates**

Each Rate Linked Note bears interest on its nominal amount from (and including) the Coupon Commencement Date, and such interest will be payable in arrears on either:

- (i) the Coupon Payment Date(s) in each year as specified in the applicable Final Terms (the period from and including the Coupon Commencement Date to but excluding the first Coupon Payment Date and each successive period from and including a Coupon Payment Date, to but excluding the next Coupon Payment Date, each being a **Coupon Period**); or
- (ii) if no express Coupon Payment Date(s) is/are specified in the applicable Final Terms, each date (each a **Coupon Payment Date**) which is the number of months or other period specified as the Coupon Period in the applicable Final Terms after the preceding Coupon Payment Date or, in the case of the first Coupon Payment Date, after the Coupon Commencement Date.

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified in the Final Terms is:

- (A) in any case where Coupon Periods are specified in accordance with Section 1(a)(ii) above, the Benchmark Rate Convention, such Coupon Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Coupon Payment Date shall be brought forward to the immediately preceding Business Day and (II) each subsequent Coupon Payment Date shall be the last Business Day in the month which is the number of months or other period specified as the Coupon Period in the applicable Final Terms after the preceding applicable Coupon Payment Date occurred;
- (B) the Following Business Day Convention, such Coupon Payment Date, shall be postponed to the next day which is a Business Day;
- (C) the Modified Following Business Day Convention, such Coupon Payment Date shall be postponed to the next day which is a Business

Day unless it would thereby fall into the next calendar month, in which event such Coupon Payment Date shall be brought forward to the immediately preceding Business Day; or

- (D) the Preceding Business Day Convention, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day.

(b) Benchmark Rate Level

The Benchmark Rate Level payable from time to time in respect of Rate Linked Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Rate Linked Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Benchmark Rate Level is to be determined, the Benchmark Rate Level for each Coupon Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate for a Coupon Period** means a rate equal to the Benchmark Rate Level that should be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions or the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series), as published by the International Swaps and Derivatives Association Inc. (the **2006 ISDA Definitions**) (as specified in the Final Terms) and under which:

- A. the Floating Rate Option is as specified in the applicable Final Terms;
- B. the Designated Maturity is a period specified in the applicable Final Terms; and
- C. the relevant Reset Date is either (1) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Coupon Period or (2) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the 2000 ISDA Definitions or the 2006 ISDA Definitions (as specified in the Final Terms).

(ii) Screen Rate Determination for Rate Linked Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Benchmark Rate Level is to be determined, the Benchmark Rate Level for each Coupon Period shall be determined by the Calculation Agent at or about the Relevant Time on the Coupon Observation Date in respect of such Coupon Period in accordance with the following:

- (A) if the Primary Source for Benchmark Rate Level is a Page, subject as provided below, the Benchmark Rate Level shall be:
- (x) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
 - (y) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Coupon Observation Date, subject as otherwise specified in the relevant Final Terms
- (B) if the Primary Source for the Benchmark Rate Level is Reference Banks or if sub-paragraph (A)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Coupon Observation Date or if sub-paragraph (A)(y) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Coupon Observation Date, subject as provided below, the Benchmark Rate Level shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Coupon Observation Date, as determined by the Calculation Agent; and
- (C) if paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Benchmark Rate Level shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark Rate) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the euro-zone as selected by the Calculation Agent (the **Principal Financial Centre**) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Benchmark Rate Level shall be the Benchmark Rate Level determined on the previous Coupon Observation Date.

2. Consequences of an Additional Disruption Event

- (a) If "Change in Law", "Hedging Disruption" and/or "Increased Cost of Hedging" (each, an **Additional Disruption Event**) is specified in the Final Terms to be applicable, then upon the occurrence of any such an event the Issuer may:
 - (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 4 below; or
 - (ii) require the Calculation Agent to make such adjustments to any of the Conditions as it considers appropriate in its sole and absolute discretion to account for such Additional Disruption Event and determine the date(s) on which any such adjustments will be effective; or
 - (iii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

3. Benchmark Trigger Events

- (a) If the definition of the Relevant Rate Benchmark includes a reference to a definition of, or concept described as, an "index cessation event" (howsoever regardless of how it is defined or described) then, upon the occurrence of such an event, any fallback specified in that definition to apply following such an event (the **Priority Fallback**) shall apply. If the Priority Fallback fails to provide a means of determining the index level then section 3(b) below shall apply.
- (b) Subject to section 3(a) above, if a Benchmark Trigger Event occurs, the Calculation Agent shall elect to take one of the actions described in subparagraphs (i), (ii) or (iii) below, with effect from the Business Day following the Cut-Off Date:
 - (i) If an Impacted Index and an Alternative Pre-nominated Index have been specified in the applicable Final Terms, (A) the Relevant Rate Benchmark will be replaced with the Alternative Pre-nominated Index, (B) the Calculation Agent shall apply the Adjustment Spread to the Alternative Pre-nominated Index and (C) the Calculation Agent may, after taking into account any Adjustment Spread, make such other adjustments to any of the Conditions as are necessary to account for the effect on the Notes of referencing the Alternative Pre-nominated Index.
 - (ii) If there is an Alternative Post-nominated Index, (A) the Relevant Rate Benchmark will be replaced with the Alternative Post-nominated Index, (B) the Calculation Agent shall apply the Adjustment Spread to the Alternative Post-nominated Index and (C) the Calculation Agent may, after taking into account any Adjustment Spread, make such

other adjustments to any of the Conditions as are necessary to account for the effect on the Notes of referencing the Alternative Post-nominated Index.

- (iii) If there is a Calculation Agent Nominated Replacement Index, (A) the Relevant Rate Benchmark will be replaced with the Calculation Agent Nominated Replacement Index, (B) the Calculation Agent shall apply the Adjustment Spread to the Calculation Agent Nominated Replacement Index and (C) the Calculation Agent may, after taking into account any Adjustment Spread, make such other adjustments to any of the Conditions as are necessary to account for the effect on the Notes of referencing the Calculation Agent Nominated Replacement Index.
- (iv) Upon giving notice to the Noteholders, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.
- (c) If an Index Cessation Event occurs, the Cut-off Date will be the later of (i) 15 Business Days following the day on which the public statement is made or the information is published, in each case as referred to in the definition of "Index Cessation Event" and (ii) the first day on which the Relevant Benchmark is no longer available.
- (d) If an Administrator/Benchmark Event occurs, the Cut-off Date will be the later of (i) 15 Business Days following the day on which the notice contemplated in the definition of "Administrator/Benchmark Event" is effective and (ii) the Administrator/Benchmark Event Date.
- (e) If, following a Benchmark Trigger Event, the Relevant Benchmark is required for any determination under the terms of the Notes and, at that time, no action has been made under section 3(b) above, then, for the purposes of that determination, the Calculation Agent may determine that level of the Relevant Benchmark:
 - (i) if
 - (A) in relation to an Index Cessation Event, the Relevant Benchmark is still available; or
 - (B) in relation to an Administrator/Benchmark Event, the Administrator/Benchmark Event Date has not yet occurred,pursuant to the terms that would apply to the determination of the Relevant Benchmark as if no Benchmark Trigger Event had occurred;
 - (ii) if
 - (A) the Relevant Benchmark is no longer available; or
 - (B) the Administrator/Benchmark Event Date has occurred (as the case may be),

determined pursuant to any fallbacks specified by the parties to apply in order to determine a level for the Relevant Benchmark in circumstances in which the Relevant Benchmark is not available and no Benchmark Trigger Event has occurred; or

- (iii) if a level for the Relevant Benchmark cannot be determined under sub-paragraph (i) or (ii) above, as applicable

determined by reference to the rate published in respect of the Relevant Benchmark at the time at which the Relevant Benchmark is ordinarily determined on (i) the day on which the Relevant Benchmark ceased to be available or (ii) the Administrator/Benchmark Event Date, as applicable or, if no rate is published at that time or that rate cannot be used in accordance with applicable law or regulation, by reference to the rate published at that time on the immediately preceding Business Day.

- (f) If (i) an event or circumstance which would otherwise constitute or give rise to an Administrator/Benchmark Event also constitutes an Index Cessation Event or (ii) an Index Cessation Event and an Administrator/Benchmark Event would otherwise be continuing at the same time, it will, in either case, constitute an Index Cessation Event and will not constitute or give rise to an Administrator/Benchmark Event, provided that, if the date that would otherwise have been the Administrator/Benchmark Event Date would have occurred before the Relevant Benchmark is no longer available, section 3(e) shall apply as if an Administrator/Benchmark Event had occurred.
- (g) Whenever the Calculation Agent is required to act, make a determination or to exercise judgement in any way under this section 3, it will do so in good faith, in a commercially reasonable manner and by reference to any Relevant Market Data.
- (h) If, in respect of the Notes:
 - (i) it is or would be unlawful at any time under any applicable law or regulation to determine the Relevant Rate Benchmark in accordance with any applicable fallback referred to in section 3(b) (or it would be unlawful were a determination to be made at such time);
 - (ii) it would contravene any applicable licensing requirements to determine the Relevant Rate Benchmark in accordance with any applicable fallback referred to in section 3(b) (or it would contravene those licensing requirements were a determination to be made at such time); or
 - (iii) the Calculation Agent determines that the Adjustment Spread is or would be a benchmark, index or other price source whose production, publication, methodology or governance would subject the Calculation Agent or the Issuer to material additional regulatory obligations which it is unwilling to undertake,

then the provisions of section 3(b)(i), 3(b)(ii) or 3(b)(iii), as applicable, shall cease to apply.

- (i) Following a Benchmark Trigger Event, the Issuer shall give notice as soon as practicable to the Noteholders stating the occurrence of the Benchmark Trigger Event, giving details thereof and the action that the Calculation Agent propose to take in relation thereto in accordance with this section 3.

4. **Events having a material effect on the Notes**

Notwithstanding, and without prejudice to, the foregoing provisions of this Rate Annex, if any event (whether or not such event is expressly described or otherwise referred to herein) occurs which the Calculation Agent determines, acting in good faith, has a material effect on the Notes, then:

- (a) the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 5 below; or
- (b) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such event and determine the date(s) on which any such adjustments will be effective; or
- (c) the Issuer may, upon giving notice to the Noteholders, redeem all but not some only of the Notes, each Note being redeemed at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

Upon the Calculation Agent making a determination pursuant to this section 4, the Issuer shall give notice as soon as practicable to Noteholders giving details of such determination.

5. **Monetisation until the Maturity Date**

- (a) Following notice by the Issuer to the Noteholder that it elects to apply Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Instalment Amount(s) initially scheduled to be paid on each Instalment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount on the Maturity Date, but instead will, in full and final satisfaction of its obligations under the Notes, pay on the Maturity Date an amount per Note, determined by the Calculation Agent as the result of:

- (i) 100% of the Specified Denomination of the Note;

plus

- (ii) the **Monetisation Payment Amount** (which may be a positive amount or a negative amount) corresponding to the Monetisation Calculation Amount (1) capitalised at the applicable zero-coupon rate (which may be positive or negative) from and including the Full Liquidation Date (or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date) to but excluding the Maturity Date and (2) apportioned pro rata amongst the Specified Denomination of each Note.

less

- (iii) the Associated Costs apportioned pro rata amongst the Specified Denomination of each Note (without double counting of any cost taken into account in the Monetisation Calculation Amount),

subject to a minimum of zero.

The **Monetisation Calculation Amount** is equal to the net cash amount that the Issuer or any of its affiliates would be left with (in which case the Monetisation Calculation Amount will be expressed as a positive amount) or would have to pay (in which case the Monetisation Calculation Amount will be expressed as a negative amount) on the Instalment Full Liquidation Date (and, if applicable, the Optional Full Liquidation Date and/or the Instalment Full Liquidation Date), as a result of liquidating the Hedge Positions (and, if applicable, Optional Hedge Positions and/or the Instalment Hedge Positions) (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions), if any, with the liquidation proceeds of the assets of the Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions)), the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date.

(b) Definitions specific to the Monetisation until the Maturity Date

"Associated Costs" means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Issuer or any of its affiliates in connection with the termination, liquidation or re-establishment of the Intermediate Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be.

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Rate or Basket of Indices, as applicable, due on the Maturity Date provided that, if the Instalment Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Instalment Hedge Positions and/or the Optional Hedge Positions, if applicable.

"Instalment Full Liquidation Date" means, in respect of any Instalment Payment Date, the date on which the liquidation proceeds of the Instalment Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hedge Positions, if any, with the liquidation proceeds of the assets of such Instalment Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Instalment Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions

or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Rate or Basket of Indices, as applicable, due on an Instalment Date.

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Rate or Basket of Indices, as applicable, due on an Optional Redemption Date.

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

5. **Definitions**

Adjustment Spread means, in respect of the Notes, the adjustment, if any, which the Calculation Agent determines is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from the Issuer to the Noteholders, or vice versa, as a result of the replacement made pursuant to section 3(b). Any such adjustment may take account of, without limitation, any anticipated transfer of economic value as a result of any difference in the term structure or tenor of the Alternative Pre-nominated Index, Alternative Post-nominated Index or Calculation Agent Nominated Replacement Index, as applicable, by comparison to the Relevant Rate Benchmark. The Adjustment Spread may be positive, negative or zero or determined pursuant to a formula or methodology. If the Calculation Agent is required to determine the Adjustment Spread, it shall consider any Relevant Market Data. If a spread or methodology for calculating a spread has been formally designated, nominated or recommended by any Relevant Nominating Body in relation to the replacement of the Relevant Rate Benchmark with the Alternative Post-nominated Index, then the Adjustment Spread shall be determined on the basis of such recommendation.

Administrator/Benchmark Event has the meaning given to it in the Note Conditions.

Administrator/Benchmark Event Date has the meaning given to it in the Note Conditions.

Alternative Post-nominated Index means, in respect of a Relevant Rate Benchmark, any index, benchmark or other price source which is formally designated, nominated or recommended by:

- (a) any Relevant Nominating Body; or
- (b) the administrator or sponsor of the Relevant Rate Benchmark, provided that such index, benchmark or other price source is substantially the same as the Relevant Rate Benchmark,

in each case, to replace the Relevant Rate Benchmark. If a replacement is designated, nominated or recommended under both sub-paragraphs (a) and (b) above, then the replacement under sub-paragraph (a) shall be the **Alternative Post-nominated Index**.

Alternative Pre-nominated Index has the meaning given to it in the Note Conditions.

Benchmark Rate means the reference rate specified in the Final Terms.

Benchmark Rate Level means, in respect of a Benchmark Rate and any date of determination, the rate determined for such Benchmark Rate in accordance with this Rate Annex in respect of such date of determination.

Benchmark Trigger Event has the meaning set out in the Note Conditions.

Cut-off Date has the meaning given to it in section 3(c) or 3(d), as applicable, above.

Calculation Agent Nominated Replacement Index means, in respect of a Relevant Rate Benchmark, the index, benchmark or other price source that the Calculation Agent determines to be a commercially reasonable alternative for the Relevant Rate Benchmark.

Change of Law means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the Benchmark Rate.

Coupon Observation Date means, with respect to a Benchmark Rate Level and Coupon Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two Business Days prior to the first day of such Coupon Period if the Specified Currency is euro or (ii) the first day of such Coupon Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Coupon Period if the Specified Currency is neither Sterling nor euro.

Effective Date means, with respect to any Benchmark Rate Level to be determined in accordance with a Screen Rate Determination on a Coupon Observation Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Coupon Period to which such Coupon Observation Date relates.

Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (1) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index price risk or any other relevant price risk including but not limited to the currency risk of the Issuer in issuing and performing its obligations with respect to the Notes, or (2) freely

realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, index price risk, foreign exchange risk and interest rate risk) of the Issuer in issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

Impacted Index means, in respect of the Notes and a Relevant Rate Benchmark, the index, benchmark or other price source (howsoever described) specified as an "Impacted Index" in the applicable Final Terms.

Index Cessation Event has the meaning set out in the Note Conditions.

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

Priority Fallback has the meaning given to it in section 3(b).

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

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

Relevant Market Data has the meaning set out in the Note Conditions.

Relevant Nominating Body means, in respect of a Relevant Rate Benchmark:

- (a) the central bank for the currency in which the Relevant Rate Benchmark is denominated or any central bank or other supervisor which is responsible for supervising either the Relevant Rate Benchmark or the administrator of the Relevant Rate Benchmark; or
- (b) any working group or committee officially endorsed or convened by, or constituted at the request of, (i) the central bank for the currency in which the Relevant Rate Benchmark is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the Relevant Rate Benchmark or the administrator of the Relevant Rate Benchmark, (iii) a group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof.

Relevant Rate means the Benchmark Rate for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark Rate) equal to the Specified Duration commencing on the Effective Date.

Relevant Rate Benchmark means, in respect of the Notes:

- (a) the Floating Rate Option (or, if applicable, the index, benchmark or other price source that is referred to in the Floating Rate Option);
- (b) the Page (or, if applicable, the index, benchmark or other price source that is referred to in the Page);
- (c) the Impacted Index (or, if applicable, the index, benchmark or other price source that is referred to in the Impacted Index); or
- (d) any other index, benchmark or price source specified as a "Relevant Rate Benchmark" in the applicable Final Terms.

To the extent that any index, benchmark or price source referred to in the Priority Fallback, the Alternative Pre-nominated Index, the Alternative Post-nominated Index or the Calculation Agent Nominated Replacement Index is used pursuant to section 3(a) or (b) above, such index, benchmark or price source referred to in the Priority Fallback, Alternative Pre-nominated Index, Alternative Post-nominated Index or Calculation Agent Nominated Replacement Index, as applicable, shall be a Relevant Rate Benchmark from the day on which it first applies.

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

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

Specified Duration means, with respect to any Benchmark Rate Level to be determined in accordance with a Screen Rate Determination on an Coupon Observation Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Coupon Period, ignoring any adjustment pursuant to Condition 5(b)(i).

INDEX ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED NOTES

*The terms and conditions applicable to Index Linked Notes shall comprise the Terms and Conditions of the Notes (the **Note Conditions**) and the additional Terms and Conditions set out below (the **Index Linked Conditions**) (together the **Conditions**) and, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Index Linked Conditions, the Index Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and the Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Index Linked Conditions to **Notes** shall be deemed to be references to **Index Linked Notes**. Defined terms used in this Index Annex or the related section of the Final Terms where the same term may be used in another Annex (e.g. Observation Date) shall have the meanings given in this Index Annex or in the section of the Final Terms relating to Index Linked Notes notwithstanding the same terms being used in another Annex or section of the Final Terms.*

*The issue of the Notes (in this paragraph, the **Transaction**) is not sponsored, endorsed, sold, or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.*

1. **Index Linked Notes**

- (a) Unless the Notes are redeemed early in accordance with their terms and conditions, if the determination of the Interest Amount, the Early Redemption Amount, the Final Redemption Amount or the Instalment Amount, as the case may be, is postponed as a result of the occurrence of a Disrupted Day, then payment of any such amount (the **Affected Amount**) shall be postponed to the date which is two Payment Days following the latest to occur of (x) the Index Determination Date; (y) the Disruption Longstop Date and (z) the scheduled date for payment of such Affected Amount, and such Affected Amount shall be paid without any interest or other sum payable in respect of the postponement of the payment of the Affected Amount.
- (b) If, in respect of the Notes, it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, in each case, to determine the Index in accordance with any applicable fallback (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), then the Index shall be determined in accordance with the first applicable fallback that complies with the applicable law, regulation or licensing requirements.

2. **Adjustment to Indices**

- (a) Without prejudice to the provisions of sections 2(b) to 2(d) below and subject to the provisions of section 1(b) above, if, in respect of the Notes, the parties have specified an Alternative Pre-nominated Index in the applicable Final Terms, upon the occurrence of an Index Cancellation (as defined in section 2(c) below) or an Administrator/Benchmark Event Date, the Issuer may require the Calculation Agent to adjust the terms of the Notes so that references to the Index are replaced by references to the Alternative Pre-nominated Index.
- (b) In the event that any price or level published on the Exchange or by the Index Sponsor and which is utilised for any calculation or determination made in respect of the Index is subsequently corrected and the correction is published by the Exchange or the Index Sponsor within one Settlement Cycle after the original publication, the Calculation Agent will, to the extent necessary, adjust the terms of the Notes to account for such correction.
- (c) If, the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the Index.
- (d) If (i) on or prior to any Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, an Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an **Index Modification**) or permanently cancels the Index and no Successor Index exists (an **Index Cancellation**), (ii) on any Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, the Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**) or (iii) an Administrator/Benchmark Event occurs, then the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 7 below or otherwise:
- (1) if "Calculation Agent Adjustment" is specified in the Final Terms as the consequence of any such Index Adjustment Event or Administrator/Benchmark Event, then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Settlement Price, Final Price as the case may be, using, in lieu of a published level for the Index, the level for the Index as at that Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

- (2) if "Negotiated Close-out" is specified in the Final Terms as the consequence of any such Index Adjustment Event or Administrator/Benchmark Event, then the Settlement Price will continue to be determined on the terms and subject to the conditions, formulas and calculation methods in effect as of any relevant time at which calculations may be made; or
- (3) if "Cancellation and Payment" is specified in the Final Terms as the consequence of any such Index Adjustment Event or Administrator/Benchmark Event, then:
 - (A) in the case of an Index Disruption, the Notes will be redeemed on the Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable;
 - (B) in the case of an Index Cancellation, the Notes will be redeemed on the later of the Exchange Business Day immediately prior to the effectiveness of the Index Cancellation and the date the Index Cancellation is announced by the Index Sponsor;
 - (C) in the case of an Index Modification, the Issuer may elect, upon two Scheduled Trading Days' notice or such lesser notice as may be required so that redemption occurs not later than the effective date of the Index Modification, to redeem the Notes at any time following the announcement of the Index Modification but no later than the Scheduled Trading Day prior to the effectiveness of such Index Modification; or
 - (D) in the case of an Administrator/Benchmark Event, the Notes will be redeemed on the Administrator/Benchmark Event Date.

In each case, the redemption amount of each Note will be equal to its Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

3. Consequences of Disrupted Days

If any Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, is a Disrupted Day, then the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 7 below or otherwise:

- (a) in the case of Index Linked Notes relating to a single Index, the Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (the **Index Determination Date**), unless each of the eight Scheduled Trading Days immediately following the Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, is a Disrupted Day, in which case:
 - (i) that eighth Scheduled Trading Day (the **Disruption Longstop Date**) shall be deemed to be the Autocall Observation Date, Coupon

Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, notwithstanding the fact that such day is a Disrupted Day; and

- (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on the Disruption Longstop Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or
- (b) in the case of Index Linked Notes relating to a Basket of Indices:
- (i) the Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, for each Index not affected by the occurrence of a Disrupted Day shall be the original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable; and
 - (ii) the Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable for each relevant Index affected (each an **Affected Index**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of such Affected Index, unless each of the eight Scheduled Trading Days immediately following the Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, is a Disrupted Day in respect of such Affected Index, in which case:
 - (x) the Disruption Longstop Date shall be deemed to be the Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, notwithstanding the fact that such day is a Disrupted Day; and
 - (y) the Calculation Agent shall determine the level of the Affected Index as of the Valuation Time on the Disruption Longstop Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred and is continuing in respect of the relevant Component on that eighth Scheduled Trading Day, its good

faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

- (c) if the Calculation Agent is not able to or does not determine the level of the Index in accordance with section 3(a) or 3(b) above, as the case may be, or if such determination would not, in the opinion of the Calculation Agent, account for the relevant disruption event:
 - (i) the Calculation Agent may determine the level of the Index or Indices for the original Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, taking into consideration the latest available quotation for the relevant level of the Index or Indices and any other information that in good faith it deems relevant; or
 - (ii) the Calculation Agent may make such adjustments to any of the Conditions of the Notes as it considers appropriate to account for any such disruption event and determine the date(s) on which any such adjustments will be effective; in making any such adjustments, the Calculation Agent may take into account the equivalent adjustment(s) which would be made to an index derivative transaction in the interbank market following the relevant event occurring and where the Calculation Agent deems appropriate (in its sole and absolute discretion), adjust the Conditions to give effect to such adjustment(s); or
 - (iii) if the Calculation Agent is not able to or does not determine any adjustments for the purposes of section 3(c)(i) or section 3(c)(ii) above, the Issuer may, in its sole and absolute discretion, upon giving notice to the Noteholders, elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 7 below or to redeem all but not some only of the Notes, each Note being redeemed at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex applicable to the Notes.

The Calculation Agent shall give notice as soon as practicable to the Noteholders of the occurrence of the relevant disruption event on any day that, but for the occurrence of a Disrupted Day, would have been an Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable. Such notice shall give the details of such disruption event and the action proposed to be taken by the Calculation Agent in relation thereto.

4. **Consequences of an Additional Disruption Event**

- (a) If "Change in Law", "Hedging Disruption", "Loss of Stock Borrow", "Increased Cost of Stock Borrow" and/or "Increased Cost of Hedging" (each, an **Additional Disruption Event**) is specified in the Final Terms to be applicable, then upon the occurrence of any such an event the Issuer may:
 - (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 7 below; or
 - (ii) require the Calculation Agent to make such adjustments to any of the Conditions as it considers appropriate in its sole and absolute discretion to account for such Additional Disruption Event and

determine the date(s) on which any such adjustments will be effective; or

- (iii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.
- (b) If both "Hedging Disruption" and "Loss of Stock Borrow" are specified to be applicable in the Final Terms and an event or circumstance that would otherwise constitute or give rise to a Hedging Disruption also constitutes a Loss of Stock Borrow, it will be treated as a Loss of Stock Borrow and will not constitute a Hedging Disruption.
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

5. Events having a material effect on the Notes

Notwithstanding, and without prejudice to, the foregoing provisions of this Index Annex, if any event (whether or not such event is expressly described or otherwise referred to herein) occurs which the Calculation Agent determines, acting in good faith, has a material effect on the Notes, then:

- (a) the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 7 below; or
- (b) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such event and determine the date(s) on which any such adjustments will be effective; or
- (c) the Issuer may, upon giving notice to the Noteholders, redeem all but not some only of the Notes, each Note being redeemed at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

Upon the Calculation Agent making a determination pursuant to this section 5, the Issuer shall give notice as soon as practicable to Noteholders giving details of such determination.

6. Futures Price Valuation

If "Futures Price Valuation" is specified as applicable in respect of the Index in the Final Terms, then notwithstanding any other provisions of this Index Annex the following provisions will apply to the valuation of the Index on an Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable:

- (a) For the purpose of this section 6 only, Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, shall mean a day on which the Official Settlement Price is published and, in all cases except for section 6(e) below, irrespective of whether such day is a Disrupted Day.
- (b) Additional Definitions Relating to Futures Price Valuation

Exchange-traded Contract means a contract specified as such for that Index in the Final Terms. For this purpose, the Final Terms will shall specify the futures or options contract by reference to (i) the Index to which it relates, (ii) the delivery month of such contract and (iii) the exchange on which it is traded.

Official Settlement Price means the official settlement price (however described under the rules of the relevant Exchange or its clearing house) of any of the relevant Exchange-traded Contracts published by the Exchange or its clearing house.

- (c) For purposes of determining the Settlement Price or the Final Price, as the case may be, on an Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, the Settlement Price or the Final Price will be the Official Settlement Price on that Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable.
- (d) Without duplication of section 4(a) (which shall govern in the event of any conflict), in the event that the terms of the Exchange-traded Contract are changed or modified by the Exchange, then:
 - (i) the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 7 below; or
 - (ii) the Calculation Agent shall, if necessary, adjust the Initial Price and/or any other variable relevant to the settlement terms of the Notes to preserve for the Issuer and the Noteholders the economic equivalent of any payment or payments (assuming satisfaction of each applicable condition precedent) by the parties in respect of the Notes that would have been required after the date of such change.
- (e) If there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to an Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, then:
 - (i) the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 7 below; or
 - (ii) the Official Settlement Price for that Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, shall be deemed to be the level of the official closing level of the Index as calculated and published by the Index Sponsor on the Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable; if this Section 6(e)(ii) applies, then the relevant Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, shall mean the date that, but for the non-commencement or permanent

discontinuance of the Exchange-traded Contract, would have been the date of publishing the relevant Official Settlement Price unless such day is a Disrupted Day, in which case the provisions of section 2 will apply.

- (f) If the Official Settlement Price for any Autocall Observation Date, Coupon Observation Date, Relevant Observation Date, Strike Determination Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, is corrected and the correction is published by the relevant exchange within one Settlement Cycle for the related Exchange-traded Contract after the original publication, the Calculation Agent will, to the extent necessary, adjust the terms of the Notes to account for such correction.

7 **Monetisation until the Maturity Date**

- (a) Following notice by the Issuer to the Noteholder that it elects to apply Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Instalment Amount(s) initially scheduled to be paid on each Instalment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount on the Maturity Date, but instead will, in full and final satisfaction of its obligations under the Notes, pay on the Maturity Date an amount per Note, determined by the Calculation Agent as the result of:

- (i) 100% of the Specified Denomination of the Note;

plus

- (ii) the **Monetisation Payment Amount** (which may be a positive amount or a negative amount) corresponding to the Monetisation Calculation Amount (1) capitalised at the applicable zero-coupon rate (which may be positive or negative) from and including the Full Liquidation Date (or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date) to but excluding the Maturity Date and (2) apportioned pro rata amongst the Specified Denomination of each Note.

less

- (iii) the Associated Costs apportioned pro rata amongst the Specified Denomination of each Note (without double counting of any cost taken into account in the Monetisation Calculation Amount),

subject to a minimum of zero.

The **Monetisation Calculation Amount** is equal to the net cash amount that the Issuer or any of its affiliates would be left with (in which case the Monetisation Calculation Amount will be expressed as a positive amount) or would have to pay (in which case the Monetisation Calculation Amount will be expressed as a negative amount) on the Instalment Full Liquidation Date (and, if applicable, the Optional Full Liquidation Date and/or the Instalment Full Liquidation Date), as a result of liquidating the Hedge Positions (and, if applicable, Optional Hedge Positions and/or the Instalment Hedge Positions) (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions), if any, with the liquidation proceeds of the assets of the Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions)), the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate

on the Full Liquidation Date or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date.

(b) Definitions specific to the Monetisation until the Maturity Date

"Associated Costs" means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Issuer or any of its affiliates in connection with the termination, liquidation or re-establishment of the Intermediate Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be.

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Index or Basket of Indices, as applicable, due on the Maturity Date provided that, if the Instalment Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Instalment Hedge Positions and/or the Optional Hedge Positions, if applicable.

"Instalment Full Liquidation Date" means, in respect of any Instalment Payment Date, the date on which the liquidation proceeds of the Instalment Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hedge Positions, if any, with the liquidation proceeds of the assets of such Instalment Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Instalment Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Index or Basket of Indices, as applicable, due on an Instalment Date.

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Index or Basket of Indices, as applicable, due on an Optional Redemption Date.

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

8. Definitions

Administrator/Benchmark Event has the meaning given to it in the Note Conditions.

Administrator/Benchmark Event Date has the meaning given to it in the Note Conditions.

Alternative Pre-nominated Index has the meaning given to it in the Note Conditions.

Autocall Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Basket means a basket containing the Indices specified in the applicable Final Terms.

Change of Law means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the Index or Basket of Indices, as applicable.

Clearance System means the clearance system specified as such in the Final Terms or any successor to such clearance system as determined by the Calculation Agent.

Clearance System Business Day means, in respect of a 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.

Component means each component of the Index.

Coupon Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Disrupted Day means, in respect of an Index (or, in the case of a Basket of Indices, in respect of any Index comprising the Basket and observed separately), any Scheduled Trading Day on which: (a) the Index Sponsor fails to publish the level of the Index; (b) the Related Exchange fails to open for trading during its regular trading session; or (c) a Market Disruption Event has occurred.

Early Closure means the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

Exchange means each exchange or quotation system specified as such for the Index in the Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange).

Exchange Business Day means either (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) the Exchange Business Day (All Indices Basis) or (b) the Exchange Business Day (Per Index Basis) as specified in the applicable Final Terms. If no Exchange Business Day is specified as applying in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall be deemed to apply for a Basket of Indices and Scheduled Trading Day (Single Index Basis) shall apply otherwise.

Exchange Business Day (All Indices Basis) means in respect of all Indices comprised in a Basket:

- (a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms for an Index, each Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or
- (b) if Multiple Exchange is specified as being applicable in the relevant Final Terms for an Index, each Scheduled Trading Day on which:
 - (i) each Exchange and each Related Exchange are open for trading during their respective regular trading sessions in respect of each Index to which Multiple Exchange is specified as being not applicable in the relevant Final Terms, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and
 - (ii) in respect of each Index to which Multiple Exchange is specified as being applicable in the relevant Final Terms (1) the Index Sponsor publishes the level of such Index; and (2) each Related Exchange is open for trading during its regular trading session in respect of such Index, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

Exchange Business Day (Per Index Basis) means in respect of any Index comprised in a Basket:

- (a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms for such Index, any Scheduled Trading Day on which the relevant Exchange and Related Exchange in respect of such Index are open for trading during their respective regular trading sessions, notwithstanding such Exchange or Related Exchange closing prior to their Scheduled Closing Time; or
- (b) if Multiple Exchange is specified as being applicable in the relevant Final Terms for such Index, any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of such Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

Exchange Business Day (Single Index Basis) means in respect of an Index:

- (a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time; or
- (b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any Scheduled Trading Day on which: (i) the relevant Index Sponsor publishes the level of such Index; and (ii) the relevant Related Exchange is open for trading during its regular trading session in respect of such Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

Exchange Disruption means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (a) any Component on the Exchange in respect of such Component; or (b) futures or options contracts relating to the Index on the Related Exchange.

Final Observation Date means the date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (1) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index price risk or any other relevant price risk including but not limited to the currency risk of the Issuer in issuing and performing its obligations with respect to the Notes, or (2) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

Hedging Shares means the number of shares that the Issuer deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Notes if "Loss of Stock Borrow" or "Increased Cost of Stock Borrow" is applicable.

Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, index price risk, foreign exchange risk and interest rate risk) of the Issuer in issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially

increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

Increased Cost of Stock Borrow means that the Issuer would incur a rate to borrow Component in respect of its obligation under the Notes that is greater than the Initial Stock Loan Rate.

Index means each index specified in the Final Terms.

Index Sponsor means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Scheduled Trading Day.

Initial Observation Date means the date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Initial Stock Loan Rate means the stock loan rate specified as such in the Final Terms.

Loss of Stock Borrow means that the Issuer is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) an amount of Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

Market Disruption means either:

- (a) (i) the occurrence or existence, in respect of any Component, of:
 - (1) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
 - (2) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; OR
 - (3) an Early Closure; AND
 - (ii) the aggregate of all Component in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR
- (b) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (i) a Trading Disruption; (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if a Market Disruption Event occurs in respect of a Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

Maximum Stock Loan Rate means the stock loan rate specified as such in the Final Terms.

Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Related Exchange means, subject to the proviso below, each exchange or quotation system specified as such in the Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index.

Relevant Index Benchmark means, in respect of the Notes:

- (a) the Index; or
- (d) any other index, benchmark or price source specified as a "Relevant Index Benchmark" in the applicable Final Terms.

Relevant Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to any Component on the Exchange in respect of such Component; or (b) in futures or options contracts relating to the Index on the Related Exchange.

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 Trading Day means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Scheduled Trading Day (All Indices Basis) or (b) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply for a Basket of Indices and Scheduled Trading Day (Single Index Basis) shall apply otherwise

Scheduled Trading Day (All Indices Basis) means, in respect of all Indices:

- (a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any day on which each Exchange and each Related Exchange in respect of each such Indices are scheduled to be open for trading for their respective regular trading sessions; and

- (b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

Scheduled Trading Day (Per Index Basis) means, in respect of any Index:

- (a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any day on which the relevant Exchange and Related Exchange in respect of such Index are scheduled to be open for trading for their respective regular trading sessions; or
- (b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any day on which: (i) the Index Sponsor is scheduled to publish the level of such Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

Scheduled Trading Day (Single Index Basis) means, in respect of an Index:

- (a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any day on which the relevant Exchange and Related Exchange in respect of such Index are scheduled to be open for trading for their respective regular trading sessions; or
- (b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any day on which: (i) the Index Sponsor is scheduled to publish the level of such Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

Settlement Cycle means the period of Clearance System Business Days following a trade in the Component underlying such Index, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period), and in respect of an Exchange-traded Contract, the period of Exchange Business Days following a trade in such Exchange-traded Contract on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

Settlement Disruption Event means, in respect of a Component, an event beyond the control of the Issuer as a result of which the relevant Clearance System cannot clear the transfer of such Component.

Settlement Price on any day means the level of the relevant Index determined by the Calculation Agent as of the Valuation Time.

Strike Determination Date means the date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Valuation Time means (a) for the purposes of determining whether a Market Disruption Event has occurred: (i) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (ii) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

INFLATION ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED NOTES

*The terms and conditions applicable to Inflation Linked Notes shall comprise the Terms and Conditions of the Notes (the **Note Conditions**) and the additional Terms and Conditions set out below (the **Inflation Linked Conditions**) (together the **Conditions**) and, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Inflation Linked Conditions, the Inflation Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and the Inflation Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Inflation Linked Conditions to **Notes** shall be deemed to be references to **Inflation Linked Notes**. Defined terms used in this Inflation Annex or the related section of the Final Terms where the same term may be used in another Annex shall have the meanings given in this Inflation Annex or in the section of the Final Terms relating to Inflation Linked Notes notwithstanding the same terms being used in another Annex or section of the Final Terms.*

*The issue of the Notes (in this paragraph, the **Transaction**) is not sponsored, endorsed, sold, or promoted by the Inflation Index or the Inflation Index Sponsor and no Inflation Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Inflation Index and/or the levels at which the Inflation Index stands at any particular time on any particular date or otherwise. No Inflation Index or Inflation Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Inflation Index. No Inflation Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act or failure to act by the Inflation Index Sponsor in connection with the calculation, adjustment or maintenance of the Inflation Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its affiliates has any affiliation with or control over the Inflation Index or Inflation Index Sponsor or any control over the computation, composition or dissemination of the Inflation Index. Although the Calculation Agent will obtain information concerning the Inflation Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Inflation Index.*

1. **Delay of Publication**

- (a) If any level of the Inflation Index for a Reference Month which is relevant to the calculation of a payment under the Notes (a **Relevant Level**) has not been published or announced by the day that is five Business Days prior to the next payment date under the Notes, the Calculation Agent shall determine a Substitute Inflation Index Level (in place of such Relevant Level) by using the following methodology:
 - (i) if applicable, the Calculation Agent will take the same action to determine the Substitute Inflation Index Level for the Affected Payment Date as that taken by the Calculation Agent pursuant to the terms and conditions of the Related Bond;
 - (ii) if (i) above does not result in a Substitute Inflation Index Level for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Inflation Index Level as follows:

Substitute Inflation Index Level = Base Level x (Latest Level / Reference Level)
Where: **Base Level** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined. **Latest Level** means the latest level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor prior to the month in respect of which the Substitute Inflation

Index Level is being calculated. **Reference Level** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

- (b) If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next payment date under the Notes, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this section 1, will be the definitive level for that Reference Month.

2. Cessation of Publication

- (a) Without prejudice to the provisions of sections 2(b) below and subject to the provisions of section 2(c) below, if, in respect of the Notes, the parties have specified an Alternative Pre-nominated Index in the applicable Final Terms, upon the occurrence of an event described in section 2(b)(i), 2(b)(ii) or 2(b)(iii) below or an Administrator/Benchmark Event Date, the Issuer may require the Calculation Agent to adjust the terms of the Notes so that references to the Inflation Index are replaced by references to the Alternative Pre-nominated Index.
- (b) If (i) a level for the Inflation Index has not been published or announced for two consecutive months, (ii) the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index or (iii) an Administrator/Benchmark Event occurs, then the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date or otherwise the Calculation Agent shall determine a Successor Inflation Index (in lieu of any previously applicable Inflation Index) for the purposes of the Notes by using the following methodology:
 - (1) if at any time, a successor index has been designated by the Calculation Agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a "Successor Inflation Index" for the purposes of all subsequent payment dates in relation to the Notes, notwithstanding that any other Successor Inflation Index may previously have been determined under section 1 of this Inflation Annex; or
 - (2) if a Successor Inflation Index has not been determined under (1) above, and a notice has been given or an announcement has been made by an Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the Inflation Index for purposes of the Notes from the date that such replacement Inflation Index comes into effect; or
 - (3) if a Successor Inflation Index has not been determined under (1) or (2) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index"; if fewer than three responses are received, the Calculation Agent will proceed to section 2(b)(4) hereof; or
 - (4) if no Successor Inflation Index has been deemed under (1), (2) or (3) above by the fifth Business Day prior to the next Affected Payment Date the

Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a "Successor Inflation Index"; or

- (5) if the Calculation Agent determines that there is no appropriate alternative index, the Issuer may give notice to the Noteholders that (i) it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 8 below or (ii) it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex, specifying the date of such redemption, which may be the same day that the notice of redemption is effective.
- (c) If, in respect of the Notes, it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, in each case, to determine the Inflation Index in accordance with any applicable fallback (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), then the Inflation Index shall be determined in accordance with the first applicable fallback that complies with the applicable law, regulation or licensing requirements.

3. **Rebasing of the Inflation Index**

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the **Rebased Inflation Index**) will be used for purposes of determining the level of an Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the Calculation Agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Inflation Index so that the Rebased Inflation Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Inflation Index so that the Rebased Inflation Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

4. **Material Modification Prior to Payment Date**

If, on or prior to the day that is five Business Days before a payment date under the Notes, an Inflation Index Sponsor announces that it will make a material change to an Inflation Index then the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date or otherwise the Calculation Agent shall make any such adjustments to the Inflation Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Inflation Index to continue as the Inflation Index.

5. **Manifest Error in Publication**

If, within thirty days of publication, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent will (i) notify the Issuer and the Noteholders of that correction, (ii) notify the Issuer and the Noteholders of the amount, if any, that is payable as a result of that correction and (iii) take such other action as it may deem necessary to give effect to such correction; provided that any amount payable pursuant to clause (ii) above shall be paid (with no interest accruing thereon) (a) in connection with an Inflation Index Sponsor's correction to remedy a manifest error in the level of an Inflation Index for a Reference Month for which the scheduled payment date under the Notes has occurred, within five Business Days after notice of such amount payable by the Calculation Agent, (b) in connection with an Inflation Index Sponsor's correction to remedy a manifest error in the level of an Inflation Index for a Reference Month for which the scheduled payment date under the Notes has not occurred, as an adjustment to the payment obligation on the next scheduled payment date

under the Notes or (c) if there is no further scheduled payment date under the Notes, within five Business Days after notice of such amount payable by the Calculation Agent.

6. **Consequences of an Additional Disruption Event**

- (a) If "Change in Law", "Hedging Disruption" and/or "Increased Cost of Hedging" (each, an **Additional Disruption Event**) is specified in the Final Terms to be applicable, then upon the occurrence of any such an event the Issuer may:
- (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 8 below; or
 - (iii) require the Calculation Agent to make such adjustments to any of the Conditions as it considers appropriate in its sole and absolute discretion to account for such Additional Disruption Event and determine the date(s) on which any such adjustments will be effective; or
 - (ii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

7. **Events having a material effect on the Notes**

Notwithstanding, and without prejudice to, the foregoing provisions of this Inflation Annex, if any event (whether or not such event is expressly described or otherwise referred to herein) occurs which the Calculation Agent determines, acting in good faith, has a material effect on the Notes, then:

- (a) the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 8 below; or
- (b) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such event and determine the date(s) on which any such adjustments will be effective; or
- (c) the Issuer may, upon giving notice to the Noteholders, redeem all but not some only of the Notes, each Note being redeemed at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

Upon the Calculation Agent making a determination pursuant to this section 7, the Issuer shall give notice as soon as practicable to Noteholders giving details of such determination.

8. **Monetisation until the Maturity Date**

- (a) Following notice by the Issuer to the Noteholder that it elects to apply Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Instalment Amount(s) initially scheduled to be paid on each Instalment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount on the Maturity Date, but instead will, in full and final satisfaction of its obligations under the Notes, pay on the Maturity Date an amount per Note, determined by the Calculation Agent as the result of:

- (i) 100% of the Specified Denomination of the Note;

plus

- (ii) the **Monetisation Payment Amount** (which may be a positive amount or a negative amount) corresponding to the Monetisation Calculation Amount (1) capitalised at the applicable zero-coupon rate (which may be positive or negative) from and including the Full Liquidation Date (or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date) to but excluding the Maturity Date and (2) apportioned pro rata amongst the Specified Denomination of each Note.

less

- (iii) the Associated Costs apportioned pro rata amongst the Specified Denomination of each Note (without double counting of any cost taken into account in the Monetisation Calculation Amount),

subject to a minimum of zero.

The **Monetisation Calculation Amount** is equal to the net cash amount that the Issuer or any of its affiliates would be left with (in which case the Monetisation Calculation Amount will be expressed as a positive amount) or would have to pay (in which case the Monetisation Calculation Amount will be expressed as a negative amount) on the Instalment Full Liquidation Date (and, if applicable, the Optional Full Liquidation Date and/or the Instalment Full Liquidation Date), as a result of liquidating the Hedge Positions (and, if applicable, Optional Hedge Positions and/or the Instalment Hedge Positions) (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions), if any, with the liquidation proceeds of the assets of the Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions)), the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date.

- (b) Definitions specific to the Monetisation until the Maturity Date

"Associated Costs" means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Issuer or any of its affiliates in connection with the termination, liquidation or re-establishment of the Intermediate Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be.

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Inflation Index or Basket of Indices, as applicable, due on the Maturity Date provided that, if the Instalment Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then

Hedge Positions will include the Instalment Hedge Positions and/or the Optional Hedge Positions, if applicable.

"Instalment Full Liquidation Date" means, in respect of any Instalment Payment Date, the date on which the liquidation proceeds of the Instalment Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hedge Positions, if any, with the liquidation proceeds of the assets of such Instalment Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Instalment Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Inflation Index or Basket of Indices, as applicable, due on an Instalment Date.

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Inflation Index or Basket of Indices, as applicable, due on an Optional Redemption Date.

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

9. Definitions

Administrator/Benchmark Event has the meaning given to it in the Note Conditions.

Affected Payment Date means each payment date under the Notes in respect of which an Inflation Index has not been published or announced.

Alternative Pre-nominated Index has the meaning given to it in the Note Conditions.

Basket means a basket containing the Indices specified in the applicable Final Terms.

Change of Law means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the Inflation Index or Basket of Indices, as applicable.

Fallback Bond means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Termination Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (1) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the inflation price risk or any other relevant price risk including but not limited to the currency risk of the Issuer in issuing and performing its obligations with respect to the Notes, or (2) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, inflation price risk, foreign exchange risk and interest rate risk) of the Issuer in issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

Inflation Index means each index specified as such in the Final Terms, or any Successor Inflation Index as nominated under the terms of this Inflation Annex.

Inflation Index Sponsor means the entity that publishes or announces (directly or through an agent) the level of the relevant Inflation Index.

Reference Month means each calendar month, as set out in the Final Terms, for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Inflation Index level was reported is a period other than a month, the Reference Month is the period for which the Inflation Index level was reported.

Relevant Inflation Benchmark means, in respect of the Notes:

- (a) the Inflation Index; or
- (d) any other index, benchmark or price source specified as a "Relevant Inflation Benchmark" in the applicable Final Terms.

Related Bond means the bond specified as such in the Final Terms, or if no bond is so specified, the Fallback Bond. If the Related Bond is "Fallback Bond", then for any Related Bond determination under this Inflation Annex, the Calculation Agent shall use the Fallback Bond (as that is defined above). If no bond is specified as the Related Bond and "Fallback Bond: Not applicable" is specified in the Final Terms there will be no Related Bond for purposes of this Inflation Annex. If a bond is selected as the Related Bond in the Final Terms,

and that bond redeems or matures before the Maturity Date of the Notes, unless "Fallback Bond: Not applicable" is specified in the Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination under this Inflation Annex.

Substitute Inflation Index Level means an Inflation Index level, determined by the Calculation Agent pursuant to the provisions of Section 1 above, in respect of an Affected Payment Date.

Successor Inflation Index has the meaning specified in Section 1 above.

Rounding: Calculations in respect of the Inflation Linked Notes shall match the rounding conventions of the documentation governing the Related Bond.

SHARE ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED NOTES

*The terms and conditions applicable to Share Linked Notes shall comprise the Terms and Conditions of the Notes (the **Note Conditions**) and the additional Terms and Conditions set out below (the **Share Linked Conditions**) (together the **Conditions**) and, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Share Linked Conditions, the Share Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and the Share Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Share Linked Conditions to **Notes** shall be deemed to be references to **Share Linked Notes**. Defined terms used in this Share Annex or the related section of the Final Terms where the same term may be used in another Annex shall have the meanings given in this Share Annex or in the section of the Final Terms relating to Share Linked Notes notwithstanding the same terms being used in another Annex or section of the Final Terms.*

1. **Share Linked Notes**

Unless the Notes are redeemed early in accordance with their terms and conditions, if the determination of the Interest Amount, the Early Redemption Amount, the Final Redemption Amount or the Instalment Amount, as the case may be, is postponed as a result of the occurrence of a Disrupted Day, then payment of any such amount (the **Affected Amount**) shall be postponed to the date which is two Payment Days following the latest to occur of (x) the Share Determination Date; (y) the Disruption Longstop Date and (z) the scheduled date for payment of such Affected Amount, and such Affected Amount shall be paid without any interest or other sum payable in respect of the postponement of the payment of the Affected Amount.

2. **Consequences of Disrupted Days**

If any Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, is a Disrupted Day, then the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 8 below or otherwise:

- (a) in the case of Share Linked Notes relating to a single Share, the Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (the **Share Determination Date**), unless each of the eight Scheduled Trading Days immediately following the Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, is a Disrupted Day, in which case:
 - (i) that eighth Scheduled Trading Day (the **Disruption Longstop Date**) shall be deemed to be the Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, notwithstanding the fact that such day is a Disrupted Day; and
 - (ii) the Calculation Agent shall determine the value of the Share in good faith as of the Valuation Time on the Disruption Longstop Date; or
- (b) in the case of Share Linked Notes relating to a Basket of Shares:
 - (i) the Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final

Observation Date or Observation Date, as applicable, for each Share not affected by the occurrence of a Disrupted Day shall be the original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable; and

- (ii) the Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable for each relevant Share affected (each an **Affected Share**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of such Affected Share, unless each of the eight Scheduled Trading Days immediately following the Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, is a Disrupted Day in respect of such Affected Share, in which case:
 - (x) the Disruption Longstop Date shall be deemed to be the Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable, notwithstanding the fact that such day is a Disrupted Day; and
 - (y) the Calculation Agent shall determine the value of the Share in good faith as of the Valuation Time on the Disruption Longstop Date; or
- (c) if the Calculation Agent is not able to or does not determine the level of the Share in accordance with section 2(a) or 2(b) above, as the case may be, or if such determination would not, in the opinion of the Calculation Agent, account for the relevant disruption event:
 - (i) the Calculation Agent may determine the value of the Share(s), taking into consideration the latest available quotation for the value of the relevant Share(s) and any other information that in good faith it deems relevant; or
 - (ii) the Calculation Agent may make such adjustments to any of the Conditions of the Notes as it considers appropriate to account for any such disruption event and determine the date(s) on which any such adjustments will be effective; in making any such adjustments, the Calculation Agent may take into account the equivalent adjustment(s) which would be made to an index derivative transaction in the interbank market following the relevant event occurring and where the Calculation Agent deems appropriate (in its sole and absolute discretion), adjust the Conditions to give effect to such adjustment(s); or
- (d) if the Calculation Agent is not able to or does not determine any adjustments for the purposes of section 2(c)(i) or section 2(c)(ii) above, the Issuer may, in its sole and absolute discretion:
 - (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 9 below; or
 - (ii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

The Calculation Agent shall give notice as soon as practicable to the Noteholders of the occurrence of the relevant disruption event on any day that, but for the occurrence of a Disrupted Day, would have been an Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date, as applicable. Such notice shall give the details of such disruption event and the action proposed to be taken by the Calculation Agent in relation thereto.

3. **Consequences of Potential Adjustment Events**

Potential Adjustment Event means, in relation to a Share, any of the following:

- (a) a subdivision, consolidation or reclassification of such Share (unless resulting in a Merger Event), including, for the avoidance of doubt, a stock split or reverse stock split, or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of such Share of (i) such Shares, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, (iii) share capital, other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (iv) 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;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by the Company in respect of Shares that are not fully paid;
- (e) a repurchase by the Company or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares.

Following the occurrence of any Potential Adjustment Event as defined above, the Calculation Agent will, as soon as reasonably practicable after it becomes aware of such event determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will (A) calculate the corresponding adjustment, if any, to be made to the elements relating to the relevant Share used to determine any settlement or payment terms under the Notes and/or adjust any other terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes and (B) determine the effective date of that adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares of any Potential Adjustment Event, and any related adjustments to the terms of the Notes, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment

in respect of such Potential Adjustment Event made by a Related Exchange to options on the Share traded on such Related Exchange. For such purposes:

Local Taxes shall mean taxes, duties, and similar charges imposed by the taxing authority of the country in which the Company has been incorporated or in which the Exchange on which the Share is listed is located; and

Offshore Investor shall mean a holder of Shares who is an institutional investor not resident in the country in which the Company has been incorporated or in which the Exchange on which the Share is listed is located (the **Local Jurisdiction**), for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (a) shall be determined by the Calculation Agent and (b) may be the jurisdiction of the Issuer or any of its affiliates.

4. **Consequences of Extraordinary Events**

- (a) Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date of the opening of an Offering Period relating to a Merger Event, a De-merger Event, a De-listing Event, an Insolvency, a Nationalisation or a Participation Event, in respect of a Share (an **Affected Share**), then during such Offering Period, the Calculation Agent may decide in good faith to apply Method of Substitution with respect to the Affected Share.
- (b) If the Calculation Agent decides not to apply Method of Substitution during the Offering Period with respect to the Affected Share, then:
 - (i) in respect of a Merger Event, from the Merger Date, and/or upon consummation of the Merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, may:
 - (1) in respect of a Share-for-Share Merger Event, apply the Alternative Obligation and/or Method of Substitution;
 - (2) in respect of a Share-for-Other Merger Event, apply Alternative Obligation and/or Method of Substitution; or
 - (3) in respect of a Share-for-Combined Merger Event, apply Alternative Obligation and/or Method of Substitution;
 - (ii) in the case of a Merger Event affecting two Shares comprised in a Basket, the Calculation Agent may:
 - (1) continue with the share resulting from the Merger Event and in order to maintain the original number of companies in the Basket, a Substitute Share will be elected and included in the Basket;
 - (2) substitute both Shares with two Substitute Shares selected as described in the Method of Substitution;
 - (iii) in respect of a De-merger Event, from the De-merger Date, and/or upon consummation of the De-merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, may:
 - (1) replace the Affected Share with the shares of the successor companies; or
 - (2) substitute one or more share(s) resulting from such De-merger Event pursuant to the Method of Substitution,

it being understood that, in the case of a Basket, the Calculation Agent shall maintain the initial number of companies in the Basket and that in the case where the Calculation Agent has elected to substitute the Affected Share with several shares resulting from such De-merger Event, such shares shall be placed in a sub-basket and considered as one component of the Basket;

- (iv) in respect of a De-listing Event or a Nationalisation, from the effective date of such event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, may, but is not obliged to, apply the Method of Substitution;
- (v) in respect of an Insolvency, the Calculation Agent may:
 - (1) decide that the Affected Share will be substituted pursuant to the Method of Substitution; or
 - (2) decide that the value of the relevant component in the formula used to determine the amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms, representing the Affected Share will be accounted by the Calculation Agent for its fair market value determined at any time as from the date of occurrence of such Insolvency until the last Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Observation Date or the Final Observation Date, as applicable; the determination of the fair market value shall depend upon the liquidity of the market and the trading conditions relating to the Share affected at the time of calculation;
- (vi) in respect of a Participation Event from the effective date of such event until the sixtieth Business Day thereafter, the Calculation Agent may, but is not obliged to, select a Substitute Share for the Affected Share pursuant to the Method of Substitution; or
- (vii) in respect of a Merger Event, a De-merger Event, a De-listing Event, an Insolvency, a Nationalisation or a Participation Event, the Issuer may:
 - (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 9 below; or
 - (ii) require the Calculation Agent to make such adjustments to any of the Conditions as it considers appropriate in its sole and absolute discretion to account for such Merger Event, a De-merger Event, a De-listing Event, an Insolvency, a Nationalisation or a Participation Event, as applicable, and determine the date(s) on which any such adjustments will be effective; or
 - (iii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.
- (c) Notwithstanding anything herein to the contrary, the Calculation Agent shall use its reasonable endeavours at all times to maintain the original number of companies in the Basket as Companies hereunder.

For the purpose of this section 4:

Alternative Obligation means:

- A. if, in respect of a Share-for-Share Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date the New Shares and the issuer of such New Shares will be deemed the Shares and the Company, respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the number of New Shares (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares immediately prior to the occurrence of the Merger Event would be entitled upon consummation of the Merger Event;
- B. if, in respect of a Share-for-Other Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares would be entitled upon consummation of the Merger Event and, if necessary, any relevant terms of the Notes; and
- C. if, in respect of a Share-for-Combined Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the Merger Date the New Shares and the Other Consideration will be deemed the Shares and the issuer of the New Shares will be deemed the Company respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the number of New Shares and the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares would be entitled upon consummation of the Merger Event.

Combined Consideration means New Shares in combination with Other Consideration.

De-listing Event means, in respect of a Share, that such Share:

- A. ceases to be listed, traded or publicly quoted on the relevant Exchange or listing compartment of the relevant Exchange (for any reason other than a Merger Event or a tender offer) and is not immediately re-listed, re-traded or requoted on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any Member State of the European Union); or
- B. has its listing, trading or public quotation maintained in inappropriate conditions in the opinion of the Calculation Agent (such conditions to include, without limitation, a lack of liquidity or the disappearance of the relevant futures and/or option contract of the relevant Share).

De-merger Event means, in respect of any Share, that the Company relevant to such Share is affected by a de-merger including, without limitation, a spin off, scission or any operation of a similar nature.

De-merger Date means the date on which a De-merger Event becomes effective.

Early Redemption means that the Issuer will give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

Fixing Period means the period subject to a maximum of ten Exchange Business Days, which shall expire no later than 90 Business Days following the Merger Date, the De-merger Date or the effective date of the De-listing Event, Nationalisation, Insolvency or Participation Event, during which:

- A. the Issuer or any of its affiliates sells the Affected Shares, the New Shares and/or the Other Consideration, (as the case may be), on the basis of the weighted average of the closing prices of the relevant assets traded by the Issuer or any of its affiliates with regards to the relevant Notes, as observed during such Fixing Period; and
- B. the proceeds of such sale are re-invested in the Substitute Shares and/or New Shares accordingly during the said Fixing Period on the basis of the weighted average of the closing prices of such Substitute Shares and/or New Shares traded by the Issuer or any of its affiliates with regards to the relevant Notes, as observed during such Fixing Period.

Insolvency means, in respect of a Company, voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, such Company, as determined in good faith by the Calculation Agent.

Merger Date means, in respect of a Share, the date upon which holders of the necessary number of the relevant Shares (other than, in the case of a takeover offer, Shares owned or controlled by the offeror) to constitute a Merger Event have agreed or have irrevocably become obliged to transfer their Shares.

Merger Event means, in respect of any Share:

- A. any reclassification or change of such Share (including the change of currency reference of the Share) that results in a transfer of or an irrevocable commitment to transfer all of such Share outstanding to another entity or person;
- B. any consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity (other than a consolidation, amalgamation or merger in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);
- C. other take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares that results in a transfer of or an irrevocable commitment to transfer all or part of such Shares (other than any of such Shares owned or controlled by the offeror);
- D. any consolidation, amalgamation, merger or binding share exchange of the relevant Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event; or
- E. take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Calculation Agent based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

Method of Substitution means that in the case of a Merger Event, De-merger Event, De-listing Event, Nationalisation, Insolvency or Participation Event (regardless of the consideration to be received), in respect of an Affected Share, the Calculation Agent may consider that the Affected Share, the New Shares and/or, all or part of the Other Consideration (as the case may be) is/are converted into cash and that the proceeds will be reinvested either:

- A. into a new share of the same economic sector or into a share issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share (the **Substitute Share**); or
- B. in the case of Combined Consideration, into New Shares.

In the event of Other Consideration to be received in cash, in the future, the Calculation Agent may consider that the cash to be received in the future is discounted in order to immediately re-invest the proceeds then procured in accordance with (A) and (B) above. The sale of the Affected Share, the New Shares and/or the Other Consideration shall be deemed to take place during the Fixing Period. The Substitute Share and the company issuing such Substituted Share will be deemed a Share and the Company respectively and the Calculation Agent will adjust any relevant terms of the Notes. For information purposes, it is understood that in all cases described herein where a Share is substituted, on any date "t", with a Substitute Share, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Final Terms, shall not be affected by the substitution on such date "t" in respect of the Substitute Share and would mean the closing price of such Substitute Share on the relevant Exchange on the date "t" is weighted by an appropriate linking coefficient so that it is equal to the closing price of the Affected Share on such date "t".

Monetisation means that the Issuer will give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 9 below.

Nationalisation means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

New Shares means shares (whether of the offeror or a third party) that are listed or quoted on a recognised exchange involved in the application of Method of Substitution or Alternative Obligation as determined by the Calculation Agent.

Offering Period means the period from and including the date on which the Merger Event, the Delisting Event, the De-merger Event, the Insolvency, the Nationalisation or the Participation Event is publicly and officially announced to but excluding the Merger Date or the De-merger Date or the effective date of the De-listing Event, the Insolvency, the Nationalisation or the Participation Event.

Other Consideration means cash and/or any securities (other than New Shares) or assets (whether of the offeror or a third party).

Participation Event means that a Company (whose Shares form part of a Basket) takes a stake exceeding 20 per cent. of another Company whose Shares (which shall be the Affected Share in respect of such Participation Event) also form part of the Basket.

Share-for-Combined Merger Event means, in respect of a Merger Event, that the consideration for the relevant Shares consists of Combined Consideration.

Share-for-Other Merger Event means, in respect of a Merger Event, that the consideration for the relevant Shares consists solely of Other Consideration.

Share-for-Share Merger Event means, in respect of a Merger Event, that the consideration for the relevant Shares consists (or, at the option of the holder of such Shares, may consist) solely of New Shares.

5. **Stop-Loss Event**

If on any Exchange Business Day between the initial Observation Date (excluded) and the last Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Observation Date or the Final Observation Date, as applicable (included), the Closing Price of a Share is affected by a decrease of 80 per cent. or more of its Closing

Price on the initial Observation Date (the **Affected Share** and the event, the **Stop-Loss Event**), then

- (a) the Calculation Agent may decide to substitute the Affected Share by a new share issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share (the **Substitute Share**) and will adjust any relevant terms of the Notes accordingly; or
- (b) the Calculation Agent may decide to continue with the Affected Share; or
- (c) if the Calculation Agent has neither retained any Substitute Share nor decided to continue with the Affected Share, the Issuer may either (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 9 below or (ii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

For information purposes, it is understood that in all cases described herein where a Share is substituted, on any date "t", with a Substitute Share, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Final Terms, shall not be affected by the substitution on such date "t" in respect of the Substitute Share and would mean that the closing price of such Substitute Share on the relevant Exchange on the date "t" is weighted by an appropriate linking coefficient so that it is equal to the closing price of the Affected Share on such date "t".

6. **Correction of the Closing Price**

In the event that any price or level of a Share published on the Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published and made available to the public by the Exchange after the original publication but no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Final Terms), the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of the Notes to account for such correction.

7. **Consequences of an Additional Disruption Event**

- (a) If "Change in Law", "Hedging Disruption", "Increased Cost of Hedging" and/or "Insolvency Filing" (each, an **Additional Disruption Event**) is specified in the Final Terms to be applicable, then upon the occurrence of any such an event the Issuer may:
 - (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 9 below; or
 - (ii) require the Calculation Agent to make such adjustments to any of the Conditions as it considers appropriate in its sole and absolute discretion to account for such Additional Disruption Event and determine the date(s) on which any such adjustments will be effective; or
 - (iii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

8. Events having a material effect on the Notes

Notwithstanding, and without prejudice to, the foregoing provisions of this Share Annex, if any event (whether or not such event is expressly described or otherwise referred to herein) occurs which the Calculation Agent determines, acting in good faith, has a material effect on the Notes, then:

- (a) the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 9 below; or
- (b) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such event and determine the date(s) on which any such adjustments will be effective; or
- (c) the Issuer may, upon giving notice to the Noteholders, redeem all but not some only of the Notes, each Note being redeemed at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

Upon the Calculation Agent making a determination pursuant to this section 8, the Issuer shall give notice as soon as practicable to Noteholders giving details of such determination.

9. Monetisation until the Maturity Date

- (a) Following notice by the Issuer to the Noteholder that it elects to apply Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Instalment Amount(s) initially scheduled to be paid on each Instalment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount on the Maturity Date, but instead will, in full and final satisfaction of its obligations under the Notes, pay on the Maturity Date an amount per Note, determined by the Calculation Agent as the result of:

- (i) 100% of the Specified Denomination of the Note;

plus

- (ii) the **Monetisation Payment Amount** (which may be a positive amount or a negative amount) corresponding to the Monetisation Calculation Amount (1) capitalised at the applicable zero-coupon rate (which may be positive or negative) from and including the Full Liquidation Date (or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date) to but excluding the Maturity Date and (2) apportioned pro rata amongst the Specified Denomination of each Note.

less

- (iii) the Associated Costs apportioned pro rata amongst the Specified Denomination of each Note (without double counting of any cost taken into account in the Monetisation Calculation Amount),

subject to a minimum of zero.

The **Monetisation Calculation Amount** is equal to the net cash amount that the Issuer or any of its affiliates would be left with (in which case the Monetisation Calculation Amount will be expressed as a positive amount) or would have to pay (in which case the Monetisation Calculation Amount will be expressed as a negative amount) on the Instalment Full Liquidation Date (and, if applicable, the Optional Full Liquidation Date and/or the Instalment Full Liquidation Date), as a result of liquidating the Hedge Positions (and, if applicable, Optional Hedge Positions and/or the Instalment Hedge Positions) (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions (and, if applicable, Optional

Hedge Positions and/or Instalment Hedge Positions), if any, with the liquidation proceeds of the assets of the Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions)), the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date.

(b) Definitions specific to the Monetisation until the Maturity Date

"Associated Costs" means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Issuer or any of its affiliates in connection with the termination, liquidation or re-establishment of the Intermediate Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be.

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Share or Basket of Shares, as applicable, due on the Maturity Date provided that, if the Instalment Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Instalment Hedge Positions and/or the Optional Hedge Positions, if applicable.

"Instalment Full Liquidation Date" means, in respect of any Instalment Payment Date, the date on which the liquidation proceeds of the Instalment Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hedge Positions, if any, with the liquidation proceeds of the assets of such Instalment Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Instalment Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the Share or Basket of Shares, as applicable, due on an Instalment Date.

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the Share or Basket of Shares, as applicable, due on an Optional Redemption Date.

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

10. Definitions

Autocall Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Basket means a basket containing the Shares specified in the applicable Final Terms.

Change of Law means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the Share or Basket of Shares, as applicable.

Company means, in respect of a Share, the issuer of such Share.

Coupon Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Disrupted Day means, in respect of a Share (or, in the case of a Basket of Shares, in respect of any Share comprising the Basket and observed separately), any Scheduled Trading Day on which (a) a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or (b) a Market Disruption Event has occurred.

Exchange(s) means, in respect of a Share, the corresponding exchange or quotation system specified in the applicable Final Terms, or any successor exchange or quotation system or any substitute exchange or quotation system to which trading in the Share, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share, on such temporary substitute exchange or quotation system as on the original Exchange).

Exchange Business Day means either (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a Basket of Shares, (a) the Exchange Business Day (All Share Basis) or (b) the Exchange Business Day (Per Share Basis) as specified in the applicable Final Terms. If no Exchange Business Day is specified as applying in the applicable Final Terms, Exchange Business Day (All Share Basis) shall be deemed to apply for a Basket of Shares and Exchange Business Day (Single Share Basis) shall apply otherwise.

Exchange Business Day (All Share Basis) means, in respect of all Shares, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Exchange Business Day (Per Share Basis) means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and Related Exchange in respect of such Share are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Exchange Business Day (Single Share Basis) means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time.

Final Observation Date means the date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (1) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the inflation price risk or any other relevant price risk including but not limited to the currency risk of the Issuer in issuing and performing its obligations with respect to the Notes, or (2) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, inflation price risk, foreign exchange risk and interest rate risk) of the Issuer in issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

Initial Observation Date means the date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

"Insolvency Filing" means that the Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Issuer shall not be deemed an Insolvency Filing.

Market Disruption Event means, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption which, in either case, the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (c) an Early Closure. For the purpose hereof:

- (a) **Trading Disruption** means, in respect of a Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange;
- (b) **Exchange Disruption** means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability

of market participants in general to effect transactions in, or obtain market values for (i) the Share on the Exchange, or (ii) futures or options contracts relating to the Share on any relevant Related Exchange;

- (c) **Early Closure** means, the closure on any Exchange Business Day of (i) the relevant Exchange, or (ii) any Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Related Exchange(s) means, in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to such Share, any successor exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to a Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

Relevant Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Scheduled Closing Time means, in respect of an Exchange or Related Exchange, the scheduled weekday closing time of such Exchange or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

Scheduled Trading Day means, either (i) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of a Basket of Shares, (a) Scheduled Trading Day (All Share Basis) or (b) Scheduled Trading Day (Per Share Basis) as specified in the applicable Final Terms. If no Scheduled Trading Day is specified as applying in the applicable Final Terms, Scheduled Trading Day (All Share Basis) shall be deemed to apply for a Basket of Shares and Scheduled Trading Day (Single Share Basis) shall apply otherwise.

Scheduled Trading Day (All Share Basis) means, in respect of all Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

Scheduled Trading Day (Per Share Basis) means, in respect of a Share, any day on which the relevant Exchange and Related Exchange in respect of such Share are scheduled to be open for trading for their respective regular trading sessions.

Scheduled Trading Day (Single Share Basis) means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

Settlement Price on any day means the value of the relevant Share determined by the Calculation Agent as of the Valuation Time.

Share means each share specified as such in the Final Terms.

Strike Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case, subject to the provisions of section 2 above.

Valuation Time means (a) for the purposes of determining whether a Market Disruption Event has occurred, in respect of any Share, the Scheduled Closing Time on the Exchange in respect of such Share and (b) in all other circumstances, the time at which the official closing price of the Share is calculated and published by the Exchange.

FUND ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED NOTES

*The terms and conditions applicable to Fund Linked Notes shall comprise the Terms and Conditions of the Notes (the **Note Conditions**) and the additional Terms and Conditions set out below (the **Fund Linked Conditions**) (together the **Conditions**) and, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and the Fund Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Fund Linked Conditions to **Notes** shall be deemed to be references to **Fund Linked Notes**. Defined terms used in this Fund Annex or the related section of the Final Terms where the same term may be used in another Annex shall have the meanings given in this Fund Annex or in the section of the Final Terms relating to Fund Linked Notes notwithstanding the same terms being used in another Annex or section of the Final Terms.*

1. **Consequences of Potential Adjustment Events**

Potential Adjustment Event means, in relation to a Fund Unit, any of the following:

- (a) a subdivision, consolidation or reclassification of such Fund Unit, or a free distribution or dividend of any such Fund Units to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of such Fund Unit of (i) such Fund Units, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Units, (iii) share capital, other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (iv) 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;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a repurchase by the Fund or any of its subsidiaries of Fund Units whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (g) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Fund Units.

Following the occurrence of any Potential Adjustment Event as defined above, the Calculation Agent will, as soon as reasonably practicable after it becomes aware of such event determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Fund Unit and, if so, will (A) calculate the corresponding adjustment, if any, to be made to the elements relating to the relevant Fund Unit used to determine any settlement or payment terms under the Notes and/or adjust any other terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes and (B) determine the effective date of that adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Fund Units of any Potential Adjustment Event, and any related adjustments to the terms of the Notes, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event. For such purposes:

Local Taxes shall mean taxes, duties, and similar charges imposed by the taxing authority of the country in which the Fund has been registered; and

Offshore Investor shall mean a holder of Fund Units who is an institutional investor not resident in the country in which the Fund has been registered (the **Local Jurisdiction**), for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (a) shall be determined by the Calculation Agent and (b) may be the jurisdiction of the Issuer or any of its affiliates.

2. **Consequences of Extraordinary Events**

Upon the occurrence as determined by the Calculation Agent, of any of the following events (each an **Extraordinary Event**) on or after the Issue Date in respect of the Fund or any Fund in the Basket:

- (a) **Breach or Termination of Agreement** means any failure by the Fund or a Fund Service Provider, as the case may be, to comply with or perform any agreement entered into by the Fund or a Fund Service Provider with the Issuer, defining the terms and conditions at which the Issuer may make subscriptions and/or redemptions in the Fund Units (as the case may be, different from the subscriptions and redemptions terms then prevailing pursuant to the Fund Documents), including as the case may be the rebates of management fees to be paid to the Issuer, the termination of such agreement by the Fund or a Fund Service Provider or the failing or ceasing of such agreement to be in full force and effect or the Fund or the Fund Service Provider disaffirms, disclaims, repudiates or rejects in whole or in part or challenges the validity of such agreement;
- (b) **Closure of the Fund** means liquidation, winding up or dissolution of the Fund for any reason other than those mentioned in (d) below;
- (c) **Fund Adviser Event** means that the Calculation Agent determines that over a period of twelve months, the total value of the assets managed by the Fund Adviser (including the Fund) has decreased by 50 per cent.(either due to redemptions or decrease in value of such assets);
- (d) **Fund Insolvency Event** means, in respect of any Fund, that such Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors, (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained in each case; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable

laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (v) above;

- (e) **Fund Modification** means (i) any change or modification of, or any announcement regarding a potential future change or modification of, the Fund (including, but not limited to, a change or modification of the related Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Units or any portfolio of assets to which the Fund Units relates (either alone or in common with other Fund Units issued by the Fund), as determined by the Calculation Agent, (ii) any failure by the Fund Adviser to act in accordance with investment objectives, risk profile or investment guidelines of the Fund, (iii) any restriction placed on the ability of the Fund Adviser to buy or sell shares or other property by any regulatory body, (iv) any limitation on the ability of the Fund Adviser to buy or sell shares or other property by reason of liquidity, adverse market conditions or decrease in the assets of the Fund, and in any such case, in the opinion of the Calculation Agent such situation is unlikely corrected within a reasonable period of time or (v) the creation by the Fund of any illiquid share class or unit howsoever described, (vi) if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction; or (vii) following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Issuer in relation to the Notes;
- (f) **Fund Service Provider Event** means (i) a change, resignation, termination or replacement of any Fund Service Provider, (ii) a change of control or indirect control of any Fund Service Provider, (iii) any of the Fund Service Provider is subject to a **Fund Service Provider Insolvency Event**, where "Fund Service Provider Insolvency Event" has the same meaning as Fund Insolvency Event described in (d) above, except that Fund is replaced by Fund Service Provider, (iv) in the reasonable opinion of the Calculation Agent, any of the Fund Service Providers is no longer deemed able to carry out its business with the standard of care which was prevailing on the Issue Date or the resignation, termination, replacement, or death of any person deemed to be key in the management of the Fund has occurred or a Fund Service Provider ceases to exist or (v) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Units or on the rights or remedies of any investor in such Fund Units;
- (g) **Holding Ratio** means (i) the capitalization of the Fund Units falls so that the Issuer holds, or an Hypothetical Investor would hold, Funds Units corresponding to an amount greater than 10 % of the capitalization of the Fund Units or (ii) the reduction of the Fund's aggregate NAV per Fund Unit under an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the Fund and/or its operating expenses or would increase the proportion of the Fund Units held, or likely to be held, by a Hypothetical Investor, or any funds managed by the same, to such extent that the full redemption in one single Valid Order of the Fund Units held by a Hypothetical Investor or funds managed by the same, is likely to be impaired;
- (h) **Merger Event** means the conversion of the Fund Units into another class of fund units or securities, or the split of the Fund, its consolidation or its merger with, or its sale or its conveyance of all or substantially all its assets to, a third party;

- (i) **Nationalisation** means that all the Fund Units or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (j) **Regulatory Action** means, with respect to any Fund, (i) cancellation, suspension or revocation of the registration or approval of such Fund by any governmental, legal or regulatory entity with authority over such Fund Units or Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Service Provider that is reasonably likely to have an adverse impact on the value of such Fund or on any investor therein (as determined by the Calculation Agent), (iii) such Fund or any of its Fund Service Provider becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund or Fund Service Provider, (iv) any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction, (v) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (vi) the Fund is required by a competent authority to redeem any Fund Unit or (vii) a Hypothetical Investor is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Unit held in connection with any hedging arrangements relating to the Notes;
- (k) **Reporting Disruption** means, in respect of any Fund, (i) any failure of such Fund to deliver, or cause to be delivered, (a) information that such Fund has agreed to deliver, or cause to be delivered to a Hypothetical Investor or (b) information that has been previously delivered to a Hypothetical Investor in accordance with such Fund, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund, (ii) failure by any of the Fund, any Fund Service Provider, or any other party acting on behalf of the Fund to calculate and publish the NAV per Fund Unit following any date scheduled for the determination of the valuation of the Fund Units unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication, (iii) any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Unit when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents), (iv) the assets under management of the Fund falls below the AUM Level, (v) the Calculation Agent determines, at any time, that (a) the NAV per Fund Unit is inaccurate, or (b) the reported net asset value of the Fund Units misrepresents the net asset value of the Fund Units or (vi) any Fund Service Provider fails to provide the Calculation Agent or a Hypothetical Investor, within a reasonable time, with any information that the Calculation Agent or such or a Hypothetical Investor has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;
- (l) **Strategy Breach** means (i) any change of or announcement of the intention to change, or any breach or violation of, any strategy, investment process, investment restrictions, investment objectives or investment guidelines stated in the related Fund Documents, that is reasonably likely to affect the value of the Fund or the rights or remedies of any holders thereof or that is otherwise material, in each case, as determined by the Calculation Agent or (ii) any material modification or

announcement regarding any potential future modification, as determined by the Calculation Agent, of the risk profile of the Fund including by reason of, but not limited to, the modification of the proportions, or reduction of diversification, or modification, cancellation or disappearance (howsoever described) of the type of assets in which the Fund invests or which the Fund purports to track, or a reduction of the average liquidity of the assets of the Fund;

- (m) **NAV Currency Event** means that the NAV per Fund Unit is no longer denominated in the currency in which it was denominated on the Issue Date;
- (n) **NAV Calculation Disruption Event** means, in respect of the Fund and a Fund Valuation Day, that (i) the Calculation Agent, acting in its sole discretion, determines that an event (other than an event described in paragraph (p) below) has occurred which affects the Fund Units and makes it impossible or impracticable to calculate and/or publish the NAV per Fund Unit as of such day or (ii) (a) the audited net asset value of the Fund and/or the NAV per Fund Unit is different from the audited net asset value of the Fund and/or the NAV per Fund Unit communicated by the relevant Fund Service Provider in respect of the same date, (b) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (c) the Calculation Agent, in its sole and absolute discretion, does not deem the audited net asset value of the Fund and/or the NAV per Fund Unit to be representative of the actual net asset value of the Fund and/or the NAV per Fund Unit;
- (o) **NAV Trigger Event** means, in respect of the Fund Units, that (i) the NAV per Fund Unit has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period; or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;
- (p) **Fund Settlement Disruption** means in respect of a Fund and a Fund Valuation Day, a failure by the Fund to pay in cash the full amount of the redemption proceeds on the date by which the Fund was scheduled to have paid such amount and which, in the determination of the Calculation Agent, makes it impossible or impracticable to determine the NAV per Fund Unit as of such date, including without limitation due to (i) the transfer of all illiquid assets of such Fund to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units, (ii) the restriction on the amount or number of redemptions orders that the Fund (or the Fund Service Provider generally in charge of accepting redemption orders) will accept in relation to a single date on which the Fund normally accepts redemption orders, (iii) the suspension for any reason of the subscription or redemption orders by the Fund (or the Fund Service Provider generally in charge of accepting subscription and redemption orders), or (iv) the postponement of the payment of the balance of redemption proceeds to a date occurring after the financial statements of the Fund have been reviewed by the Fund's statutory auditors, in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Fund launch date or are already envisaged by the Fund Documents on the Fund launch date and are solely implemented by the Fund after such date;
- (q) **Tender Offer** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the Fund, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

- (r) **Fund Reclassification** means (i) the reclassification of the Fund Units, (ii) the index that the Fund tracks changes or (iii) the acquisition of the Fund by, or the aggregation of the Fund into, another fund whose mandate, risk-profile and/or benchmarks that the Calculation Agent determines to be different from the mandate, risk-profile and/or benchmark as of the Issue Date (or any proposal for the foregoing occurs);
- (s) **Fund Redemption or Subscription Event** means (i) the suspension of transfers of any Fund Units, (ii) the introduction of a mandatory redemption or partial redemption of the Fund Units, (iii) the non-execution of any creation, subscription or redemption order in respect of the Fund Units, or (iv) the introduction or proposed introduction of subscription or redemption fees with respect to the Fund Units in excess of those in effect as of the Issue Date;
- (t) **Fund Consolidation Event** means that the Issuer is, or an Hypothetical Investor would be, required, pursuant to any accounting or other applicable regulations in accordance with which it prepares financial statements, to consolidate the Fund Units;
- (u) **Litigation/Fraudulent Activity Event** means that (i) there exists any litigation against the Fund or a Fund Service Provider which in the sole and absolute determination of the Calculation Agent could materially affect the value of the Fund Units or on the rights or remedies of any investor in such Fund Units, (ii) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines or suspects that any such criminal or fraudulent activity has occurred, or (iii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute determination of the Calculation Agent, materially affect the value of the Fund Units or on the rights or remedies of any investor in such Fund Units;
- (v) **NAV per Fund Unit Event** means (i) a material modification of the method of calculating the NAV per Fund Unit, (ii) any change in the periodicity of the calculation or the publication of the NAV per Fund Unit or (iii) any suspension of the calculation or publication of the NAV per Fund Unit;
- (w) **Redemption of Fund Units** means that the Fund Units are redeemed in accordance with their terms or notice of such redemption is given to the holders of Fund Units;
- (x) **Cross-Contamination Event** means , where the Fund is part of an umbrella structure with more than one sub-fund, a cross-contamination or other failure to segregate the portfolio of assets held by the Fund occurs between different series, classes and/or sub-funds;
- (y) **Security Event** means that any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or
- (z) **Rating Event** that the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider or any parent company (howsoever described) of the Fund, by Moody's Investors Service Inc., or any successor to the ratings business thereof (**Moody's**), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof

(S&P), is downgraded below A (for S&P) or A2 (for Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider by Moody's or S&P is downgraded below A-1 (for S&P) or P-1 (for Moody's),

then:

- (i) in the case of sub-paragraph (h) above only, the Calculation Agent may replace the Fund Units by the kind and number of units or other securities and property receivable on such conversion, split, consolidation, merger, sale or conveyance by a holder of Fund Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Fund and make any adjustment (if necessary) to the value of such Fund; or
- (ii) the Calculation Agent may (1) identify a fund (the **Substitute Fund**) having an investment strategy similar to the investment strategy of the Fund affected by the Extraordinary Event (the **Affected Fund**) and (2) adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes; *for information purposes*, it is understood that in all cases described herein where a Fund is substituted, on any date "t", with a Substitute Fund, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Final Terms, shall not be affected by the substitution on such date "t" in respect of the Substitute Fund and would mean the NAV per Fund Unit of such Substitute Fund on the date "t" is weighted by an appropriate linking coefficient so that it is equal to the NAV per Fund Unit of the Affected Fund on such date "t"; or
- (iii) the Calculation Agent may make such adjustments to any of the terms of the Notes as it considers appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes and determine the date(s) on which any such adjustments will be effective; in making any such adjustments, the Calculation Agent may take into account the equivalent adjustment(s) which would be made to a Fund derivative transaction in the interbank market following the relevant event occurring and where the Calculation Agent deems appropriate (in its sole and absolute discretion), adjust the terms of the Notes to give effect to such adjustment(s); or
- (iv) the Issuer may either (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 5 below or (ii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

3. **Stop-Loss Event**

If on any Fund Business Day between the Initial Observation Date (excluded) and the last Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Observation Date or the Final Observation Date, as applicable (included), the NAV per Fund Unit of a Fund Unit is affected by a decrease of 80 per cent. or more of its NAV per Fund Unit on the Initial Observation Date (the **Affected Fund Unit** and the event, the **Stop-Loss Event**), then

- (a) the Calculation Agent may decide to substitute the Affected Fund Unit by a new unit issued by a fund of a similar international standing or creditworthiness as the Fund related to the Affected Fund Unit (the **Substitute Fund Unit**) and will adjust any relevant terms of the Notes accordingly; or
- (b) the Calculation Agent may decide to continue with the Affected Fund Unit; or
- (c) if the Calculation Agent has neither retained any Substitute Fund Unit nor decided to continue with the Affected Fund Unit, the Issuer may either (i) give notice to the

Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 5 below or (ii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

For information purposes, it is understood that in all cases described herein where a Fund Unit is substituted, on any date "t", with a Substitute Fund Unit, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Final Terms, shall not be affected by the substitution on such date "t" in respect of the Substitute Fund Unit and would mean that the NAV per Fund Unit of such Substitute Fund Unit on the date "t" is weighted by an appropriate linking coefficient so that it is equal to the NAV per Fund Unit of the Affected Fund Unit on such date "t".

4. **Consequences of an Additional Disruption Event**

- (a) If "Change in Law", "Hedging Disruption" and/or "Increased Cost of Hedging" (each, an **Additional Disruption Event**) is specified in the Final Terms to be applicable, then upon the occurrence of any such an event the Issuer may:
 - (i) give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 5 below; or
 - (ii) require the Calculation Agent to make such adjustments to any of the Conditions as it considers appropriate in its sole and absolute discretion to account for such Additional Disruption Event and determine the date(s) on which any such adjustments will be effective; or
 - (iii) give notice to the Noteholders that it elects to redeem the Notes at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

5. **Events having a material effect on the Notes**

Notwithstanding, and without prejudice to, the foregoing provisions of this Fund Unit Annex, if any event (whether or not such event is expressly described or otherwise referred to herein) occurs which the Calculation Agent determines, acting in good faith, has a material effect on the Notes, then:

- (a) the Issuer may give notice to the Noteholders that it elects to apply Monetisation until the Maturity Date in accordance with the provisions of section 6 below; or
- (b) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such event and determine the date(s) on which any such adjustments will be effective; or
- (c) the Issuer may, upon giving notice to the Noteholders, redeem all but not some only of the Notes, each Note being redeemed at their Early Redemption Amount, subject always to the terms of the Pay-Off Annex.

Upon the Calculation Agent making a determination pursuant to this section 5, the Issuer shall give notice as soon as practicable to Noteholders giving details of such determination.

6. **Monetisation until the Maturity Date**

- (a) Following notice by the Issuer to the Noteholder that it elects to apply Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the

Instalment Amount(s) initially scheduled to be paid on each Instalment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount on the Maturity Date, but instead will, in full and final satisfaction of its obligations under the Notes, pay on the Maturity Date an amount per Note, determined by the Calculation Agent as the result of:

(i) 100% of the Specified Denomination of the Note;

plus

(ii) the **Monetisation Payment Amount** (which may be a positive amount or a negative amount) corresponding to the Monetisation Calculation Amount (1) capitalised at the applicable zero-coupon rate (which may be positive or negative) from and including the Full Liquidation Date (or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date) to but excluding the Maturity Date and (2) apportioned pro rata amongst the Specified Denomination of each Note.

less

(iii) the Associated Costs apportioned pro rata amongst the Specified Denomination of each Note (without double counting of any cost taken into account in the Monetisation Calculation Amount),

subject to a minimum of zero.

The **Monetisation Calculation Amount** is equal to the net cash amount that the Issuer or any of its affiliates would be left with (in which case the Monetisation Calculation Amount will be expressed as a positive amount) or would have to pay (in which case the Monetisation Calculation Amount will be expressed as a negative amount) on the Instalment Full Liquidation Date (and, if applicable, the Optional Full Liquidation Date and/or the Instalment Full Liquidation Date), as a result of liquidating the Hedge Positions (and, if applicable, Optional Hedge Positions and/or the Instalment Hedge Positions) (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions), if any, with the liquidation proceeds of the assets of the Hedge Positions (and, if applicable, Optional Hedge Positions and/or Instalment Hedge Positions)), the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date or, if later and applicable, the Optional Full Liquidation Date or the Instalment Full Liquidation Date.

(b) Definitions specific to the Monetisation until the Maturity Date

"Associated Costs" means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Issuer or any of its affiliates in connection with the termination, liquidation or re-establishment of the Intermediate Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be.

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Fund Unit or Basket of Fund Units, as applicable, due on the Maturity Date provided that, if the Instalment Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Instalment Hedge Positions and/or the Optional Hedge Positions, if applicable.

"Instalment Full Liquidation Date" means, in respect of any Instalment Payment Date, the date on which the liquidation proceeds of the Instalment Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hedge Positions, if any, with the liquidation proceeds of the assets of such Instalment Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Instalment Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the Fund Unit or Basket of Fund Units, as applicable, due on an Instalment Date.

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its affiliates.

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the Fund Unit or Basket of Fund Units, as applicable, due on an Optional Redemption Date.

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

6. Definitions

AUM Level means the amount specified as such in the Final Terms.

Autocall Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day).

Basket means a basket containing the Fund Units specified in the applicable Final Terms.

Change of Law means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines, or a Hypothetical Investor would determine, in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the Fund Unit or Basket of Fund Units, as applicable.

Coupon Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day).

Fund means, in respect of a Fund Unit, the issuer of such Fund Unit.

Fund Documents means, in respect of any Fund, the constitutive and governing documents and other agreements of the Fund specifying the terms and conditions relating to such Fund.

Fund Unit means each share specified as such in the Final Terms.

Final Observation Date means the date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day).

Fund Service Provider means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents, including any fund investment adviser, fund administrator, manager, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary manager or another non-discretionary investment adviser) for such Fund (the **Fund Adviser**), trustee or similar person with the primary administrative responsibilities for such Fund, operator, management company, depository, custodian, sub-custodian, prime broker, registrar and transfer agent or domiciliary agent.

Fund Business Day means either (i) the Fund Business Day (All Funds Basis) or (ii) the Fund Business Day (Per Fund Basis) as specified in the applicable Final Terms. If no Fund Business Day is specified as applying in the applicable Final Terms, Fund Business Day (All Funds Basis) shall be deemed to apply for a Basket of Funds.

Fund Business Day (All Funds Basis) means with respect to all Funds, a date (i) that is a Fund Valuation Day for each Fund and (ii) on which a Hypothetical Investor could have a subscription or redemption order for the Fund Units of each Fund executed at the NAV per Fund Share published by each respective Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of each respective Fund Valuation Day.

Fund Business Day (Per Fund Basis) means with respect to a Fund, a date (i) that is a Fund Valuation Day for such Fund and (ii) on which a Hypothetical Investor could have a subscription or redemption order for the Fund Units of such Fund executed at the NAV per Fund Share published by the relevant Fund (or the relevant Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation Day.

Fund Valuation Day means either (i) the Fund Valuation Day (All Funds Basis) or (ii) the Fund Valuation Day (Per Fund Basis) as specified in the applicable Final Terms. If no Fund Valuation Day is specified as applying in the applicable Final Terms, Fund Valuation Day (All Funds Basis) shall be deemed to apply for a Basket of Funds.

Fund Valuation Day (All Funds Basis) means, in respect of all Funds, any date as defined in the Fund Documents of each respective Fund as of which the official net asset value of each such Fund is determined in accordance with its Fund Documents.

Fund Valuation Day (Per Fund Basis) means, in respect of a Fund, any date as defined in the Fund Documents of such Fund as of which the official net asset value of such Fund is determined in accordance with its Fund Documents.

Hedging Disruption means that the Issuer is, or a Hypothetical Investor would be, unable to (1) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the inflation price risk or any other relevant price risk including but not limited to the currency risk of the Issuer in issuing and performing its obligations with respect to the Notes, or (2) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

Hypothetical Hedge Positions means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) positions or contracts in the Fund, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Fund due on the Maturity Date apportioned *pro rata* to each outstanding Note.

Hypothetical Investor means, with respect to the Hypothetical Hedge Positions, a hypothetical investor in such Hypothetical Hedge Positions (including the Fund Units), located in France (which for the avoidance of doubt may be the Issuer), and deemed, in respect of the Hypothetical Hedge Positions constituted by the Fund, to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding the Fund Units; (b) in the case of any deemed redemption of such Fund Units, to have submitted a Valid Order requesting redemption of the Fund Units; and (c) in the case of any deemed investment in such Fund, to have submitted a Valid Order requesting subscription of the Fund Units.

Increased Cost of Hedging means that the Issuer or a Hypothetical Investor would incur an increased amount of cost (including tax, duty, expenses or fees) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, inflation price risk, foreign exchange risk and interest rate risk) of the Issuer in issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

Initial Observation Date means the date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day).

NAV per Fund Unit in respect of a Fund and a Fund Valuation Day, the amount or amounts per unit of such Fund including (for subscription orders) or net (for redemption orders) of all applicable costs, taxes and fees (if any) that would be paid (for subscription orders) or received (for redemption orders) in cash in one or more times by a Hypothetical Investor pursuant to a Valid Order for the subscription or redemption (as applicable) of units of the Fund scheduled to be executed on the official net asset value per unit determined by the Fund (or the Fund service provider that generally determines such value) dated as of such Fund Valuation Day.

NAV Trigger Percentage means the percentage specified as such in the Final Terms.

NAV Trigger Period means the period specified as such in the Final Terms, or if none specified the period from and including the Initial Observation Date to and including the Final Observation Date.

Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day).

Relevant Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day).

Strike Observation Date means each date specified as such or otherwise determined as provided in the Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day).

Valid Order means a valid and timely subscription or redemption order sent to the Fund or the Fund Service Provider that generally accepts such order, in accordance with the subscription or redemption notice period and the relevant cut off time as set forth in the Fund Documents.

PAY-OFF ANNEX

PART A - PAY OFF FORMULAS COMMON TO RATE LINKED NOTES REFERENCED TO A SINGLE RATE

Part A of this Pay-Off Annex applies to Rate Linked Notes referenced to a single Rate.

For the purpose of Part A of this Pay-Off Annex: **Coupon Observation Date** has the meaning given to such term in the Rate Linked Conditions.

1. PAY OFF FORMULA COMMON TO RATE LINKED NOTES LINKED TO A SINGLE RATE

1.1 LEVERAGED FLOATER

Where **LEVERAGED FLOATER** is specified in the Final Terms, each Rate Linked Note will be redeemed on the Maturity Date at the Rate Linked Redemption Amount determined in accordance with the following formula: Rate Linked Redemption Amount = Specified Denomination x 100%.

- (a) If "Floor" is specified as being applicable in the Final Terms, an interest amount (the **Coupon Amount**) will be payable in respect of each Rate Linked Note on each Coupon Payment Date, for the Coupon Period starting on and including the immediately preceding Coupon Payment Date (or, in respect of the first Coupon Payment Date, on the Issue Date) and ending on, but excluding, such Coupon Payment Date, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Day Count Fraction} \times \text{Max} [\text{Floor Level}; \text{Leverage} \times (\text{Benchmark Rate Level} + \text{Margin})]$$

- (b) If "Cap" is specified as being applicable in the Final Terms, an interest amount (the **Coupon Amount**) will be payable in respect of each Rate Linked Note on each Coupon Payment Date, for the Coupon Period starting on and including the immediately preceding Coupon Payment Date (or, in respect of the first Coupon Payment Date, on the Issue Date) and ending on, but excluding, such Coupon Payment Date, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Day Count Fraction} \times \text{Min} [\text{Cap Level}; \text{Leverage} \times (\text{Benchmark Rate Level} + \text{Margin})]$$

- (c) If "Cap" and "Floor" are specified as being applicable in the Final Terms, an interest amount (the **Coupon Amount**) will be payable in respect of each Rate Linked Note on each Coupon Payment Date, for the Coupon Period starting on and including the immediately preceding Coupon Payment Date (or, in respect of the first Coupon Payment Date, on the Issue Date) and ending on, but excluding, such Coupon Payment Date, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Day Count Fraction} \times \text{Max} [\text{Floor Level}; \text{Min} (\text{Cap Level}; \text{Leverage} \times [\text{Benchmark Rate Level} + \text{Margin}])]$$

- (d) If "Cap" and "Floor" are specified as being not applicable in the Final Terms, an interest amount (the **Coupon Amount**) will be payable in respect of each Rate Linked Note on each Coupon Payment Date, for the Coupon Period ending on the Coupon Observation Date falling on or immediately before such Coupon Payment Date, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Day Count Fraction} \times \text{Leverage} \times (\text{Benchmark Rate Level} + \text{Margin})$$

Where:

Benchmark Rate Level means, in respect of a Coupon Period:

- if "In advance" is specified for the Benchmark Rate in the applicable Final Terms, the level of the Benchmark Rate on the Coupon Observation Date falling on or immediately before the day on which the Coupon Period starts; or
- if "In arrears" is specified for the Benchmark Rate in the applicable Final Terms, the level of the Benchmark Rate on the Coupon Observation Date falling on or immediately before the day on which the Coupon Period ends.

Cap Level means the value indicated in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Period means:

- the period starting on and including the Issue Date and ending on, but excluding, the next Coupon Payment Date ; and
- each successive period starting on and including a Coupon Payment Date and ending on, but excluding, the next Coupon Payment Date.

Floor Level means the value indicated in the Final Terms.

Leverage is as specified in the applicable Final Terms.

Margin is as specified in the applicable Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

1.2 **REVERSE FLOATER**

Where **REVERSE FLOATER** is specified in the Final Terms:

- (a) If the Call Option has not been activated in accordance with Condition 6(b), an interest amount (the **Coupon Amount**) will be payable on each Coupon Payment Date in respect of each Rate Linked Note, for the Coupon Period starting on and including the immediately preceding Coupon Payment Date (or, in respect of the first Coupon Payment Date, on the Issue Date) and ending on, but excluding, such Coupon Payment Date, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Day Count Fraction} \times \text{Max} [\text{Floor Level}; Z - (\text{Leverage} \times \text{Benchmark Rate Level})]$$

Each Rate Linked Note will be redeemed on the Maturity Date at the Rate Linked Redemption Amount determined in accordance with the following formula: Rate Linked Redemption Amount = Specified Denomination x 100%.

- (b) If the Call Option has been activated:
- (i) the Coupon Amounts calculated in accordance with the provisions of paragraph (a) above will be payable on the Optional Redemption Date in respect of each Rate Linked Note, for the period starting on and including the immediately preceding Coupon Payment Date and ending on, but excluding, the Optional Redemption Date; and
 - (b) in accordance with Condition 6(b), each Rate Linked Note will be redeemed on the Optional Redemption Date at the Rate Linked Redemption Amount determined in accordance with the following formula: Rate Linked Redemption Amount = Specified Denomination x 100%.

No interest amount will be payable in respect of the Coupon Periods starting on or following the Optional Redemption Date.

Where:

Benchmark Rate Level means, in respect of a Coupon Period:

- if "In advance" is specified for the Benchmark Rate in the applicable Final Terms, the level of the Benchmark Rate on the Coupon Observation Date falling on or immediately before the day on which the Coupon Period starts; or
- if "In arrears" is specified for the Benchmark Rate in the applicable Final Terms, the level of the Benchmark Rate on the Coupon Observation Date falling on or immediately before the day on which the Coupon Period ends.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Period means:

- the period starting on and including the Issue Date and ending on, but excluding, the next Coupon Payment Date ; and
- each successive period starting on and including a Coupon Payment Date and ending on, but excluding, the next Coupon Payment Date.

Leverage is as specified in the applicable Final Terms.

Floor Level means the value indicated in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Z means the value indicated in the Final Terms.

1.3 VOL BOND

Where **VOL BOND** is specified in the Final Terms, each Rate Linked Note will be redeemed on the Maturity Date at the Rate Linked Redemption Amount determined in accordance with the following formula: Rate Linked Redemption Amount = Specified Denomination x 100%.

- (a) If "Cap" is specified as being applicable in the Final Terms, an interest amount (the **Coupon Amount**) will be payable in respect of each Rate Linked Note on each Coupon Payment Date, for the Coupon Period starting on and including the immediately preceding Coupon Payment Date (or, in respect of the first Coupon Payment Date, on the Issue Date) and ending on, but excluding, such Coupon Payment Date, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Day Count Fraction} \times \text{Min} [\text{Cap Level}; \text{Leverage} \times \text{Absolut Performance}]$$

- (b) If Cap" is specified as being not applicable in the Final Terms, an interest amount (the **Coupon Amount**) will be payable in respect of each Rate Linked Note on each Coupon Payment Date, for the Coupon Period starting on and including the immediately preceding Coupon Payment Date (or, in respect of the first Coupon Payment Date, on the Issue Date) and ending on, but excluding, such Coupon Payment Date, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Day Count Fraction} \times \text{Leverage} \times \text{Absolut Performance}$$

Where

Absolute Performance means, with respect to each Coupon Observation Date_t, excluding the initial Coupon Observation Date:

$$\text{Max} [(\text{Benchmark Rate Level}_t - \text{Benchmark Rate Level}_{t-1}); (\text{Benchmark Rate Level}_{t-1} - \text{Benchmark Rate Level}_t)].$$

Benchmark Rate Level₀ means the value set out in the Final Terms or the Benchmark Rate Level on the initial Coupon Observation Date as provided for in the Final Terms.

Benchmark Rate Level_t means the Benchmark Rate Level on a Coupon Observation Date_t.

Cap Level means the value specified as such in the Final Terms.

Leverage means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

PART B - PAY OFF FORMULAS COMMON TO INDEX LINKED NOTES REFERENCED TO A SINGLE INDEX OR A BASKET OF INDICES

Part B of this Pay-Off Annex applies to Index Linked Notes referenced to a single Index or a Basket of Indices.

For the purpose of Part B of this Pay-Off Annex: **Settlement Price, Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Relevant Observation Date, Initial Observation Date, Final Observation Date or Observation Date**, as applicable, has the meaning given to such term in the Index Linked Conditions.

2. PAY OFF FORMULAS COMMON TO INDEX LINKED NOTES REFERENCED TO A SINGLE INDEX

2.1 DOUBLE TOP

Where **DOUBLE TOP** is specified in the Final Terms:

- (a) When "Autocall" is specified in the Final Terms, if on any Autocall Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level, each Index Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date (this specific Automatic Early Redemption Date being therefore the **Relevant Automatic Early Redemption Date**) at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (100% + Bonus Rate)

- (b) If each Index Linked Note has not been redeemed early as provided in paragraph (a) above or if "Non Callable" is specified in the Final Terms:

- (i) If on the Final Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger level, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (100% + Bonus Rate)

- (ii) If on the Final Observation Date, the Settlement Price is strictly lower than the Autocall Trigger level and greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%

- (iii) If on the Final Observation Date, the Settlement Price is strictly lower than the Knock-In Level and "Barrier Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x Final Price / Initial Price

- (iv) If on the Final Observation Date, the Settlement Price is strictly lower than the Put Strike Level and "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Put Strike Level}$$

- (c) When "Guaranteed Coupon" is specified in the Final Terms, an interest amount (the **Guaranteed Coupon Amount**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

$$\text{Guaranteed Coupon Amount} = \text{Specified Denomination} \times \text{Coupon Rate}$$

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Guaranteed Coupon Amount} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_1$$

- (d) When "Conditional Coupon" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included), or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate}$$

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_2$$

- (e) When "Conditional Coupon with Memory Effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or, if applicable, the Relevant Automatic Early

Redemption Date (included), in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_3$$

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_4$$

Where:

Autocall Trigger Level means, for any Autocall Observation Date and for the Final Observation Date, the percentage of the Initial Price specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Bonus Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means:

- if "Strike Min" is specified as being applicable in the Final Terms, the lowest of the Settlement Prices for the Strike Determination Dates
- if "Strike Min" is specified as being not applicable in the Final Terms, the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Put Strike Level means the percentage of the Initial Price specified as such in the Final Terms.

N₁ means the number of Coupon Payment Dates from (but excluding) the Issue Date to (and including) the Maturity Date or if applicable, the Relevant Automatic Early Redemption Date.

N_2 means the number of Coupon Observation Dates falling before the Maturity Date, or if applicable, the Relevant Automatic Early Redemption Date, on which the Settlement Price was greater than or equal to the Coupon Trigger Level.

N_3 means the number of Coupon Payment Dates from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, N_3 means the number of Coupon Payment Dates from (but excluding) the Issue Date to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N_4 means the number of Coupon Observation Dates from (but excluding) the Initial Observation Date to (and including) the last Coupon Observation Date on which the Settlement Price was greater than or equal to the Coupon Trigger Level.

Strike Determination Dates means each date specified as such or otherwise determined as provided in the Final Terms.

2.2 ALTAIR

Where **ALTAIR** is specified in the Final Terms:

- (a) When "Autocall" is specified in the Final Terms, if on any Autocall Observation Date, the Performance of Index A is greater than or equal to the Performance of Index B, each Index Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date (this specific Automatic Early Redemption Date being therefore the **Relevant Automatic Early Redemption Date**) at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%

With

Performance of Index A = ((Relevant Price of Index A / Initial Price of Index A) – 1)

Performance of Index B = ((Relevant Price of Index B / Initial Price of Index B) – 1)

- (b) If each Index Linked Note has not been redeemed early as provided in paragraph (a) above or if "Non Callable" is specified in the Final Terms:

- (i) If on the Final Observation Date, the Settlement Price of Index A is greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%

- (ii) If on the Final Observation Date, the Settlement Price of Index A is strictly lower than the Knock-In Level and "Barrier Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the

Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x Final Price of Index A / Initial Price of Index A

- (iii) If on the Final Observation Date, the Settlement Price of Index A is strictly lower than the Put Strike Level and "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x Final Price of Index A / Put Strike Level

- (c) When "Conditional Coupon" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included), or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Performance of Index A is greater than or equal to the Performance of Index B

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate x N_1

- (d) When "Conditional Coupon with Memory Effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or, if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

Conditional Coupon Amount B = Specified Denomination x Coupon Rate x N_2

provided that on the immediately preceding Coupon Observation Date the Performance of Index A is greater than or equal to the Performance of Index B

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_3$$

Where:

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Final Price of Index A means the Settlement Price of Index A on the Final Observation Date.

Final Price of Index B means the Settlement Price of Index B on the Final Observation Date.

Initial Price of Index A means the value set out in the Final Terms or the Settlement Price of Index A on the Initial Observation Date as provided for in the Final Terms.

Initial Price of Index B means the value set out in the Final Terms or the Settlement Price of Index B on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price of Index A specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Put Strike Level means the percentage of the Initial Price of Index A specified as such in the Final Terms.

N₁ means the number of Coupon Observation Dates falling before the Maturity Date, or if applicable, the Relevant Automatic Early Redemption Date, on which the Performance of Index A was greater than or equal to the Performance of Index B.

N₂ means the number of Coupon Payment Dates from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, **N₂** means the number of Coupon Payment Dates from (but excluding) the Issue Date to and including the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N₃ means the number of Coupon Observation Dates from (but excluding) the Initial Observation Date to (and including) the last Coupon Observation Date on which the Performance of Index A was greater than or equal to the Performance of Index B.

Relevant Price of Index A means the Settlement Price of Index A on the Relevant Observation Date

Relevant Price of Index B means the Settlement Price of Index B on the Relevant Observation Date

2.3 TOP

Where **TOP** is specified in the Final Terms:

(a) If "Fast-Autocall" is specified as being not applicable in the Final Terms and on any Autocall Observation Date except for the Final Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level:

(i) If "Indexation" is specified as being applicable in the Final Terms, each Index Linked Note will be automatically redeemed on the Relevant Automatic Early Redemption Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Max} [\text{Performance}; (N \times \text{Coupon Rate})])$$

(ii) If "Indexation" is specified as being not applicable in the Final Terms each Index Linked Note will be automatically redeemed on the Relevant Automatic Early Redemption Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

(b) If "Fast-Autocall" is specified as being applicable in the Final Terms and on any Autocall Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level, each Index Linked Note will be automatically redeemed on the Relevant Automatic Early Redemption Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (T/365) \times \text{Coupon Rate}]$$

(c) If each Index Linked Note has not been redeemed early as described in paragraph (a) or (b) above:

(i) If on the Final Observation Date, the Settlement Price is greater than or equal to the relevant Autocall Trigger Level:

If "Indexation" is specified as being applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Max} [\text{Performance}; (N \times \text{Coupon Rate})])$$

If "Fast-Autocall" is specified as being applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + (T/365) \times \text{Coupon Rate})$$

If "Absolute" is specified as being applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Performance})$$

If "Indexation", "Absolute" and "Fast-Autocall" are specified as being not applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

- (ii) If on the Final Observation Date, the Settlement Price is lower than the relevant Autocall Trigger Level:

If "Absolute" is specified as being applicable in the Final Terms and on the Final Observation Date the Settlement Price is greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% - \text{Performance}]$$

If "Airbag" is specified as being applicable in the Final Terms and on the Final Observation Date the Settlement Price is greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + \text{Airbag Rate}]$$

If "Partial Airbag" is specified as being applicable in the Final Terms:

- (1) If on the Final Observation Date the Settlement Price is greater than or equal to the Airbag Barrier Level, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + \text{Airbag Rate}]$$

- (2) If on the Final Observation Date the Settlement Price is strictly lower than the Airbag Barrier Level and (x) greater than or equal to the Knock-in Level if "Barrier Put" is specified in the Final Terms or (y) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$$

If "Absolute", "Airbag" and "Partial-Airbag" are specified as being not applicable in the Final Terms and on the Final Observation Date the Settlement Price is greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$$

If "Barrier Put" is specified in the Final Terms and the Settlement Price on the Final Observation Date is lower than the Knock-in Level, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Initial Price}$$

If "Leveraged Put" is specified in the Final Terms and the Settlement Price on the Final Observation Date is lower than the Put Strike Level, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Put Strike Level}$$

Where:

Airbag Rate means the percentage specified as such in the Final Terms

Airbag Barrier Level means the percentage of the Initial Price specified as such in the Final Terms.

Autocall Trigger Level means, for any Autocall Observation Date and for the Final Observation Date, the percentage of the Initial Price specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Gearing means the percentage specified as such in the Final Terms.

Initial Price means:

- if "Strike Min" is specified as being applicable in the Final Terms, the lowest of the Settlement Prices for the Strike Determination Dates
- if "Strike Min" is specified as being not applicable in the Final Terms, the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

N is:

(1) for any Autocall Observation Date, unless (i) the Autocall Observation Date falls within a number of Business Days equal to the Redemption Lag or less before any Automatic Early Redemption Date or (ii) the Autocall Observation Date falls after the last Automatic Early Redemption Date, the number of Automatic Early Redemption Dates from (but excluding) the Issue Date to (and including) the following Automatic Early Redemption Date;

(2) for any Autocall Observation Date falling within a number of Business Days equal to the Redemption Lag or less before any Automatic Early Redemption Date, the number of Automatic Early Redemption Dates from (but excluding) the Issue Date to (and including) the following Automatic Early Redemption Date, plus one;

(3) for any Autocall Observation Date which falls after the last Automatic Early Redemption Date, the number of Automatic Early Redemption Dates from (but excluding) the Issue Date to (and excluding) the Maturity Date, plus one; or

(4) for the Final Observation Date, the number of Automatic Early Redemption Dates from (but excluding) the Issue Date to (and excluding) the Maturity Date, plus one.

T is the number of calendar days between the Initial Observation Date (excluded) and the first Observation Date on which the Settlement price is greater than or equal to Autocall Trigger Level (included).

Performance is equal to (1) for any Autocall Observation Date, Gearing x [(Settlement Price/Initial Price) – 1] and (2) for the Final Observation Date, Gearing x [(Final Price/Initial Price) – 1]

Put Strike Level means the percentage of the Initial Price specified as such in the Final Terms.

Redemption Lag means the number specified as such in the Final Terms.

Relevant Automatic Early Redemption Date means:

(1) if “**Fast-Trigger**” is specified as being not applicable in the Final Terms, the day which falls a number of Business Days equal to the Redemption Lag after the first Autocall Observation Date on which the Settlement price is greater than or equal to the Autocall Trigger Level; or

(2) if “**Fast-Trigger**” is specified as being applicable in the Final Terms and, on any Autocall Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level:

- the following Automatic Early Redemption Date unless (i) the Autocall Observation Date falls within a number of Business Days equal to the Redemption Lag or less before the Automatic Early Redemption Date or

(ii) the Autocall Observation Date falls after the last Automatic Early Redemption Date;

- the second Automatic Early Redemption Date, if the Autocall Observation Date falls within a number of Business Days equal to the Redemption Lag or less before the Automatic Early Redemption Date; or

- the Maturity Date, if the Autocall Observation Date falls after the last Automatic Early Redemption Date.

Strike Determination Dates means each date specified as such or otherwise determined as provided in the Final Terms.

2.4 ATHOS

Where **ATHOS** is specified in the Final Terms

- (a) When "Autocall" is specified in the Final Terms, if, on any Autocall Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level, each Index Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (100% + Rebate)

- (b) If each Index Linked Note has not been redeemed early as provided in paragraph (a) above or if "Non Callable" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at an Index Linked Redemption Amount determined in accordance with the following formula:

- (i) When "Cap" is specified as being applicable in the Final Terms:

Index Linked Redemption Amount = Specified Denomination x (1 + Min [Performance; Cap Level])

- (ii) When "Cap" is specified as being not applicable in the Final Terms,

Index Linked Redemption Amount = Specified Denomination x (1 + Performance)

Where:

- (1) If "European Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) Leverage x ((Final Price / Initial Price) – 1)

- (2) If "Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) Leverage x Average

Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of:

$(\text{Settlement Price} / \text{Initial Price}) - 1$

(3) If "Floored Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) Leverage x Floored Average

Floored Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of the highest between

$(\text{Settlement Price} / \text{Initial Price}) - 1$

and

zero

(4) If "Absolute Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) Leverage x Absolute Average

Absolute Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of the highest between

$(\text{Settlement Price} / \text{Initial Price}) - 1$

and

$1 - (\text{Settlement Price} / \text{Initial Price})$

c) When "Guaranteed Coupon" is specified as applicable in the Final Terms, an interest amount (the **Guaranteed Coupon Amount**) will be payable in respect of each Index Linked Note on each Coupon Payment Date until the Maturity Date (included):

$$\text{Guaranteed Coupon Amount} = \text{Specified Denomination} \times \text{Coupon Rate}$$

Where:

Autocall Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Cap Level means the value specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Floor means

- (a) When Dynamic Bond Floor is specified as being not applicable in the Final Terms:
- if Ladder is specified as being not applicable in the Final Terms, the value specified as such in the Final Terms;
 - if Ladder is specified as applicable, (1) if the value equal to the highest Settlement Prices for the Observation Dates divided by the Initial Price less one is equal to or higher than the lowest Ladder Level, the Floor is equal to the highest Ladder Level being lower than or equal to the value equal to the highest Settlement Prices for the Observation Dates divided by the Initial Price less one or (2) if the value equal to the highest Settlement Prices for the Observation Dates divided by the Initial Price less one is lower than the lowest Ladder Level, the Floor is equal to the value specified as such in the Final Terms.
- (b) When Dynamic Bond Floor Level is specified as applicable in the Final Terms, the Floor is equal to the highest between:
- (i) the Dynamic Bond Floor multiplied by the highest Settlement Prices for the Observation Dates divided by the Initial Price less one
- and
- (ii) the value of the Initial Floor Level.

Dynamic Bond Floor Level means the percentage specified as such in the Final Terms.

Initial Floor Level means the percentage specified as such in the Final Terms.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Ladder Levels means the percentage(s) specified as such in the Final Terms.

Leverage means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

Rebate means the value specified as such in the Final Terms.

2.5 ERIDAN

Where **ERIDAN** is specified in the Final Terms

Each Index Linked Note will be redeemed on the Maturity Date at an Index Linked Redemption Amount determined in accordance with the following formula:

- (a) When "Cap" is specified as being applicable in the Final Terms:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Min}[\text{Performance}; \text{Cap Level}])$$

- (b) When "Cap" is specified as being not applicable in the Final Terms,

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Performance})$$

with **Performance** being the highest value between 0 and the sum of:

- (1) the product of Leverage 1 and the highest value between:

(a) $(\text{Final Price of Index A} / \text{Initial Price of Index A}) - 1$

and

(b) $(\text{Final Price of Index B} / \text{Initial Price of Index B}) - 1$

- (2) the product of Leverage 2 and the lowest value between:

(a) $(\text{Final Price of Index A} / \text{Initial Price of Index A}) - 1$

and

(b) $(\text{Final Price of Index B} / \text{Initial Price of Index B}) - 1$

Where:

Cap Level means the value specified as such in the Final Terms.

Final Price of Index A means the Settlement Price of Index A on the Final Observation Date.

Final Price of Index B means the Settlement Price of Index B on the Final Observation Date.

Initial Price of Index A means the value set out in the Final Terms or the Settlement Price of Index A on the Initial Observation Date as provided for in the Final Terms.

Initial Price of Index B means the value set out in the Final Terms or the Settlement Price of Index B on the Initial Observation Date as provided for in the Final Terms.

Leverage 1 means the value specified as such in the Final Terms.

Leverage 2 means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

2.6 ARAMIS

Where **ARAMIS** is specified in the Final Terms:

- (a) If "Put Spread" is specified as being not applicable in the Final Terms, the Notes will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%.

- (b) If "Put Spread" is specified as being applicable in the Final Terms,
- (i) If the Settlement Price on the Final Observation Date is strictly lower than the Knock-in Put Spread Level, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (100%+Max [Floor; Min [(Final Price / Initial Price) – 1]; 0])

- (ii) If the Settlement Price on the Final Observation Date is greater than or equal to the "Knock-in Put Spread Level", each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%.

- (c) When "No Memory" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate x N_1 .

- (d) When "Memory Effect" is specified in the Final Terms, the sum of the interest amounts specified in paragraphs (i) and (ii) below will be payable in respect of each Index Linked Note:

- (i) an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Index Linked Note

- if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount B = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

Conditional Coupon Amount B = Specified Denomination x Coupon Rate x N_1 .

- (ii) an interest amount (the **Conditional Coupon Amount C**) will be payable in respect of each Index Linked Note:

- If "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount C = Specified Denomination x Coupon Rate x N_2

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- If "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

Conditional Coupon Amount C = Specified Denomination x Coupon Rate x N_3 .

- (e) When "Partial Memory Effect" is specified in the Final Terms, the sum of the interest amounts specified in paragraphs (i) and (ii) below will be payable in respect of each Interest Linked Note:

- (i) the same Conditional Coupon B as when "Memory Effect" is specified in the Final Terms will be payable in respect of each Index Linked Note

- (ii) an interest amount (the **Conditional Coupon Amount D**) will be payable in respect of each Index Linked Note:

- If "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount D = Specified Denomination x Coupon Rate x Coupon Recovery Rate x N_2

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- If "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

$$\text{Conditional Coupon Amount D} = \text{Specified Denomination} \times \text{Coupon Rate} \times \text{Coupon Recovery Rate} \times N_3.$$

- (f) if "**Bonus Effect**" is specified in the Final Terms and the Settlement Price on every Coupon Observation Date has been strictly lower than the Coupon Trigger Level, an interest amount (the **Bonus Amount**) will be payable in respect of each Index Linked Note on the Maturity Date in accordance with the following formula:

$$\text{Bonus Amount} = \text{Specified Denomination} \times \text{Bonus Rate}$$

- (g) When "Lock-in Effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount E**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount E} = \text{Specified Denomination} \times \text{Coupon Rate}$$

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level or on any preceding Coupon Observation Date, the Settlement Price has been greater than or equal to the Securitisation Level

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount F} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_4$$

Where:

Bonus Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Recovery Rate means the percentage specified as such in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Floor means the value specified as such in the Final Terms

Initial Price means:

- if "Strike Min" is specified as being applicable in the Final Terms, the lowest of the Settlement Prices for the Strike Determination Dates

- if "Strike Min" is specified as being not applicable in the Final Terms, the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

N₁ means the number of Coupon Payment Dates immediately following a Coupon Observation Date on which the Settlement Price has been greater than or equal to the Coupon Trigger Level, from (but excluding) the Issue Date to (and including) the Maturity Date.

N₂ means the number of Coupon Payment Dates, from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid, to (but excluding) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, **N₂** means the number of Coupon Payment Dates from (but excluding) the Issue Date to but excluding the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N₃ means the number of Coupon Payment Dates immediately following a Coupon Observation Date on which the Settlement Price was lower than the Coupon Trigger Level between the Issue Date (excluded) and the last Coupon Observation Date where the Settlement Price has been greater than or equal to the Coupon Trigger Level. For the avoidance of doubt, if Settlement Price on every Coupon Observation Date has been strictly lower than the Coupon Trigger Level **N₃ = 0**.

N₄ means the sum of:

- (a) the number of Coupon Observation Dates on which the Settlement Price is greater than or equal to the Coupon Trigger Level; and
- (b) the number of Coupon Observation Dates (i) on which the Settlement Price is lower than the Coupon Trigger Level and (ii) falling after the Securitisation Date.

Knock-in Put Spread Level means the percentage of the Initial Price specified as such in the Final Terms.

Securitisation Date is the first Coupon Observation Date, if any, on which the Settlement Price is greater than or equal to the Securitisation Level.

Securitisation Level means the percentage of the Initial Price specified as such in the Final Terms.

Strike Determination Dates means each date specified as such or otherwise determined as provided in the Final Terms.

2.7 ORION

Where **ORION** is specified in the Final Terms:

- (a) When "Autocall" is specified in the Final Terms, if on any Autocall Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level, each Index Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (100% + Bonus Rate)

- (b) If each Index Linked Note has not been redeemed early as provided in paragraph (a) above or if "Non Callable" is specified in the Final Terms:

- (i) If on the Final Observation Date, the Settlement Price is greater than or equal to the Initial Price, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

- If "Cap" is specified as being applicable in the Final Terms:

Index Linked Redemption Amount = Specified Denomination x (1 + Min [Performance; Cap Level])

- When "Cap" is specified as being not applicable in the Final Terms,

Index Linked Redemption Amount = Specified Denomination x (1 + Performance)

Where Performance means the highest value between:

(A) Floor Level

and

(B) Leverage x [(Final Price / Initial Price) – 1]

- (ii) If on the Final Observation Date, the Settlement Price is lower than the Initial Price and greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

- 1) if the "Ladder mechanism" is specified as being applicable in the Final Terms:

- If the Ladder Condition is satisfied:

Index Linked Redemption Amount = Specified Denomination x (100%+Floor Level)

- If the Ladder Condition is not satisfied:

Index Linked Redemption Amount = Specified Denomination x 100%

- 2) if the "Ladder mechanism" is specified as being not applicable in the Final Terms

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$$

- (iii) If on the Final Observation Date, the Settlement Price is strictly lower than the Knock-In Level and "Barrier Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

- 1) if the "Ladder mechanism" is specified as being applicable in the Final Terms

- If the Ladder Condition is satisfied:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Floor Level})$$

- If the Ladder Condition is not satisfied:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Initial Price}$$

- 2) if "Ladder mechanism" is specified as being not applicable in the Final Terms

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Initial Price}$$

- (iv) If on the Final Observation Date, the Settlement Price is strictly lower than the Put Strike Level and "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

- 1) if the "Ladder mechanism" is specified as being applicable in the Final Terms

- If the Ladder Condition is satisfied:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Floor Level})$$

- If the Ladder Condition is not satisfied:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Put Strike Level}$$

- 2) if the "Ladder mechanism" is specified as being not applicable in the Final Terms

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Put Strike Level}$$

Where:

Autocall Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Bonus Rate means the value specified as such in the Final Terms

Cap Level means the value specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Floor Level means:

- (a) if the "Ladder mechanism" is specified as being not applicable in the Final Terms: the value specified as such in the Final Terms;
- (b) if the "Ladder mechanism" is specified as being applicable in the Final terms
 - (i) if the amount equal to the highest Settlement Price for the Observation Dates divided by the Initial Price less one, is equal to or higher than the lowest Ladder Level (in which case, the **Ladder Condition** is satisfied): the value corresponding to the highest Ladder Level being lower than the amount equal to the highest Settlement Price for the Observation Dates divided by the Initial Price, less one;
 - (ii) if the amount equal to the highest Settlement Price for the Observation Dates divided by the Initial Price less one is lower than the lowest Ladder Level (in which case, the **Ladder Condition** is not satisfied): 0%

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Ladder Levels means the series of percentages specified as such in the Final Terms.

Leverage means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

Put Strike Level means the percentage of the Initial Price specified as such in the Final Terms.

2.8 ANDROMEDE

Where **ANDROMEDE** is specified in the Final Terms:

- (a) When "Autocall" is specified as being applicable in the Final Terms, if on any Autocall Observation Date (except for the Final Observation Date), the Settlement Price is greater than or equal to the Autocall Trigger Level, each Index Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date (this specific Automatic Early Redemption Date being therefore the **Relevant Automatic Early**

Redemption Date) at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x [100% + (N x Coupon Rate)]

(b) If “Barrier Put” is specified as being applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date:

(i) if on the Final Observation Date, the Settlement Price is greater than or equal to the Knock-In Level, at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (100% + (Leverage x Highest Performance))

(ii) if on the Final Observation Date, the Settlement Price is lower than the Knock-In Level, at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x ((Final Price/Initial Price) + (Leverage x Highest Performance))

(c) If “Best-out” is specified as being applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date:

Index Linked Redemption Amount = Specified Denomination x Leverage x (100% + Best Performance)

Where:

Autocall Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Highest Performance means the higher of (i) zero and (ii) the difference between (1) the highest of the Settlement Prices on each Observation Date divided by the Initial Price and (2) one.

Best Performance means the difference between (1) the highest of the Settlement Prices on each Observation Date divided by the Initial Price and (2) one.

Leverage means the value specified as such in the Final Terms.

N is the number of Automatic Early Redemption Dates from (but excluding) the Issue Date to and including the Relevant Automatic Early Redemption Date.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

2.9 PEGASE

Where **PEGASE** is specified in the Final Terms:

- (a) If on any Observation Date, the Settlement Price is greater than or equal to the Securitisation Level, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (1 + Rebate)

- (b) If the Settlement Price is lower than the Securitisation Level on every Observation Date, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

- (i) If the Final Price is greater than or equal to the Initial Price:

Index Linked Redemption Amount = Specified Denomination x Min [(1+ Rebate); (Final Price / Initial Price)]

- (ii) If the Final Price is lower than the Initial Price but equal or greater than the Knock-In Level:

Index Linked Redemption Amount = Specified Denomination x 100%.

- (iii) If the Final Price is lower than the Knock-In Level:

Index Linked Redemption Amount = Specified Denomination x (Final Price / Initial Price)

Where

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

Rebate means the value specified as such in the Final Terms.

Securitisation Level means the percentage of the Initial Price specified as such in the Final Terms.

2.10 COUPON CLIC

Where **COUPON CLIC** is specified in the applicable Final Terms:

- (a) If:
- (i) on any Coupon Observation Date, the Settlement Price is greater than or equal to the Securitisation Level; or
 - (ii) on the Final Observation Date the Settlement Price is greater than or equal to the Knock-In Level,

each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$$

- (b) If:
- (i) on every Coupon Observation Date, the Settlement Price is lower than the Securitisation Level; and
 - (ii) on the Final Observation Date the Settlement Price is lower than the Knock-In Level,

each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (\text{Final Price} / \text{Initial Price})$$

- (c) An interest amount (the **Coupon Amount**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Coupon Rate}$$

provided that

- (x) on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level or
 - (y) on any preceding Coupon Observation Date, the Settlement Price has been greater than or equal to the Securitisation Level.
- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate} \times N$$

Where

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

N means the sum of:

- (a) the number of Coupon Observation Dates on which the Settlement Price is greater than or equal to the Coupon Trigger Level; and
- (b) the number of Coupon Observation Dates (i) on which the Settlement Price is lower than the Coupon Trigger Level and (ii) falling after the Securitisation Date.

Securitisation Date is the first Coupon Observation Date, if any, on which the Settlement Price is greater than or equal to the Securitisation Level.

Securitisation Level means the percentage of the Initial Price specified as such in the Final Terms.

2.11 SIRIUS

Where **SIRIUS** is specified in the applicable Final Terms:

- (a) If:
 - (i) on any Coupon Observation Date, the Settlement Price is greater than or equal to the Securitisation Level; or
 - (ii) on the Final Observation Date the Settlement Price is greater than or equal to the Knock-In Level,

each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%

- (b) If:
 - (i) on every Coupon Observation Date, the Settlement Price is lower than the Securitisation Level; and
 - (ii) on the Final Observation Date the Settlement Price is lower than the Knock-In Level,

each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (Final Price / Initial Price)

(c) An interest amount (the **Coupon Amount**) will be payable in respect of each Index Linked Note:

(i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Coupon Amount = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level.

(ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate x N

Where

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

N means the number of Coupon Observation Date on which the Settlement Price is greater than or equal to the Coupon Trigger Level.

Securitisation Level means the percentage of the Initial Price specified as such in the Final Terms.

2.12 CASSIOPEE

Where **CASSIOPEE** is specified in the Final Terms

- (a) If on the Final Observation Date, the Settlement Price is greater than or equal to the Initial Price:

- (i) If "Cap" is specified as being applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Min} [\text{Final Price} / \text{Initial Price}; 100\% + \text{Cap Level}]$$

- (ii) If "Cap" is specified as being not applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Initial Price}$$

- (b) If on the Final Observation Date, the Settlement Price is greater than or equal to the Knock-In Level but below the Initial Price, each Index Linked Note will be redeemed on the Maturity Date at an amount determined in accordance with the following formula:

$$\text{Index Linked Amount} = \text{Specified Denomination} \times (100\% + (1 - (\text{Final Price} / \text{Initial Price})))$$

- (c) If on the Final Observation Date, the Settlement Price is lower than the Knock-In Level, each Index Linked Note will be redeemed on the Maturity Date at an amount determined in accordance with the following formula:

$$\text{Index Linked Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Initial Price}$$

Where

Cap Level means the value specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

2.13 ACAJOU

Where **ACAJOU** is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at an Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x (1 + Performance)

Where:

(a) If "European Observation" is specified in the Final Terms, **Performance** means the highest value between:

(i) (1) zero

if on every Observation Date, the Settlement Price is below the Securitisation Level, or

(2) Rebate

if on any Observation Date, the Settlement Price has been at or above the Securitisation Level

and

(ii) (1) If "Cap" is specified as being applicable in the Final Terms

Min [Cap Level; Leverage x ((Final Price / Initial Price) – 1)]

(2) If "Cap" is specified as being not applicable in the Final Terms

Leverage x ((Final Price / Initial Price) – 1)

(b) If "Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(i) (1) zero

if on every Observation Date, the Settlement Price is below the Securitisation Level, or

(2) Rebate

if on any Observation Date, the Settlement Price has been at or above the Securitisation Level

and

(ii) (1) If "Cap" is specified as being applicable in the Final Terms

Min [Cap Level; Leverage x Average]

(2) If "Cap" is specified as being not applicable in the Final Terms

Leverage x Average

Where **Average** means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of:

(Settlement Price/Initial Price) – 1

Where:

Cap Level means the value specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Leverage means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

Rebate means the value specified as such in the Final Terms.

Securitisation Level means the percentage of the Initial Price specified as such in the Final Terms.

2.14 BEST-IN

Where BEST-IN is specified in the Final Terms:

- (a) When "Cap" is specified as being applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x Min (Cap Level; Final Price / Best-In Price)

- (b) When "Cap" is specified as being not applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x Final Price / Best-In Price

Where

Best-In Price means the lowest of the Settlement Prices for the Observation Dates

Cap Level means the value specified as such in the Final Terms

Final Price means the Settlement Price on the Final Observation Date.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min means followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

2.15 ARTÉMIS

Where **Artémis** is specified in the Final Terms:

- (a) The Notes will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%.

- (b) When "Linear Performance" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount} = \text{Specified Denomination} \times \text{Coupon A}$$

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount} = \text{Specified Denomination} \times \text{Coupon B}$$

- (c) When "Compounded Performance" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount} = \text{Specified Denomination} \times \text{Coupon C}$$

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount} = \text{Specified Denomination} \times \text{Coupon D}$$

Where:

$$\text{Coupon A} = \text{Max} \left(0, \frac{\text{Performance}}{x} \right)$$

$$\text{Coupon B} = \sum_{i=1}^N \text{Max} \left(0, \frac{\text{Performance}(i)}{x} \right)$$

$$\text{Coupon C} = \text{Max} \left(0, (1 + \text{Performance})^{\frac{1}{x}} - 1 \right)$$

$$\text{Coupon D} = \sum_{i=1}^N \text{Max} \left(0, (1 + \text{Performance}(i))^{\frac{1}{x}} - 1 \right)$$

With

Coupon Observation Date(s) means the date(s) specified as such or otherwise determined as provided in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

N is the number of Coupon Observation Dates from (but excluding) the Initial Observation Date to (but excluding) the Maturity Date.

Performance(i) means the Performance determined for the Coupon Observation Date corresponding to an i.

Performance, on any relevant Coupon Observation Date, is equal to:

- (a) when Lock-In Effect is specified as being not applicable in the Final Terms: the Settlement Price divided by the Initial Price less one.
- (b) when Lock-In Effect is specified as applicable in the Final Terms: the highest Settlement Prices for all Coupon Observation Dates from (but excluding) the Initial Observation Date to (and including) such Coupon Observation Date divided by the Initial Price less one.

X is, for any Coupon Observation Date, the number of Coupon Observation Dates from (but excluding) the Initial Observation Date to (and including) such Coupon Observation Date.

2.16 SWITCHER COUPON

Where **SWITCHER COUPON** is specified in the Final Terms

- (a) If the Coupon Option has not been activated, each Index Linked Note will be redeemed on the Maturity Date at an Index Linked Redemption Amount determined in accordance with the following formula:
 - (i) When "Cap" is specified as being applicable in the Final Terms:
$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Min} [\text{Performance}; \text{Cap Level}])$$
 - (ii) When "Cap" is specified as being not applicable in the Final Terms,
$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Performance})$$

Where:

- (1) If "European Observation" is specified in the Final Terms, **Performance** means the higher of:
 - (A) Floorand
 - (B) $\text{Leverage} \times ((\text{Final Price} / \text{Initial Price}) - 1)$
- (2) If "Average Observation" is specified in the Final Terms, **Performance** means the higher:
 - (A) Floorand
 - (B) $\text{Leverage} \times \text{Average}$

with **Average** being the arithmetic average of the amounts determined on each Observation Date (excluding the Initial Observation Date) as being equal to:

$$(\text{Settlement Price} / \text{Initial Price}) - 1$$

- (b) If the Coupon Option has been activated:
- (i) each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$$

- (ii) on the first Coupon Option Date falling on or after the third Business Day following the Coupon Option Notice Date, an interest amount (the **Optional Coupon Amount A**) will be payable in respect of each Index Linked Note:

$$\text{Optional Coupon Amount A} = \text{Specified Denomination} \times [(N \times \text{Coupon Rate})]$$

- (iii) on each following Coupon Option Date, an interest amount (the **Optional Coupon Amount B**) will be payable in respect of each Index Linked Note

$$\text{Optional Coupon Amount B} = \text{Specified Denomination} \times [\text{Coupon Rate}]$$

With the **Coupon Option** being activated if and when the Issuer gives notice to the Noteholders that it elects to pay an Optional Coupon Amount A and Optional Coupon Amount B. The Coupon Option is activated at the sole and absolute discretion of the Issuer.

Where:

N means, in respect of any **Coupon Option Date**, the number of Coupon Option Dates from (but excluding) the Initial Observation Date to (and including) such Coupon Option Date.

Cap Level means the value specified as such in the Final Terms.

Coupon Option Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Option Notice Date means the date on which the Issuer gives notice to the Noteholders that it elects to activate the Coupon Option.

Coupon Rate means the percentage specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Floor means the value specified as such in the Final Terms.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Leverage means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

2.17 SWITCHER CALLABLE

Where **SWITCHER Callable** is specified in the Final Terms

(a) If the Switcher Call Option has not been activated, each Index Linked Note will be redeemed on the Maturity Date at an Index Linked Redemption Amount determined in accordance with the following formula:

(i) When "Cap" is specified as being applicable in the Final Terms:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Min} [\text{Performance}; \text{Cap Level}])$$

(ii) When "Cap" is specified as being not applicable in the Final Terms,

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Performance})$$

Where:

(1) If "European Observation" is specified in the Final Terms, **Performance** means the higher of:

(A) Floor

and

(B) Leverage \times ((Final Price / Initial Price) – 1)

(2) If "Average Observation" is specified in the Final Terms, **Performance** means the higher of:

(A) Floor

and

(B) Leverage \times Average

with **Average** being the arithmetic average of the amounts determined on each Observation Date (excluding the Initial Observation Date) as being equal to:

$$(\text{Settlement Price} / \text{Initial Price}) - 1$$

(b) If the Switcher Call Option has been activated, each Index Linked Note will be redeemed on the first Call Option Date falling on or after the third Business Day following the Call Option Notice Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (\text{N} \times \text{Coupon Rate})]$$

With the Switcher **Call Option** being activated if and when the Issuer gives notice to the Noteholders that it elects to redeem the Index Linked Note in whole, but not in part, at the Index Linked Redemption Amount. The Switcher Call Option is activated at the sole and absolute discretion of the Issuer.

Where:

N is, in respect of any Call Option Date, the number of Call Option Dates from (but excluding) the Initial Observation Date to (and including) such Call Option Date.

Cap Level means the value specified as such in the Final Terms.

Call Option Date means each date specified as such or otherwise determined as provided in the Final Terms.

Call Option Notice Date means the date on which the Issuer gives notice to the Noteholders that it elects to activate the Switcher Call Option.

Coupon Rate means the percentage specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Floor means the value specified as such in the Final Terms.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Leverage means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

2.18 CLIQUET

Where **Cliquet** is specified in the Final Terms:

(a) If "Coupons in fine" is specified as being not applicable in the Final Terms:

(i) When "Cap" is specified as being applicable in the Final Terms:

(1) If "Lock-in effect" is specified as being not applicable in the Final Terms, for each Coupon Observation Date, an interest amount (the **Coupon Amount**) will be payable, on each Coupon Payment Date in respect of each Index Linked Note:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Max}(\text{Local Floor}; \text{Min}[\text{Performance}; \text{Cap Level}])$$

(2) If "Lock-in effect" is specified as being applicable in the Final Terms, for each Coupon Observation Date, an interest amount (the **Coupon Amount (t)**) will be payable, on each Coupon Payment Date in respect of each Index Linked Note:

- If on any preceding Coupon Observation Date, the **Coupon Amount** has been greater than or equal to the Cap Level:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Cap Level}$$

- If on every preceding Coupon Observation Date, the **Coupon Amount** has been lower than the Cap Level

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Max}(\text{Local Floor}; \text{Min} [\text{Performance}; \text{Cap Level}])$$

- (ii) When "Cap" is specified as being not applicable in the Final Terms, for each Coupon Observation Date, an interest amount (the **Coupon Amount**) will be payable, on each Coupon Payment Date in respect of each Index Linked Note:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Max} (\text{Local Floor}; \text{Performance}_t)$$

- (b) If "Coupons in fine" is specified as being applicable in the Final Terms:

- (i) When "Cap" is specified as being applicable in the Final Terms, on the Maturity Date, an interest amount (the **Coupon Amount**) will be payable in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Max} \left(\text{GlobalFloor}, \sum_{t=1}^N \text{Min}(\text{Max}(\text{Performance}_t, \text{LocalFloor}), \text{CapLevel}) \right)$$

- (ii) When "Cap" is specified as being not applicable in the Final Terms, on the Maturity Date, an interest amount (the **Coupon Amount**) will be payable in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Max} \left(\text{GlobalFloor}, \sum_{t=1}^N \text{Max}(\text{Performance}_t, \text{LocalFloor}) \right)$$

- (c) If "Put Spread" and "Barrier Put" are specified as being not applicable in the Final Terms, the Notes will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times 100\%.$$

- (d) If "Put Spread" is specified as being applicable in the Final Terms,

- (i) If the Settlement Price on the Final Observation Date is strictly lower than the Knock-in Put Spread Level, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Max} [\text{Floor}; \text{Min} ((\text{Final Price} / \text{Initial Price}) - 1); 0])$$

- (ii) If the Settlement Price on the Final Observation Date is greater than or equal to the "Knock-in Put Spread Level", each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination
x 100%.

- (e) If “Barrier Put” is specified as being applicable in the Final Terms :
- (i) If on the Final Observation Date, the Settlement Price is greater than or equal to the Knock-in Level in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination
x 100%

- (ii) If on the Final Observation Date, the Settlement Price is strictly lower than the Knock-In Level, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination
x Final Price / Initial Price

Where:

Cap Level means the value specified as such in the Final Terms.

Coupon Observation Date(s) means the date(s) specified as such or otherwise determined as provided in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Floor means the value specified as such in the Final Terms.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

GlobalFloor means the value set out in the Final Terms.

Knock-in Put Spread Level means the value specified as such in the Final Terms.

LocalFloor means the value set out in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

N means the value specified as such in the Final Terms.

For each Coupon Observation Date_t

$$Performance_t = \frac{Settlement Price_t - Settlement Price_{t-1}}{Settlement Price_{t-1}}$$

Settlement Price₀ means the Initial Price.

Settlement Price_t means the Settlement Price on the Coupon Observation Date_t.

3. PAY OFF FORMULAS COMMON TO INDEX LINKED NOTES LINKED TO A BASKET OF INDICES

3.1 BASKET DOUBLE TOP

Where **BASKET DOUBLE TOP** is specified in the Final Terms:

- (a) When "Autocall" is specified in the Final Terms, if on any Autocall Observation Date, the Autocall Condition is satisfied, each Index Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date (this specific Automatic Early Redemption Date being therefore the **Relevant Automatic Early Redemption Date**) at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Bonus Rate})$$

- (b) If each Index Linked Note has not been redeemed early as provided in paragraph (a) above or if "Non Callable" is specified in the Final Terms:

- (i) If on the Final Observation Date, the Final Redemption Condition is satisfied, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Bonus Rate})$$

- (ii) If on the Final Observation Date, neither the Final Redemption Condition nor the Capital at Risk Condition is satisfied and "Barrier Put" is specified in the Final Terms or "Leveraged Put" is specified in the Final Terms:

each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$$

- (iii) If on the Final Observation Date, the Final Redemption Condition is not satisfied and Capital at Risk Condition is satisfied

- if "Barrier Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

if "Worst of" is specified

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination}$$

$$\times \text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right)$$

if "Best of" is specified

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination}$$

$$\sum_{1 \leq j \leq X} \text{Max} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right)$$

- if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

if "Worst of" is specified

Index Linked Redemption Amount = Specified Denomination

$$\sum_{1 \leq j \leq X} \text{Min} \left(\frac{\text{Final Price}^j}{\text{Put Strike Level}} \right)$$

If "Best of" is specified

Index Linked Redemption Amount = Specified Denomination

$$\sum_{1 \leq j \leq X} \text{Max} \left(\frac{\text{Final Price}^j}{\text{Put Strike Level}} \right)$$

- (c) When "Guaranteed Coupon" is specified in the Final Terms, an interest amount (the **Guaranteed Coupon Amount**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

Guaranteed Coupon Amount = Specified Denomination x Coupon Rate

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

Guaranteed Coupon Amount = Specified Denomination x Coupon Rate x N₁

- (d) When "Conditional Coupon" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included), or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Conditional Coupon Condition is satisfied

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_2$$

- (e) When "Conditional Coupon with Memory Effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or, if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_3$$

provided that on the immediately preceding Coupon Observation Date the Conditional Coupon Condition is satisfied

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_4$$

With:

- 1) the satisfaction of the Autocall Condition, on an Autocall Observation Date, being determined as follows:

- (x) If "Worst of" is specified in the Final Terms, the Autocall Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Autocall Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms if , the Autocall Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Autocall Condition is not satisfied

- 2) the satisfaction of the Final Redemption Condition, on the Final Observation Date, being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Final Redemption Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Final Redemption Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Final Redemption Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

if not, the Final Redemption Condition is not satisfied

- 3) the satisfaction of the Capital at Risk Condition, on the Final Observation Date, being determined as follows

- (x) if "Barrier Put" is specified

- if "Worst of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Knock - in Level}$$

if not, the Capital at Risk Condition is not satisfied

- if "Best of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Knock - in Level}$$

if not, the Capital at Risk Condition is not satisfied

- (y) if "Leveraged Put" is specified

- if "Worst of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Put Strike Level}$$

if not, the Capital at Risk Condition is not satisfied

- if "Best of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Put Strike Level}$$

if not, the Capital at Risk Condition is not satisfied

- 4) the satisfaction of the Conditional Coupon Condition, on a Coupon Observation Date, being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Conditional Coupon Condition is satisfied if:

$$\min_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Coupon Trigger Level}$$

If not, the Conditional Coupon Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Conditional Coupon Condition is satisfied if:

$$\max_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Coupon Trigger Level}$$

If not, the Conditional Coupon Condition is not satisfied

Where:

X is the number of Indices constituting all together a Basket as defined in the Index linked Conditions.

Autocall Trigger Level means the percentage specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Bonus Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Trigger Level means the percentage specified as such in the Final Terms.

Final Price^j means or the Settlement Price of Index^j on the Final Observation Date, as provided for in the Final Terms.

Index^j means each Index corresponding to a j as specified in the Final Terms. For the avoidance of doubt, all Indices j together will constitute a Basket as defined in the Index linked Conditions.

Initial Price^j means the value set out in the Final Terms for Index^j or the Settlement Price of Index^j on the Initial Observation Date, as provided for in the Final Terms.

Knock-In Level means the percentage specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

N₁ means the number of Coupon Payment Dates from (but excluding) the Issue Date to (and including) the Maturity Date or if applicable, the Relevant Automatic Early Redemption Date.

N₂ means the number of Coupon Observation Dates falling before the Maturity Date, or if applicable, the Relevant Automatic Early Redemption Date, on which the Conditional coupon Condition was satisfied

N₃ means the number of Coupon Payment Dates from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, N₃ means the number of Coupon Payment Dates from (but

excluding) the Issue Date to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N_4 means the number of Coupon Observation Dates from (but excluding) the Initial Observation Date to (and including) the last Coupon Observation Date on which the Conditional Coupon Condition was satisfied

Put Strike Level means the percentage specified as such in the Final Terms.

Settlement Price^j means the Settlement Price of Index^j on (i) the Autocall Observation Date, for the purpose of determining whether the Autocall Condition is satisfied or (ii) on the relevant Coupon Observation Date, for the purpose determining whether the Conditional Coupon Condition is satisfied.

3.2 BASKET TOP

Where **BASKET TOP** is specified in the Final Terms:

- (a) If, on any Autocall Observation Date except for the Final Observation Date, the Autocall Condition is satisfied, each Index Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

- (b) If each Index Linked Note has not been redeemed early as described in paragraph (a) above:

- (i) If on the Final Observation Date, the Final Redemption Condition is satisfied, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

- (ii) If on the Final Observation Date, neither the Final Redemption Condition nor the Capital at Risk Condition is satisfied and "Barrier Put" is specified in the Final Terms or "Leveraged Put" is specified in the Final Terms:

If "Airbag" is specified as being applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

If "Semi-Airbag" is specified as being applicable in the Final Terms each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (1/2 \times N \times \text{Coupon Rate})]$$

If "Airbag" and "Semi-Airbag" are specified as being not applicable in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$$

(iii) If on the Final Observation Date, the Capital at Risk Condition is satisfied:

- if "Barrier Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

if "Worst of" is specified

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination}$$

$$\times \underset{1 \leq j \leq X}{\text{Min}} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right)$$

if "Best of" is specified

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination}$$

$$\times \underset{1 \leq j \leq X}{\text{Max}} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right)$$

- if "Leveraged Put" is specified in the Final Terms, each Index Linked Note will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

If "Worst of" is specified

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination}$$

$$\times \underset{1 \leq j \leq X}{\text{Min}} \left(\frac{\text{Final Price}^j}{\text{Put Strike Level}^j} \right)$$

If "Best of" is specified

$$\text{Index Linked Redemption Amount} = \text{Specified Denomination}$$

$$\times \underset{1 \leq j \leq X}{\text{Max}} \left(\frac{\text{Final Price}^j}{\text{Put Strike Level}^j} \right)$$

With:

1) the satisfaction of the Autocall Condition, on an Autocall Observation Date, being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Autocall Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Autocall Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Autocall Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Autocall Condition is not satisfied

- 2) the satisfaction of the Final Redemption Condition, on the Final Observation Date, being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Final Redemption Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Final Redemption Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Final Redemption Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Final Redemption Condition is not satisfied

- 3) the satisfaction of the Capital at Risk Condition, on the Final Observation Date, being determined as follows

- (x) if "Barrier Put" is specified

- if "Worst of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Knock - in Level}$$

if not, the Capital at Risk Condition is not satisfied

- if "Best of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Knock - in Level}$$

if not, the Capital at Risk Condition is not satisfied

- (y) if "Leveraged Put" is specified

- if "Worst of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Put Strike Level}$$

if not, the Capital at Risk Condition is not satisfied

- if " Best of " is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Put Strike Level}$$

if not, the Capital at Risk Condition is not satisfied

Where:

X is the number of Indices constituting all together a Basket as defined in the Index linked Conditions

Autocall Trigger Level means the percentage specified as such in the Final Terms

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Final Price^j means the Settlement Price of Index^j on the Final Observation Date.

Initial Price^j means the value set out in the Final Terms for Index^j or the Settlement Price of Index^j on the Initial Observation Date, as provided for in the Final Terms.

Index^j means each Index corresponding to a j as specified in the Final Terms. For the avoidance of doubt, all Indices j together will constitute a Basket as defined in the Index linked Conditions.

Knock-In Level means the percentage specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

N is, for any Autocall Observation Date, or for the Final Observation Date, the number of Autocall Observation Dates from (but excluding) the Initial Observation date to (and including) such Autocall Observation Date or the Final Observation Date, as the case may be.

Put Strike means the percentage specified as such in the Final Terms.

3.3 BASKET ARAMIS

Where **BASKET ARAMIS** is specified in the Final Terms:

- (a) The Notes will be redeemed on the Maturity Date at the Index Linked Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%.

(b) When "No Memory" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Index Linked Note:

(i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate}$$

provided that the Conditional Coupon Condition is satisfied on the immediately preceding Coupon Observation Date

(ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_1.$$

(c) When "Memory Effect" is specified in the Final Terms, the sum of the interest amounts specified in paragraphs (i) and (ii) below will be payable in respect of each Index Linked Note:

(i) an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Index Linked Note

- if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate}$$

provided that the Conditional Coupon Condition is satisfied on the immediately preceding Coupon Observation Date

- if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_1.$$

(ii) an interest amount (the **Conditional Coupon Amount C**) will be payable in respect of each Index Linked Note:

- If "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount C} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_2$$

provided that the Conditional Coupon Condition is satisfied on the immediately preceding Coupon Observation Date

- If "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

$$\text{Conditional Coupon Amount C} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_3.$$

- (d) if "Bonus Effect" is specified in the Final Terms and the Conditional Coupon Condition has been, on every Coupon Observation Date, not satisfied, an interest amount (the **Bonus Amount**) will be payable in respect of each Index Linked Note on the Maturity Date in accordance with the following formula:

$$\text{Bonus Amount} = \text{Specified Denomination} \times \text{Bonus Rate}$$

- (e) When "Lock-in effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount D**) will be payable in respect of each Index Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount D} = \text{Specified Denomination} \times \text{Coupon Rate}$$

provided that the Conditional Coupon Condition is satisfied on the immediately preceding Coupon Observation Date or on any preceding Coupon Observation Date, Securitisation condition has been satisfied.

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount D} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_4$$

With:

- 1) the satisfaction of the Conditional Coupon Condition being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Conditional Coupon Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Coupon Trigger Level}$$

If not, the Conditional Coupon Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Conditional Coupon Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Coupon Trigger Level}$$

If not, the Conditional Coupon Condition is not satisfied

Where:

X is the number of Indices constituting all together a Basket as defined in the Index linked Conditions.

Bonus Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Trigger Level means the percentage specified as such in the Final Terms.

Final Price^j means the Settlement Price of Index^j on the Final Observation Date.

Initial Price^j means the Settlement Price of Index^j on the Initial Observation Date.

Index^j means each Index corresponding to a j as specified in the Final Terms. For the avoidance of doubt, all Indices j together will constitute a Basket as defined in the Index linked Conditions.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

N₁ means the number of Coupon Payment Dates immediately following a Coupon Observation Date on which the Conditional Coupon Condition has been satisfied, from (but excluding) the Issue Date to (and including) the Maturity Date.

N₂ means the number of Coupon Payment Dates, from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid, to (but excluding) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, **N₂** means the number of Coupon Payment Dates from (but excluding) the Issue Date to but excluding the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N₃ means the number of Coupon Payment Dates immediately following a Coupon Observation Date on which the Conditional Coupon Condition is not satisfied between the Issue Date (excluded) and the last Coupon Observation Date where the Conditional Coupon Condition is satisfied. For the avoidance of any doubt, if Conditional Coupon Condition is not satisfied on every Coupon Observation Date **N₃ = 0**.

N₄ means the sum of:

- (a) the number of Coupon Observation Dates on which the Conditional Coupon Condition is satisfied; and
- (b) the number of Coupon Observation Dates (i) on which the Conditional Coupon Condition is not satisfied and (ii) falling after the Securitisation Date.

Securitisation Date is the first Coupon Observation Date, if any, on which the Securitisation Condition is satisfied, with the satisfaction of the Securitisation Condition being determined as follows:

- a) if "Worst of" is specified in the Final Terms, Securitisation Condition is satisfied if:

$$\min_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Securitization Level}$$

If not, the Securitisation Condition is not satisfied

- b) If "Best of " is specified in the Final Terms, the Securitisation Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Securitization Level}$$

If not, the Securitisation Condition is not satisfied

Securitisation Level means the percentage specified as such in the Final Terms.

**PART C - PAY OFF FORMULAS COMMON TO INFLATION LINKED NOTES
REFERENCED TO A SINGLE INDEX**

Part C of this Pay-Off Annex applies to Inflation Linked Notes referenced to a single Index.

4. PAY OFF FORMULAS COMMON TO INFLATION LINKED NOTES LINKED TO A SINGLE INDEX

4.1 AMORTISSABLE INFLATION

Where **AMORTISSABLE INFLATION** is specified in the Final Terms, on every Partial Redemption Date, the Inflation Linked Notes will be redeemed at the Inflation Linked Redemption Amount determined in accordance with the following formula:

- (a) If "Floor" is specified as being applicable in the Final Terms

Inflation Linked Redemption Amount = Specified Denomination x Amortisation Rate x Max [Floor Level; (Observation Level / Initial Level)]

- (b) If "Cap" is specified as being applicable in the Final Terms

Inflation Linked Redemption Amount = Specified Denomination x Amortisation Rate x Min [Cap Level; (Observation Level / Initial Level)]

- (c) If "Cap" and "Floor" are specified as being not applicable in the Final Terms

Inflation Linked Redemption Amount = Specified Denomination x Amortisation Rate x (Observation Level / Initial Level)

Where:

Amortisation Rate as specified in the applicable Final Terms.

Cap Level means the value indicated in the Final Terms.

Floor Level means the value indicated in the Final Terms.

Initial Level means the value set out in the Final Terms or the level of the Index published or announced by the Index Sponsor in respect of the Initial Reference Month as provided for in the Final Terms.

Initial Reference Month means the month specified as such or otherwise determined as provided in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

Observation Level means the level of the Index published or announced by the Index Sponsor in respect of the Reference Month immediately preceding the relevant Partial Redemption Date.

Partial Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

4.2 FLOATER INFLATION

Where **FLOATER INFLATION** is specified in the Final Terms:

- (a) The Notes will be redeemed on the Maturity Date at the Inflation Linked Redemption Amount determined in accordance with the following formula:

$$\text{Inflation Linked Redemption Amount} = \text{Specified Denomination} \times 100\%.$$

- (b) If "Cap" is specified as being applicable in the Final terms, an interest amount (the **Coupon Amount A**) will be payable in respect of each Inflation Linked Note on each Indexed Coupon Payment Date in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Min} [\text{Cap Level}; \text{Performance}]$$

- (c) If "Cap" is specified as being not applicable in the Final terms, an interest amount (the **Coupon Amount B**) will be payable in respect of each Inflation Linked Note on each Indexed Coupon Payment Date in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Performance}$$

- (d) If "Fixed Coupon" is specified as being applicable in the Final terms, an interest amount (the **Coupon Amount C**) will be payable in respect of each Inflation Linked Note on each Fixed Coupon Payment Date in accordance with the following formula:

$$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Coupon Rate}$$

Where:

Coupon Rate means the value indicated in the Final Terms.

Cap Level means the value indicated in the Final Terms.

Fixed Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Floor Level means the value indicated in the Final Terms.

Indexed Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Initial Level means the value set out in the Final Terms or the level of the Index published or announced by the Index Sponsor in respect of the Initial Reference Month as provided for in the Final Terms.

Initial Reference Month means the month specified as such or otherwise determined as provided in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

Observation Level means the level of the Index published or announced by the Index Sponsor in respect of the Reference Month immediately preceding the relevant Indexed Coupon Payment Date.

Performance means the value equal to $\text{Max} [\text{Floor Level}; \text{Leverage} \times (\text{Observation Level} / \text{Previous Observation Level} - 1)]$

Previous Observation Level means the level of the Index published or announced by the Index Sponsor in respect of the Reference Month immediately preceding the Coupon Payment Date that is immediately before the relevant Coupon Payment Date. If the relevant Indexed Coupon Payment Date is the first Indexed Coupon Payment Date, the Previous Observation Level is the Initial Level.

4.3 DIGITAL INFLATION

Where **DIGITAL INFLATION** is specified in the Final Terms

- (a) The Notes will be redeemed on the Maturity Date at the Inflation Linked Redemption Amount determined in accordance with the following formula:

$\text{Inflation Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$.

- (b) An interest amount (the **Coupon Amount A**) will be payable in respect of each Inflation Linked Note on each Indexed Coupon Payment Date in accordance with the following formula:

- If Performance is strictly below the Trigger Level:

$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Performance}$

- If Performance is at or above the Trigger Level:

$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Rebate}$

- (c) If "Fixed Coupon" is specified as being applicable in the Final terms, an interest amount (the **Coupon Amount B**) will be payable in respect of each Inflation Linked Note on each Fixed Coupon Payment Date in accordance with the following formula:

$\text{Coupon Amount} = \text{Specified Denomination} \times \text{Coupon Rate}$

Where:

Coupon Rate means the value indicated in the Final Terms.

Fixed Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Indexed Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Initial Level means the value set out in the Final Terms or the level of the Index published or announced by the Index Sponsor in respect of the Initial Reference Month as provided for in the Final Terms.

Initial Reference Month means the month specified as such or otherwise determined as provided in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Observation Level means the level of the Index published or announced by the Index Sponsor in respect of the Reference Month immediately preceding the relevant Indexed Coupon Payment Date.

Performance means the value equal to $\text{Max} [0; (\text{Observation Level} / \text{Previous Observation Level}) - 1]$

Previous Observation Level means the level of the Index published or announced by the Index Sponsor in respect of the Reference Month immediately preceding the Indexed Coupon Payment Date that is immediately before the relevant Indexed Coupon Payment Date. If the relevant Indexed Coupon Payment Date is the first Indexed Coupon Payment Date, the Previous Observation Level is the Initial Level.

Rebate means the value indicated in the Final Terms.

Trigger Level means the value indicated in the Final Terms.

PART D - PAY OFF FORMULAS COMMON TO SHARE LINKED NOTES REFERENCED TO A SINGLE SHARE OR A BASKET OF SHARES

Part D of this Pay-Off Annex applies to Share Linked Notes referenced to a single Share or a Basket of Shares.

For the purpose of Part D of this Pay-Off Annex: **Autocall Observation Date, Strike Determination Date, Coupon Observation Date, Initial Observation Date** or **Final Observation Date**, as applicable, has the meaning given to such term in the Share Linked Conditions.

5. PAY OFF FORMULAS COMMON TO SHARE LINKED NOTES LINKED TO A SINGLE SHARE

5.1 DOUBLE TOP

Where **DOUBLE TOP** is specified in the Final Terms:

- (a) When "Autocall" is specified in the Final Terms, if on any Autocall Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level, each Share Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date (this specific Automatic Early Redemption Date being therefore the **Relevant Automatic Early Redemption Date**) at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x (100% + **Bonus Rate**)

- (b) If each Share Linked Note has not been redeemed early as provided in paragraph (a) above or if "Non Callable" is specified in the Final Terms:

- (i) If on the Final Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger level, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x (100% + **Bonus Rate**)

- (ii) If on the Final Observation Date, the Settlement Price is strictly lower than the Autocall Trigger Level and greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x 100%

- (iii) If on the Final Observation Date, the Settlement Price is strictly lower than the Knock-In Level and "Barrier Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x Final Price / Initial Price

- (iv) If on the Final Observation Date, the Settlement Price is strictly lower than the Put Strike Level and "Leveraged Put" is specified in the Final

Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Put Strike Level}$$

- (c) When "Guaranteed Coupon" is specified in the Final Terms, an interest amount (the **Guaranteed Coupon Amount**) will be payable in respect of each Share Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

$$\text{Guaranteed Coupon Amount} = \text{Specified Denomination} \times \text{Coupon Rate}$$

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Guaranteed Coupon Amount} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_1$$

- (d) When "Conditional Coupon" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Share Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included), or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate}$$

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_2$$

(e) When "Conditional Coupon with Memory Effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Share Linked Note:

(i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or, if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_3$$

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

(ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_4$$

Where:

Autocall Trigger Level means, for any Autocall Observation Date and for the Final Observation Date, the percentage of the Initial Price specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Bonus Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means:

- if "Strike Min" is specified as being applicable in the Final Terms, the lowest of the Settlement Prices for the Strike Determination Dates
- if "Strike Min" is specified as being not applicable in the Final Terms, the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

N₁ means the number of Coupon Payment Dates from (but excluding) the Issue Date to (and including) the Maturity Date or if applicable, the Relevant Automatic Early Redemption Date.

N₂ means the number of Coupon Observation Dates falling before the Maturity Date, or if applicable, the Relevant Automatic Early Redemption Date, on which the Settlement Price was greater than or equal to the Coupon Trigger Level.

N₃ means the number of Coupon Payment Dates from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, **N₃** means the number of Coupon Payment Dates from (but excluding) the Issue Date to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N₄ means the number of Coupon Observation Dates from (but excluding) the Initial Observation Date to (and including) the last Coupon Observation Date on which the Settlement Price was greater than or equal to the Coupon Trigger Level.

Put Strike Level means the percentage of the Initial Price specified as such in the Final Terms.

Stride Determination Dates means each date specified as such or otherwise determined as provided in the Final Terms.

5.2 TOP

Where **TOP** is specified in the Final Terms:

- (a) If "Fast-Autocall" is specified as being not applicable in the Final Terms and on any Autocall Observation Date except for the Final Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level:
 - (i) If "Indexation" is specified as being applicable in the Final Terms, each Share Linked Note will be automatically redeemed on the Relevant Automatic Early Redemption Date at the Share Linked Redemption Amount determined in accordance with the following formula:
$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Max} [\text{Performance}; (N \times \text{Coupon Rate})])$$
 - (ii) If "Indexation" is specified as being not applicable in the Final Terms each Share Linked Note will be automatically redeemed on the Relevant Automatic Early Redemption Date at the Share Linked Redemption Amount determined in accordance with the following formula:
$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$
- (b) If "Fast-Autocall" is specified as being applicable in the Final Terms and on any Autocall Observation Date, the Settlement Price is greater than or equal to the Autocall Trigger Level, each Share Linked Note will be automatically redeemed on the Relevant Automatic Early Redemption Date at the Share

Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (T/365) \times \text{Coupon Rate}]$$

(c) If each Share Linked Note has not been redeemed early as described in paragraph (a) or (b) above:

(i) If on the Final Observation Date, the Settlement Price is greater than or equal to the relevant Autocall Trigger Level:

If "Indexation" is specified as being applicable in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Max} [\text{Performance}; (N \times \text{Coupon Rate})])$$

If "Fast-Autocall" is specified as being applicable in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + (T/365) \times \text{Coupon Rate})$$

If "Absolute" is specified as being applicable in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Performance})$$

If "Indexation", "Absolute" and "Fast-Autocall" are specified as being not applicable in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

(ii) If on the Final Observation Date, the Settlement Price is lower than the relevant Autocall Trigger Level:

If "Absolute" is specified as being applicable in the Final Terms and on the Final Observation Date the Settlement Price is greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times [100\% - \text{Performance}]$$

If "Airbag" is specified as being applicable in the Final Terms and on the Final Observation Date the Settlement Price is greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x [100% + Airbag Rate]

If "Partial Airbag" is specified as being applicable in the Final Terms:

- (1) If on the Final Observation Date the Settlement Price is greater than or equal to the Airbag Barrier Level, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x [100% + Airbag Rate]

- (2) If on the Final Observation Date the Settlement Price is strictly lower than the Airbag Barrier Level and (x) greater than or equal to the Knock-in Level if "Barrier Put" is specified in the Final Terms or (y) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x 100%

If "Absolute", "Airbag" and "Partial-Airbag" are specified as being not applicable in the Final Terms and on the Final Observation Date the Settlement Price is greater than or equal to (1) the Knock-in Level if "Barrier Put" is specified in the Final Terms or (2) the Put Strike Level if "Leveraged Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x 100%

If "Barrier Put" is specified in the Final Terms and the Settlement Price on the Final Observation Date is lower than the Knock-in Level, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x Final Price / Initial Price

If "Leveraged Put" is specified in the Final Terms and the Settlement Price on the Final Observation Date is lower than the Put Strike Level, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Put Strike Level}$$

Where:

Airbag Rate means the percentage specified as such in the Final Terms

Airbag Barrier Level means the percentage of the Initial Price specified as such in the Final Terms.

Autocall Trigger Level means, for any Autocall Observation Date and for the Final Observation Date, the percentage of the Initial Price specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Gearing means the percentage specified as such in the Final Terms.

Initial Price means:

- if "Strike Min" is specified as being applicable in the Final Terms, the lowest of the Settlement Prices for the Strike Determination Dates
- if "Strike Min" is specified as being not applicable in the Final Terms, the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

N is:

(1) for any Autocall Observation Date, unless (i) the Autocall Observation Date falls within a number of Business Days equal to the Redemption Lag or less before any Automatic Early Redemption Date or (ii) the Autocall Observation Date falls after the last Automatic Early Redemption Date, the number of Automatic Early Redemption Dates from (but excluding) the Issue Date to (and including) the following the Automatic Early Redemption Date;

(2) for the Autocall Observation Date which falls within a number of Business Days equal to the Redemption Lag or less before any Automatic Early Redemption Date, the number of Automatic Early Redemption Dates from

(but excluding) the Issue Date to (and including) the following Automatic Early Redemption Date, plus one;

(3) for the Autocall Observation Date which falls after the last Automatic Early Redemption Date, the number of Automatic Early Redemption Dates from (but excluding) the Issue Date to (and excluding) the Maturity Date, plus one; or

(4) for the Final Observation Date, the number of Automatic Early Redemption Dates from (but excluding) the Issue Date to (and excluding) the Maturity Date, plus one.

T is the number of calendar days between the Initial Observation Date (excluded) and the first Observation Date on which the Settlement price is greater than or equal to Autocall Trigger Level (included).

Performance is equal to (1) for any Autocall Observation Date, Gearing x [(Settlement Price/Initial Price) – 1] and (2) for the Final Observation Date, Gearing x [(Final Price/Initial Price) – 1]

Put Strike Level means the percentage of the Initial Price specified as such in the Final Terms.

Redemption Lag means the number specified as such in the Final Terms.

Relevant Automatic Early Redemption Date means:

(1) if “**Fast-Trigger**” is specified as being not applicable in the Final Terms, the date which falls the number of Business Days equal to the Redemption Lag after the first Autocall Observation Date on which the Settlement price is greater than or equal to Autocall Trigger Level; or

(2) if “**Fast-Trigger**” is specified as being applicable in the Final Terms, on any Autocall Observation Date and the Settlement Price is greater than or equal to the Autocall Trigger Level:

- the following Automatic Early Redemption Date unless (i) the Autocall Observation Date falls within a number of Business Days equal to the Redemption Lag or less before any Automatic Early Redemption Date or (ii) the Autocall Observation Date falls after the last Automatic Early Redemption Date;

- the second Automatic Early Redemption Date for the Autocall Observation Date which falls within a number of Business Days equal to the Redemption Lag or less before any Automatic Early Redemption Date; or

- the Maturity Date for the Autocall Observation Date which falls after the last Automatic Early Redemption Date.

Strike Determination Dates means each date specified as such or otherwise determined as provided in the Final Terms.

5.3 ARAMIS

Where **ARAMIS** is specified in the Final Terms:

(a) The Notes will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

Share Linked Redemption Amount = Specified Denomination x 100%.

(b) When "No Memory" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Share Linked Note:

(i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

(ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate x N_1 .

(c) When "Memory Effect" is specified in the Final Terms, the sum of the interest amounts specified in paragraphs (i) and (ii) below will be payable in respect of each Share Linked Note:

(i) an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Share Linked Note

- if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount B = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

Conditional Coupon Amount B = Specified Denomination x Coupon Rate x N_1 .

(ii) an interest amount (the **Conditional Coupon Amount C**) will be payable in respect of each Share Linked Note:

- If "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount C = Specified Denomination x Coupon Rate x N_2

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- If "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

Conditional Coupon Amount C = Specified Denomination x Coupon Rate x N_3 .

(d) When "Partial Memory Effect" is specified in the Final Terms, the sum of the interest amounts specified in paragraphs (i) and (ii) below will be payable in respect of each Interest Linked Note:

(i) the same Conditional Coupon B as when "Memory Effect" is specified in the Final Terms will be payable in respect of each Share Linked Note

(ii) an interest amount (the **Conditional Coupon Amount D**) will be payable in respect of each Share Linked Note:

- If "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount D = Specified Denomination x Coupon Rate x Coupon Recovery Rate x N_2

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level

- If "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

Conditional Coupon Amount D = Specified Denomination x Coupon Rate x Coupon Recovery Rate x N_3 .

(e) if "Bonus Effect" is specified in the Final Terms and the Settlement Price on every Coupon Observation Date has been strictly lower than the Coupon Trigger Level, an interest amount (the **Bonus Amount**) will be payable in respect of each Share Linked Note on the Maturity Date in accordance with the following formula:

Bonus Amount = Specified Denomination x Bonus Rate

(f) When "Lock-in Effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount E**) will be payable in respect of each Share Linked Note:

(i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount E = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Settlement Price is greater than or equal to the Coupon Trigger Level or on any preceding Coupon Observation Date, the Settlement Price has been greater than or equal to the Securitisation Level

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount F} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_4$$

Where:

Bonus Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Recovery Rate means the percentage specified as such in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Trigger Level means the percentage of the Initial Price specified as such in the Final Terms.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

N₁ means the number of Coupon Payment Dates immediately following a Coupon Observation Date on which the Settlement Price has been greater than or equal to the Coupon Trigger Level, from (but excluding) the Issue Date to (and including) the Maturity Date.

N₂ means the number of Coupon Payment Dates, from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid, to (but excluding) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, **N₂** means the number of Coupon Payment Dates from (but excluding) the Issue Date to but excluding the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N₃ means the number of Coupon Payment Dates immediately following a Coupon Observation Date on which the Settlement Price was lower than the Coupon Trigger Level between the Issue Date (excluded) and the last Coupon Observation Date where the Settlement Price has been greater than or equal to the Coupon Trigger Level. For the avoidance of doubt, if Settlement Price on every Coupon Observation Date has been strictly lower than the Coupon Trigger Level **N₃ = 0**.

N₄ means the sum of:

- (a) the number of Coupon Observation Dates on which the Settlement Price is greater than or equal to the Coupon Trigger Level; and

- (b) the number of Coupon Observation Dates (i) on which the Settlement Price is lower than the Coupon Trigger Level and (ii) falling after the Securitisation Date.

Securitisation Date is the first Coupon Observation Date, if any, on which the Settlement Price is greater than or equal to the Securitisation Level.

Securitisation Level means the percentage of the Initial Price specified as such in the Final Terms.

5.4 CASSIOPEE

Where **CASSIOPEE** is specified in the Final Terms

- (a) If on the Final Observation Date, the Settlement Price is greater than or equal to the Initial Price:

- (i) If "Cap" is specified as being applicable in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times \text{Min} [\text{Final Price} / \text{Initial Price}; 100\% + \text{Cap Level}]$$

- (ii) If "Cap" is specified as being not applicable in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Initial Price}$$

- (b) If on the Final Observation Date, the Settlement Price is greater than or equal to the Knock-In Level but below the Initial Price, each Share Linked Note will be redeemed on the Maturity Date at an amount determined in accordance with the following formula:

$$\text{Share Linked Amount} = \text{Specified Denomination} \times (100\% + (1 - (\text{Final Price} / \text{Initial Price})))$$

- (c) If on the Final Observation Date, the Settlement Price is lower than the Knock-In Level, each Share Linked Note will be redeemed on the Maturity Date at an amount determined in accordance with the following formula:

$$\text{Share Linked Amount} = \text{Specified Denomination} \times \text{Final Price} / \text{Initial Price}$$

Where

Cap Level means the value specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means the value set out in the Final Terms or the Settlement Price on the Initial Observation Date as provided for in the Final Terms.

Knock-In Level means the percentage of the Initial Price specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

6. **PAY OFF FORMULAS COMMON TO SHARE LINKED NOTES LINKED TO A BASKET OF SHARES**

6.1 BASKET DOUBLE TOP

Where **BASKET DOUBLE TOP** is specified in the Final Terms:

- (a) When "Autocall" is specified in the Final Terms, if on any Autocall Observation Date, the Autocall Condition is satisfied, each Share Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date (this specific Automatic Early Redemption Date being therefore the **Relevant Automatic Early Redemption Date**) at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Bonus Rate})$$

- (b) If each Share Linked Note has not been redeemed early as provided in paragraph (a) above or if "Non Callable" is specified in the Final Terms:

- (i) If on the Final Observation Date, the Final Redemption Condition is satisfied, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times (100\% + \text{Bonus Rate})$$

- (ii) If on the Final Observation Date, neither the Final Redemption Condition nor the Capital at Risk condition is satisfied and "Barrier Put" is specified in the Final Terms or "Leveraged Put" is specified in the Final Terms:

each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times 100\%$$

- (iii) If on the Final Observation Date, the Final Redemption Condition is not satisfied and Capital at Risk Condition is satisfied:

- if "Barrier Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

if "Worst of" is specified

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination}$$

$$\times \text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right)$$

if "Best of" is specified

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination}$$

$$\text{xMax}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right)$$

- if "Leveraged Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

If "Worst of" is specified

Share Linked Redemption Amount = Specified Denomination

$$\text{xMin}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Put Strike Level}} \right)$$

If "Best of" is specified

Share Linked Redemption Amount = Specified Denomination

$$\text{xMax}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Put Strike Level}} \right)$$

- (c) When "Guaranteed Coupon" is specified in the Final Terms, an interest amount (the **Guaranteed Coupon Amount**) will be payable in respect of each Share Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

Guaranteed Coupon Amount = Specified Denomination x Coupon Rate

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

Guaranteed Coupon Amount = Specified Denomination x Coupon Rate x N₁

- (d) When "Conditional Coupon" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Share Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included), or if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate

provided that on the immediately preceding Coupon Observation Date the Conditional Coupon Condition is satisfied

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount A} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_2$$

- (e) When "Conditional Coupon with Memory Effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Share Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date until the Maturity Date (included) or, if applicable, the Relevant Automatic Early Redemption Date (included), in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_3$$

provided that on the immediately preceding Coupon Observation Date the Conditional Coupon Condition is satisfied

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date or, if applicable, the Relevant Automatic Early Redemption Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount B} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_4$$

With:

- 1) the satisfaction of the Autocall Condition, on an Autocall Observation Date, being determined as follows:

- (x) If "Worst of" is specified in the Final Terms, the Autocall Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Autocall Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms if, the Autocall Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Autocall Condition is not satisfied

- 2) the satisfaction of the Final Redemption Condition, on the Final Observation Date, being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Final Redemption Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Final Redemption Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Final Redemption Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Final Redemption Condition is not satisfied

- 3) the satisfaction of the Capital at Risk Condition, on the Final Observation Date, being determined as follows

- (x) if "Barrier Put" is specified

- if "Worst of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Knock - in Level}$$

if not, the Capital at Risk Condition is not satisfied

- if "Best of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Knock - in Level}$$

if not, the Capital at Risk Condition is not satisfied

- (y) if "Leveraged Put" is specified

- if "Worst of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Put Strike Level}$$

if not, the Capital at Risk Condition is not satisfied

- if "Best of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Put Strike Level}$$

if not, the Capital at Risk Condition is not satisfied

- 4) the satisfaction of the Conditional Coupon Condition, on a Coupon Observation Date, being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Conditional Coupon Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Coupon Trigger Level}$$

If not, the Conditional Coupon Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Conditional Coupon Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Coupon Trigger Level}$$

If not, the Conditional Coupon Condition is not satisfied

Where:

X is the number of Shares constituting all together a Basket as defined in the Share linked Conditions.

Autocall Trigger Level means the percentage specified as such in the Final Terms.

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Bonus Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Trigger Level means the percentage specified as such in the Final Terms.

Final Price^j means or the Settlement Price of Share^j on the Final Observation Date, as provided for in the Final Terms.

Share^j means each Share corresponding to a j as specified in the Final Terms. For the avoidance of doubt, all Shares j together will constitute a Basket as defined in the Share linked Conditions.

Initial Price^j means the value set out in the Final Terms for Share^j or the Settlement Price of Share^j on the Initial Observation Date, as provided for in the Final Terms.

Knock-In Level means the percentage specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Put Strike Level means the percentage specified as such in the Final Terms.

N₁ means the number of Coupon Payment Dates from (but excluding) the Issue Date to (and including) the Maturity Date or if applicable, the Relevant Automatic Early Redemption Date.

N₂ means the number of Coupon Observation Dates falling before the Maturity Date, or if applicable, the Relevant Automatic Early Redemption Date, on which the Conditional coupon Condition was satisfied

N₃ means the number of Coupon Payment Dates from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, **N₃** means the number of Coupon Payment Dates from (but

excluding) the Issue Date to (and including) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N_4 means the number of Coupon Observation Dates from (but excluding) the Initial Observation Date to (and including) the last Coupon Observation Date on which the Conditional Coupon Condition was satisfied

Settlement Price^j means the Settlement Price of Share^j on (i) the Autocall Observation Date, for the purpose of determining whether the Autocall Condition is satisfied or (ii) on the relevant Coupon Observation Date, for the purpose determining whether the Conditional Coupon Condition is satisfied.

6.2 BASKET TOP

Where **BASKET TOP** is specified in the Final Terms:

- (a) If, on any Autocall Observation Date except for the Final Observation Date, the Autocall Condition is satisfied, each Share Linked Note will be automatically redeemed on the immediately following Automatic Early Redemption Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

- (b) If each Share Linked Note has not been redeemed early as described in paragraph (a) above:

- (i) If on the Final Observation Date, the Final Redemption Condition is satisfied, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

- (ii) If on the Final Observation Date, neither the Final Redemption Condition nor the Capital at Risk Condition is satisfied and "Barrier Put" is specified in the Final Terms or "Leveraged Put" is specified in the Final Terms:

If "Airbag" is specified as being applicable in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (N \times \text{Coupon Rate})]$$

If "Semi-Airbag" is specified as being applicable in the Final Terms each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times [100\% + (1/2 \times N \times \text{Coupon Rate})]$$

If "Airbag" and "Semi-Airbag" are specified as being not applicable in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Index Linked

Redemption Amount determined in accordance with the following formula:

Index Linked Redemption Amount = Specified Denomination x 100%

(iii) If on the Final Observation Date, the Capital at Risk Condition is satisfied:

- if "Barrier Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

if "Worst of" is specified

Share Linked Redemption Amount = Specified Denomination

$$\times \text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right)$$

if "Best of" is specified

Share Linked Redemption Amount = Specified Denomination

$$\times \text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right)$$

- if "Leveraged Put" is specified in the Final Terms, each Share Linked Note will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

If "Worst of" is specified

Share Linked Redemption Amount = Specified Denomination

$$\times \text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Put Strike Level}^j} \right)$$

If "Best of" is specified

Share Linked Redemption Amount = Specified Denomination

$$\times \text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Put Strike Level}^j} \right)$$

With:

1) the satisfaction of the Autocall Condition, on an Autocall Observation Date, being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Autocall Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Autocall Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Autocall Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Autocall Condition is not satisfied

- 2) the satisfaction of the Final Redemption Condition, on the Final Observation Date, being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Final Redemption Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Final Redemption Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Final Redemption Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) \geq \text{Autocall Trigger Level}$$

If not, the Final Redemption Condition is not satisfied

- 3) the satisfaction of the Capital at Risk Condition, on the Final Observation Date, being determined as follows

- (x) if "Barrier Put" is specified

- if "Worst of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Knock - in Level}$$

if not, the Capital at Risk Condition is not satisfied

- if "Best of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Knock - in Level}$$

if not, the Capital at Risk Condition is not satisfied

- (y) if "Leveraged Put" is specified

- if "Worst of" is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Put Strike Level}$$

if not, the Capital at Risk Condition is not satisfied

- if " Best of " is specified in the Final Terms, the Capital at Risk Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Final Price}^j}{\text{Initial Price}^j} \right) < \text{Put Strike Level}$$

if not, the Capital at Risk Condition is not satisfied

Where:

X is the number of Shares constituting all together a Basket as defined in the Share linked Conditions.

Autocall Trigger Level means the percentage specified as such in the Final Terms

Automatic Early Redemption Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Final Price^j means the Settlement Price of Share^j on the Final Observation Date.

Initial Price^j means the value set out in the Final Terms for Share^j or the Settlement Price of Share^j on the Initial Observation Date, as provided for in the Final Terms .

Knock-In Level means the percentage specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

N is, for any Autocall Observation Date, or for the Final Observation Date, the number of Autocall Observation Dates from (but excluding) the Initial Observation date to (and including) such Autocall Observation Date or the Final Observation Date, as the case may be.

Put Strike Level means the percentage specified as such in the Final Terms.

Share^j means each Share corresponding to a j as specified in the Final Terms. For the avoidance of doubt, all Shares j together will constitute a Basket as defined in the Share linked Conditions.

6.3 BASKET ARAMIS

Where **BASKET ARAMIS** is specified in the Final Terms:

- (a) The Notes will be redeemed on the Maturity Date at the Share Linked Redemption Amount determined in accordance with the following formula:

$$\text{Share Linked Redemption Amount} = \text{Specified Denomination} \times 100\%.$$

- (b) When "No Memory" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount A**) will be payable in respect of each Share Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate

provided that the Conditional Coupon Condition is satisfied on the immediately preceding Coupon Observation Date

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

Conditional Coupon Amount A = Specified Denomination x Coupon Rate x N_1 .

- (c) When "Memory Effect" is specified in the Final Terms, the sum of the interest amounts specified in paragraphs (i) and (ii) below will be payable in respect of each Share Linked Note:

- (i) an interest amount (the **Conditional Coupon Amount B**) will be payable in respect of each Share Linked Note

- if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount B = Specified Denomination x Coupon Rate

provided that the Conditional Coupon Condition is satisfied on the immediately preceding Coupon Observation Date

- if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

Conditional Coupon Amount B = Specified Denomination x Coupon Rate x N_1 .

- (ii) an interest amount (the **Conditional Coupon Amount C**) will be payable in respect of each Share Linked Note:

- If "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

Conditional Coupon Amount C = Specified Denomination x Coupon Rate x N_2

provided that the Conditional Coupon Condition is satisfied on the immediately preceding Coupon Observation Date

- If "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date in accordance with the following formula:

Conditional Coupon Amount C = Specified Denomination x Coupon Rate x N_3 .

- (d) if "Bonus Effect" is specified in the Final Terms and the Conditional Coupon Condition has been, on every Coupon Observation Date, not satisfied, an interest amount (the **Bonus Amount**) will be payable in respect of each Share Linked Note on the Maturity Date in accordance with the following formula:

$$\text{Bonus Amount} = \text{Specified Denomination} \times \text{Bonus Rate}$$

- (e) When "Lock-in effect" is specified in the Final Terms, an interest amount (the **Conditional Coupon Amount D**) will be payable in respect of each Share Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount D} = \text{Specified Denomination} \times \text{Coupon Rate}$$

provided that the Conditional Coupon Condition is satisfied on the immediately preceding Coupon Observation Date or on any preceding Coupon Observation Date, the Settlement Price has been greater than or equal to the Securitisation Level.

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount D} = \text{Specified Denomination} \times \text{Coupon Rate} \times N_4$$

With:

- 1) the satisfaction of the Conditional Coupon Condition being determined as follows

- (x) If "Worst of" is specified in the Final Terms, the Conditional Coupon Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Coupon Trigger Level}$$

If not, the Conditional Coupon Condition is not satisfied

- (y) If "Best of" is specified in the Final Terms, the Conditional Coupon Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Coupon Trigger Level}$$

If not, the Conditional Coupon Condition is not satisfied

Where:

X is the number of Shares constituting all together a Basket as defined in the Share linked Conditions.

Bonus Rate means the percentage specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Coupon Rate means the percentage specified as such in the Final Terms.

Coupon Trigger Level means the percentage specified as such in the Final Terms.

Final Price^j means the Settlement Price of Share^j on the Final Observation Date.

Initial Price^j means the Settlement Price of Share^j on the Initial Observation Date.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

N₁ means the number of Coupon Payment Dates immediately following a Coupon Observation Date on which the Conditional Coupon Condition has been satisfied, from (but excluding) the Issue Date to (and including) the Maturity Date.

N₂ means the number of Coupon Payment Dates, from (but excluding) the latest preceding Coupon Payment Date on which a Conditional Coupon Amount B was paid, to (but excluding) the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid. In the case where no Conditional Coupon B has ever been paid before, **N₂** means the number of Coupon Payment Dates from (but excluding) the Issue Date to but excluding the Coupon Payment Date on which the relevant Conditional Coupon Amount B is to be paid.

N₃ means the number of Coupon Payment Dates immediately following a Coupon Observation Date on which the Conditional Coupon Condition is not satisfied between the Issue Date (excluded) and the last Coupon Observation Date where the Conditional Coupon Condition is satisfied. For the avoidance of any doubt, if Conditional Coupon Condition is not satisfied on every Coupon Observation Date **N₃ = 0**

N₄ means the sum of:

- (a) the number of Coupon Observation Dates on which the Conditional Coupon Condition is satisfied; and
- (b) the number of Coupon Observation Dates (i) on which the Conditional Coupon Condition is not satisfied and (ii) falling after the Securitisation Date.

Securitisation Date is the first Coupon Observation Date, if any, on which the Securitisation Condition is satisfied, with the satisfaction of the Securitisation Condition being determined as follows:

- c) if "Worst of " is specified in the Final Terms, Securitisation Condition is satisfied if:

$$\text{Min}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Securitization Level}$$

If not, the Securitisation Condition is not satisfied

- d) If "Best of " is specified in the Final Terms, the Securitisation Condition is satisfied if:

$$\text{Max}_{1 \leq j \leq X} \left(\frac{\text{Settlement Price}^j}{\text{Initial Price}^j} \right) \geq \text{Securitization Level}$$

If not, the Securitisation Condition is not satisfied

Securitisation Level means the percentage specified as such in the Final Terms.

Share^j means each Share corresponding to a j as specified in the Final Terms. For the avoidance of doubt, all Shares j together will constitute a Basket as defined in the Share linked Conditions.

**PART E - PAY OFF FORMULAS COMMON TO FUND LINKED NOTES REFERENCED
TO A SINGLE FUND OR A BASKET OF FUNDS**

Part E of this Pay-Off Annex applies to Fund Linked Notes referenced to a Single Fund or a Basket of Funds.

For the purpose of Part E of this Pay-Off Annex: **Settlement Price, Coupon Observation Date, Initial Observation Date, Final Observation Date** or **Observation Date**, as applicable, has the meaning given to such term in the Fund Linked Conditions.

7. PAY OFF FORMULAS COMMON TO FUND LINKED NOTES LINKED TO A SINGLE FUND

7.1 ATHOS

Where **ATHOS** is specified in the Final Terms, each Fund Linked Note will be redeemed on the Maturity Date at the Fund Linked Redemption Amount determined in accordance with the following formula:

- (i) When "Cap" is specified as being applicable in the Final Terms:

$$\text{Fund Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Min}[\text{Performance}; \text{Cap Level}])$$

Where:

- (1) If "European Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) $\text{Leverage} \times [(\text{FundPerf} \times (1 - \text{AdjustmentFactor})^T - 1)]$

With

$$\text{FundPerf} = \frac{\text{Final Price}}{\text{Initial Price}}$$

- (2) If "Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) $\text{Leverage} \times \text{Average}$

Where

Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of $\text{Performance}(t)$

With

$$\text{Performance}(t) = \text{Fund Perf}_t \times (1 - \text{Adjustment Factor})^t - 1$$

$$\text{FundPerf}_t = \frac{\text{Settlement Price}_t}{\text{Initial Price}}$$

- (3) If "Floored Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) Floored Average

Floored Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of the highest of:

$$\text{Performance}(t) = \text{Fund Perf}_t \times (1 - \text{Adjustment Factor})^t - 1$$

and

zero

With

$$\text{FundPerf}_t = \frac{\text{Settlement Price}_t}{\text{Initial Price}}$$

- (ii) When "Cap" is specified as being not applicable in the Final Terms,

$$\text{Fund Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Performance})$$

Where:

- (1) If "European Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) $\text{Leverage} \times [(\text{FundPerf} \times (1 - \text{AdjustmentFactor})^T - 1)]$

With

$$\text{FundPerf} = \frac{\text{Final Price}}{\text{Initial Price}}$$

- (2) If "Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) Leverage \times Average

Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of Performance(t)

With

$$\text{Performance}(t) = \text{Fund Perf}_t \times (1 - \text{Adjustment Factor})^t - 1$$

$$\text{FundPerf}_t = \frac{\text{Settlement Price}_t}{\text{Initial Price}}$$

(3) If "Floored Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) Floored Average

Floored Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of the highest between:

$$\text{Performance}(t) = \text{Fund Perf}_t \times (1 - \text{Adjustment Factor})^t - 1$$

and

zero

With

$$\text{FundPerf}_t = \frac{\text{Settlement Price}_t}{\text{Initial Price}}$$

Where:

Adjustment factor means the value specified as such in the Final Terms.

Cap Level means the value specified as such in the Final Terms.

Floor means the value specified as such in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Initial Price means the Settlement Price on the Initial Observation Date.

Leverage means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

Observation Date(t) means each of the numerical sequence of Observation Dates, starting with the Initial Observation Date, as Observation Date(0), and proceeding in chronological order thereafter.

Settlement Price_t means the Settlement Price on the Observation Date(t).

T means the value specified as such in the Final Terms.

t is, for any Observation Date, the number of Observation Dates from (but excluding) the Initial Observation Date to (and including) such Observation Date.

7.2 ARTÉMIS

Where **ARTÉMIS** is specified in the Final Terms:

- (a) If “Put Spread” is specified as being not applicable in the Final Terms, the Notes will be redeemed on the Maturity Date at the Fund Linked Redemption Amount determined in accordance with the following formula:

$$\text{Fund Linked Redemption Amount} = \text{Specified Denomination} \times 100\%.$$

- (b) If “Put Spread” is specified as being applicable in the Final Terms,

Each Fund Linked Note will be redeemed on the Maturity Date at the Fund Linked Redemption Amount determined in accordance with the following formula:

$$\text{Fund Linked Redemption Amount} =$$

$$\text{Specified Denomination} \times 100\%$$

+

the highest value between:

$$(A) \quad \text{Floor}$$

and

$$(B) \quad \text{Min}[\text{FundPerf} \times (1 - \text{Adjustment Factor})^T - 1; 0]$$

With

$$\text{FundPerf} = \frac{\text{Final Price}}{\text{Initial Price}}$$

- (c) An interest amount (the **Conditional Coupon Amount**) will be payable in respect of each Fund Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount} = \text{Specified Denomination} \times \text{Coupon A}$$

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount} = \text{Specified Denomination} \times \text{Coupon B}$$

With

$$\text{CouponA} = \text{Max} \left(0, \frac{\text{Performance}(t)}{t} \right)$$

$$\text{CouponB} = \sum_{t=1}^T \text{Max} \left(0, \frac{\text{Performance}(t)}{t} \right)$$

$$\text{Performance}(t) = \text{Fund Perf}_t \times (1 - \text{Adjustment Factor})^t - 1$$

$$\text{FundPerf}_t = \frac{\text{Settlement Price}_t}{\text{Initial Price}}$$

With

Adjustment factor means the value specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Final Price means the Settlement Price on the Final Observation Date.

Floor means the value specified as such in the Final Terms.

Initial Price means the Settlement Price on the Initial Observation Date.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

Observation Date(t) means each of the numerical sequence of Observation Dates, starting with the Initial Observation Date, as Observation Date(0), and proceeding in chronological order thereafter.

Settlement Price_t means the Settlement Price on the Observation Date(t).

T is the number of Observation Dates from (but excluding) the Initial Observation Date to (but excluding) the Maturity Date.

t is for any Coupon Observation Date, the number of Observation Dates from (but excluding) the Initial Observation Date to (and including) such Observation Date.

8. **PAY OFF FORMULAS COMMON TO FUND LINKED NOTES LINKED TO A BASKET OF FUNDS**

8.1 BASKET ATHOS

Where **ATHOS** is specified in the Final Terms, each Fund Linked Note will be redeemed on the Maturity Date at the Fund Linked Redemption Amount determined in accordance with the following formula:

- (i) When "Cap" is specified as being applicable in the Final Terms:

$$\text{Fund Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Min}[\text{Performance}; \text{Cap Level}])$$

- (ii) When "Cap" is specified as being not applicable in the Final Terms,

$$\text{Fund Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Performance})$$

Where:

- (1) If "European Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) $\text{Leverage} \times [(\text{FundBasket} \times (1 - \text{AdjustmentFactor})^T - 1)]$

With

$$\text{FundBasket} = \sum_{k=1}^N \frac{1}{N} \left(\frac{\text{Final Price}^k}{\text{Initial Price}^k} \right)$$

- (2) If "Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) $\text{Leverage} \times \text{Average}$

Where

Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of $\text{Performance}(t)$

With

$$\text{Performance}(t) = \text{FundBasket}_t \times (1 - \text{Adjustment Factor})^t - 1$$

$$\text{FundBasket}_t = \sum_{k=1}^N \frac{1}{N} \left(\frac{\text{Settlement Price}_t^k}{\text{Initial Price}^k} \right)$$

(3) If "Floored Average Observation" is specified in the Final Terms, **Performance** means the highest value between:

(A) Floor

and

(B) *Floored Average*

Where

Floored Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of the highest between:

$$\text{Performance}(t) = \text{FundBasket}_t \times (1 - \text{Adjustment Factor})^t - 1$$

and

zero

With

$$\text{FundBasket}_t = \sum_{k=1}^N \frac{1}{N} \left(\frac{\text{Settlement Price}_t^k}{\text{Initial Price}^k} \right)$$

Where:

Adjustment factor means the value specified as such in the Final Terms.

Cap Level means the value specified as such in the Final Terms.

Floor means the value specified as such in the Final Terms.

Final Price^k means the Settlement Price of Fund^k on the Final Observation Date.

Fund^k means each Fund corresponding to a k as specified in the Final Terms. For the avoidance of doubt, all Fund^k together will constitute a Basket as defined in the Fund Linked Conditions.

Initial Price^k means the Settlement Price of Fund^k on the Initial Observation Date.

Leverage means the value specified as such in the Final Terms.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

N is the number of Funds constituting the Basket of Funds.

Observation Date(t) means each of the numerical sequence of Observation Dates, starting with the Initial Observation Date, as Observation Date(0), and proceeding in chronological order thereafter.

Settlement Price^k_t means the Settlement Price of Fund^k on the Observation Date(t).

T means the value specified as such in the Final Terms.

t is, for any Observation Date, the number of Observation Dates from (but excluding) the Initial Observation Date to (and including) such Observation Date.

8.2 ARTÉMIS BASKET

Where **ARTÉMIS** is specified in the Final Terms:

- (a) If “Put Spread” is specified as being not applicable in the Final Terms, the Notes will be redeemed on the Maturity Date at the Fund Linked Redemption Amount determined in accordance with the following formula:

$$\text{Fund Linked Redemption Amount} = \text{Specified Denomination} \times 100\%.$$

- (b) If “Put Spread” is specified as being applicable in the Final Terms,

Each Fund Linked Note will be redeemed on the Maturity Date at the Fund Linked Redemption Amount determined in accordance with the following formula:

$$\text{Fund Linked Redemption Amount} =$$

$$\text{Specified Denomination} \times 100\%$$

+

the highest value between:

(A) Floor

and

(B) $\text{Min}[\text{FundBasket} \times (1 - \text{Adjustment Factor})^T - 1; 0]$

$$\text{FundBasket} = \sum_{k=1}^N \frac{1}{N} \left(\frac{\text{Final Price}^k}{\text{Initial Price}^k} \right)$$

- (c) An interest amount (the **Conditional Coupon Amount**) will be payable in respect of each Fund Linked Note:

- (i) if "Coupons in fine" is specified as being not applicable in the Final Terms, on each Coupon Payment Date in accordance with the following formula:

$$\text{Conditional Coupon Amount} = \text{Specified Denomination} \times \text{Coupon A}$$

- (ii) if "Coupons in fine" is specified as being applicable in the Final Terms, on the Maturity Date, in accordance with the following formula:

$$\text{Conditional Coupon Amount} = \text{Specified Denomination} \times \text{Coupon B}$$

With:

$$\text{CouponA} = \text{Max} \left(0, \frac{\text{Performance}(t)}{t} \right)$$

$$\text{CouponB} = \sum_{t=1}^T \text{Max} \left(0, \frac{\text{Performance}(t)}{t} \right)$$

$$\text{Performance}(t) = \text{FundBasket}_t \times (1 - \text{Adjustment Factor})^t - 1$$

$$\text{FundBasket}_t = \sum_{k=1}^N \frac{1}{N} \left(\frac{\text{Settlement Price}_t^k}{\text{Initial Price}^k} \right)$$

With

Adjustment factor means the value specified as such in the Final Terms.

Coupon Payment Date means each date specified as such or otherwise determined as provided in the Final Terms.

Final Price^k means the Settlement Price of Fund^k on the Final Observation Date.

Floor means the value specified as such in the Final Terms.

Fund^k means each Fund corresponding to a k as specified in the Final Terms. For the avoidance of doubt, all Fund^k together will constitute a Basket as defined in the Fund Linked Conditions.

Initial Price^k means the Settlement Price of Fund^k on the Initial Observation Date.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Max followed by a series of values inside brackets means whichever is the highest of the value separated by a semi-colon inside those brackets.

N is the number of Funds constituting the Basket of Funds.

Observation Date(t) means each of the numerical sequence of Observation Dates, starting with the Initial Observation Date, as Observation Date(0), and proceeding in chronological order thereafter.

Settlement Price^k_t means the Settlement Price of Fund^k on the Observation Date(t).

T is the number of Observation Dates from (but excluding) the Initial Observation Date to (but excluding) the Maturity Date.

t is, for any Observation Date, the number of Observation Dates from (but excluding) the Initial Observation Date to (and including) such Observation Date.

8.3 HIMALAYA BASKET

Where **HIMALAYA** is specified in the Final Terms, each Fund Linked Note will be redeemed on the Maturity Date at the Fund Linked Redemption Amount determined in accordance with the following formula:

- (i) When "Cap" is specified as being applicable in the Final Terms:

$$\text{Fund Linked Redemption Amount} = \text{Specified Denomination} \times (1 + \text{Min}[\text{Performance}; \text{Cap Level}])$$

- (ii) When "Cap" is specified as being not applicable in the Final Terms,

Fund Linked Redemption Amount = Specified Denomination x (1 + Performance)

Performance means the highest value between:

(A) Floor

and

(B) Average

Average means the arithmetic average of the values on each Observation Date, excluding the Initial Observation Date, of Performance(t)

With

$$\text{Performance}(t) = \text{BestFund}_t \times (1 - \text{Adjustment Factor})^t - 1$$

BestFund_t means the highest level of the values on each Observation Date, excluding the Initial Observation Date, of FundPerf_t

With

$$\text{FundPerf}_t = \frac{\text{Settlement Price}_t^k}{\text{Initial Price}^k}$$

Where:

Adjustment factor means the value specified as such in the Final Terms.

Cap Level means the value specified as such in the Final Terms.

Floor means the value specified as such in the Final Terms.

Fund^k means each Fund corresponding to a k as specified in the Final Terms. For the avoidance of doubt, all Fund^k together will constitute a Basket as defined in the Fund Linked Conditions.

Initial Price^k means the Settlement Price of Fund^k on the Initial Observation Date.

Maturity Date means the date specified as such or otherwise determined as provided in the Final Terms.

Min followed by a series of values inside brackets means whichever is the lowest of the value separated by a semi-colon inside those brackets.

Observation Date(t) means each of the numerical sequence of Observation Dates, starting with the Initial Observation Date, as Observation Date(0), and proceeding in chronological order thereafter.

Settlement Price^k_t means the Settlement Price of Fund^k on the Observation Date(t).

t is, for any Observation Date, the number of Observation Dates from (but excluding) the Initial Observation Date to (and including) such Observation Date.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for the general corporate purposes of the Issuer, which include making a profit, and/or for hedging purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

EDMOND DE ROTHSCHILD (FRANCE)

INTRODUCTION

Edmond de Rothschild (France) (referred to herein as the Issuer or the Bank) is the French bank of Groupe Edmond de Rothschild. It was founded on 10 July 1953 by Edmond de Rothschild and became a financial institution in 1967. It was transformed into a bank in 1971. The Bank is a société anonyme à *Directoire et Conseil de Surveillance* and has a term of 99 years. The Bank has as of 11 July 2018 an authorised share capital of €83,075,820 divided into 5,538,388 ordinary shares of the same category, with a nominal value of €15 each, in registered form.

The Bank was registered at the *Registre du Commerce et des Sociétés* in Paris on 7 March 1957 with number B 572 037 026. Its registered office and principal place of business is 47 rue du Faubourg Saint-Honoré, 75008 Paris and its telephone number is + 33 (0)1 40 17 25 25.

The Bank is subject to article L.210-1 and following of the French Commercial Code (*Code de commerce*) and the decree of 23 March 1967 relating to commercial companies and the French Monetary and Financial Code (*Code monétaire et financier*) concerning the supervision of credit institutions.

Edmond de Rothschild (France) is a limited company with supervisory and executive boards. This dual form of structuring the management bodies satisfies the principles of the Bank's group corporate governance, with executive management functions clearly separated from supervisory tasks.

The business address of the members of the Supervisory Board and the Executive Board is at EDMOND DE ROTHSCHILD (France), 47 rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08, France.

SUPERVISORY BOARD:

Chairman

Benjamin de Rothschild

Vice Chairwoman

Ariane de Rothschild

Members

Véronique Morali

Louis-Roch Burgard

Jacques Ehrmann

Jean Laurent-Bellue

Daniel Trèves

Christian Varin

EXECUTIVE BOARD:

Chairman

Vincent Taupin

Members

Philippe Cieutat

The positions held by each member of the Supervisory Board and Executive Boards in other companies is shown below:

SUPERVISORY BOARD:

Benjamin de Rothschild

Address: Château de Prégny 1292 Prégny Geneva, Switzerland

Chairman:

- Edmond de Rothschild Holding S.A. (*Switzerland*)
- Holding Benjamin et Edmond de Rothschild, Pregny S.A. (*Switzerland*)
- Edmond de Rothschild (Suisse) S.A. (*Switzerland*)
- The Caesarea Edmond Benjamin de Rothschild Development Corporation Ltd (*Israel*)

Chairman of the Board of Directors, Edmond de Rothschild S.A.

Chairman of the Supervisory Board:

- Edmond de Rothschild (France)
- Edmond de Rothschild Heritage (formerly S.F.H.M.)

Director:

- La Compagnie Fermière Benjamin et Edmond de Rothschild S.A.
- La Compagnie Vinicole Baron Edmond de Rothschild S.A.
- La Compagnie Générale Immobilière de France (Cogifrance)
- EBR Ventures

Member of the Supervisory Board, Domaines Barons de Rothschild (Lafite).

Ariane de Rothschild

Address: Château de Prégny 1292 Prégny Geneva, Switzerland

Chairwoman of the Board of Directors:

- Administration et Gestion S.A. (*Switzerland*)

Chairwoman of the Supervisory Board, Edmond de Rothschild Asset Management (*France*)

Vice Chairwoman of the Board of Directors:

- Edmond de Rothschild S.A.
- Holding Benjamin et Edmond de Rothschild Pregny S.A. (*Switzerland*)
- Edmond de Rothschild (Suisse) S.A. (*Switzerland*)

Vice Chairwoman of the Supervisory Board:

- Edmond de Rothschild (France)
- Société Française des Hôtels de Montagne

Director:

- Baron et Baronne Associés (holding company of S.C.B.A. Société Champenoise des Barons Associés)
- Compagnie Benjamin de Rothschild Conseil S.A. (*Luxembourg*)
- Amdocs Limited (USA)

Secretary-General of the Foundation Council, OPEJ Foundation

Louis-Roch Burgard

Address: 146, rue Perronet 92200 Neuilly-sur-Seine, France

Chairman:

- Blue Green European Holdings
- CISE Réunion
- Compagnie Guadeloupéenne de Services Publics
- Société Martiniquaise de Distribution et de Services
- Saur International
- Stereau
- Sudeau
- Saur
- Holding d'Infrastructures des Métiers de l'Environnement (Hime)
- Terre des Trois Frères

Chairman, Chief Executive Officer and Director of Compagnie des Eaux de Royan

Member and Chairman of the Supervisory Board, Saur Polska (*Poland*)

Member of the Supervisory Board:

- Edmond de Rothschild (*France*)
- CNIM

Consejero de Gestion y Técnicas del Agua (Gestagua) (*Spain*)

Director of Marafiq Saur Operation & Maintenance Co. (MASA) (*Saudi Arabia*)

Manager of Saur Loisirs

Representative of Holding d'Infrastructure des Métiers de l'Environnement as chairman of:

- Finasaur
- Novasaur

Jacques Ehrmann

Address: 2, avenue Foch 92420 Vaucresson, France

Chairman and Chief Executive Officer of Carmila

Chairman of Tamlet (SAS)

Member of Frojal's Executive Board (SA)

Director of:

- Edmond de Rothschild S.A.
- Atacadao SA (Brazil)
- Carrefour SA (Turkey)

Member of the Supervisory Board of Edmond de Rothschild (France)

Co-manager of companies:

- Jakerevo
- Testa

Jean Laurent-Bellue

Address: 11 avenue Alfred Bertrand 1006 Geneva, Switzerland

Member of the Supervisory Board:

- Edmond de Rothschild (France)
- KPMG S.A.
- KPMG Associés

Director:

- Edmond de Rothschild Holding S.A.(Switzerland)
- Edmond de Rothschild (Suisse) S.A. (Switzerland)
- Holding Benjamin et Edmond de Rothschild – Pregny S.A. (Switzerland)
- Edmond de Rothschild S.A.
- Rotomobil

Member of the Supervisory Board:

- Sisaho International
- Siaci Saint-Honoré

Véronique Morali

Address: 11 bis, rue Casimir Périer 75007 Paris, France

Chairwoman of Webedia's Executive Board

Chairwoman and Chief Executive Officer, Ringmedia

Chairwoman of the Board of Directors of Viaeuropa

Chairwoman

- Fimalac Développement (Luxembourg)
- Clover SAS

Chief Executive Officer of Webco

Director:

- Edmond de Rothschild Holding S.A. (Switzerland)
- Edmond de Rothschild S.A.
- CCEP (United States)
- Melberries (SAS)
- Paris Institute of Political Studies (Sciences Po)

Member of the Supervisory Board:

- Publicis Groupe
- Edmond de Rothschild (France)
- Edit Place
- Tradematic

Manager, Webedia International SARL (Luxembourg)

Permanent Representative of the company Fimalac Développement on the Board of Directors of Lucien Barrière Group

Board member of institutions and public-interest entities:

- Association le Siècle

Member of the strategic comity of Pour de Bon SAS

Daniel Trèves

Address: 63, Grand'rue 1296 Coppet, Switzerland

Chairman of the Board, EDRRIT Limited (United Kingdom)

Chairman of Huniel Conseil (Switzerland)

Director:

- Compagnie Benjamin de Rothschild Conseil S.A. (Switzerland)
- Associated Investors (British Virgin Islands)
- Rolex Holding (Switzerland)
- Rolex S.A. (Switzerland)

Member of the Supervisory Board, Edmond de Rothschild (France)

Christian Varin

Address: Vordere Bahnhofstrasse 5 8853 Lachen, Switzerland

Director:

- Aminter (Belgium)
- Edmond de Rothschild S.A.
- Gingko (Luxembourg)
- Josi Groupe (Belgium)
- Helse
- Yareal (Netherlands)
- Yamed NV Investors (Netherlands)

Member of the Supervisory Board:

- Edmond de Rothschild (France)
- Edmond de Rothschild Private Equity (France)

Co-Manager, Eminter Sarl

EXECUTIVE BOARD:

Vincent Taupin

Address: 10, rue Benouville 75116 Paris, France

Chairman of the Executive Board, Edmond de Rothschild (France)

Chief Executive Officer of Edmond de Rothschild S.A.

Chairman of the Board of Directors of:

- Edmond de Rothschild Asset Management (Luxembourg)
- Edmond de Rothschild Asset Management (Switzerland)

Chairman of the Supervisory Board:

- Edmond de Rothschild Corporate Finance
- Cleaveland

Vice-Chairman of the Supervisory Board, Edmond de Rothschild Asset Management (France)

Director:

- Edmond de Rothschild Asset Management (UK) Limited
- Compagnie Benjamin de Rothschild Conseil SA (Luxembourg)
- Israel-France Chamber of Commerce and Industry
- EDRRIT Limited

Permanent Representative of Edmond de Rothschild (France) on the Supervisory Boards of:

- Edmond de Rothschild Assurances et Conseils (France)
- Edmond de Rothschild Private Equity (France)

Permanent Representative of Edmond de Rothschild S.A. on the Cogifrance's Board of Directors

Philippe Cieutat

Address: 70, boulevard Saint-Marcel 75005 Paris

Chairman of the Board of Directors of:

- Financière Boréale
- Edmond de Rothschild Immo Premium

Member of the Executive Board, Edmond de Rothschild (France)

Chief Operating Officer, Edmond de Rothschild S.A.

Member of the Supervisory Board of:

- Cleaveland
- Edmond de Rothschild Private Equity (France)
- Sisaho International
- Siaci Saint-Honoré

Manager, CFSH Luxembourg Sarl

Permanent representative of Edmond de Rothschild S.A. on the Board of Directors of Financière Eurafrique

Chairman of SAS EDR Immo Magnum

There are no conflicts of interest or potential conflicts of interest identified between any duties of the members of the Issuer's Supervisory and Executive board and their private interests and/or other duties. Any identification of potential conflict of interests would be communicated to the Head of compliance officer who will ensure, with a degree of reasonable certainty, that the measures taken provide protection to investors.

AUDITORS:

Statutory Auditors:

Cabinet Didier Kling & Associés

PricewaterhouseCoopers Audit

The auditors are subject to the regulation of the following professional association "*La Compagnie Nationale des Commissaires aux Comptes*".

THE AUDIT COMMITTEE:

The members of the Audit Committee are chosen from among the Supervisory Board members. It meets at least once a quarter and is convened by its Chairman.

At 31 December 2017, the members of Edmond de Rothschild (France)'s Audit Committee were:

- Jean Laurent-Bellue (Chairman),
- Véronique Morali and Louis-Roch Burgard.

The role of the Audit Committee, which has its own rules of procedure, is to assist the Supervisory Board. Its remit covers the quality of accounting and financial information produced within the Group made up of Edmond de Rothschild (France) and its consolidated subsidiaries, and the monitoring of the audit conducted by the Statutory Auditors and their independence.

More specifically, it is tasked with:

- ensuring the relevance and consistency of the accounting methods adopted to prepare the parent company and the consolidated financial statements, reviewing and assessing the scope of consolidation and reviewing and verifying the suitability of the accounting rules applied by the Group;
- reviewing the parent company and consolidated financial statements, the budgets and forecasts prior to their presentation to the Board. To this end, it reviews with the Company's management and Statutory Auditors the quarterly, interim and annual financial statements, the accounting principles and methods, the Group's audit and internal control principles and methods, plus analysis and the reports related to financial reporting, accounting policy and communications between the Company's management and Statutory Auditors.
- controlling the quality and compliance with internal control procedures, assessing the information received from management, internal committees and internal and external audits concerning the preparation and processing of accounting and financial information;
- overseeing the selection and reappointment of Statutory Auditors, expressing an opinion on the fees they propose to charge and submitting the results of their work to the Board;
- ensuring the independence of the Statutory Auditors and their objectivity in respect of Statutory Auditors belonging to networks providing both audit and consulting services, reviewing control procedures and the difficulties encountered by the Company's Statutory Auditors, and the measures adopted to address them, and monitoring the internal audit in the same manner, as well as, more generally, reviewing, controlling and evaluating any and all factors liable to affect the accuracy and fair presentation of the financial statements;
- setting the rules under which the Statutory Auditors may perform non-audit assignments and entrusting additional audit assignments to external auditors;
- reviewing the details and suitability of the fees paid by the Group to the Statutory Auditors and ensuring that these fees and the corresponding services are not liable to compromise the Statutory Auditors' independence;
- making sure that the statutory and regulatory accounting and financial requirements applicable to the Group are met;

The Audit Committee meets, whenever convened by its Chairman, as often as required but no less than once per quarter, prior to each Supervisory Board meeting. In 2017, it met on:

- 14 March
- 18 May
- 12 September
- 23 November

The Chairman of the Executive Board and the Chief Financial Officer of Edmond de Rothschild (France) both have a standing invitation to attend Audit Committee meetings. The Chief Internal Auditor, the Head of the Compliance and Permanent Control Department and the Head of the Central Risk Department are invited to its meetings in an advisory capacity.

The Audit Committee has drawn up a work programme, with the March and September meetings devoted in particular to a review of the interim and full-year financial statements conducted together with the Chairman of the Executive Board, the Chief Financial Officer and the Statutory Auditors. No less than twice per year, the Audit Committee meets representatives of the Statutory Auditors to review the scope of their audit programme and the services they could be asked to provide.

It may request any information or ask anyone to appear before it as is required or useful for the fulfilment of its duties.

The Audit Committee reports on its work and provides its opinions and recommendations to the Supervisory Board. The Chairman of the Audit Committee presents its work to the Supervisory Board.

Minutes of these meetings are circulated to all members of the Committee and of the Executive Board and are made available to members of the Supervisory Board.

THE RISK COMMITTEE

The members of the Risk Committee, which was established on 15 March 2017, are chosen from among the Supervisory Board members. It meets at least once a quarter and is convened by its Chairman.

At 31 December 2017, the members of Edmond de Rothschild (France)'s Risk Committee were:

- Jean Laurent-Bellue (Chairman),
- Véronique Morali and Louis-Roch Burgard.

The role of the Risk Committee, which has its own rules of procedure, is to assist the Supervisory Board. Its remit covers monitoring the effectiveness of the organisation and implementation of internal control and risk management at the Group formed of Edmond de Rothschild (France) and its consolidated subsidiaries, as well as compliance with the applicable Compliance regulations and the related guidelines laid down by the Group.

More specifically, it is tasked with:

- generally speaking, advising the Supervisory Board on the Bank's overall strategy and its existing and future risk appetite, and controlling implementation of this strategy by the Bank's effective managers and by the head of the risk management function;
- examining the internal audit's annual audit plan prior to its approval by the Supervisory Board;
- making sure that the statutory and regulatory requirements on internal, permanent and periodic control applicable to the Group are met;
- reviewing the risk control framework as a whole and in summary form;
- without prejudice to the terms of reference of the Remuneration Committee, reviewing whether the incentives provided for by the remuneration policy and remuneration practices are compatible with the

Bank's position with regard to its risk exposure, its capital, its liquidity and the probability and timing of the expected profits.

The Chairman of the Executive Board, the Chief Financial Officer of Edmond de Rothschild (France), the Chief Internal Auditor, the Head of the Compliance and Control Department and the Head of the Central Risk Department have a standing invitation to Risk Committee meetings.

The Risk Committee may request any information or ask anyone to appear before it as is required or useful for the fulfilment of its duties.

The Committee reports on its work and provides its opinions and recommendations to the Supervisory Board. The Chairman of the Risk Committee presents its work to the Supervisory Board.

Minutes of these meetings are circulated to all members of the Committee and of the Executive Board and are made available to members of the Supervisory Board.

THE REMUNERATION COMMITTEE:

The Remuneration Committee issues opinions on the Edmond de Rothschild (France) Group's general remuneration policy as proposed by the Executive Board and ensures every year that the policy is applied properly. It makes recommendations to the Supervisory Board on all components of remuneration regarding the Executive Board members.

The Remuneration has four members: Benjamin de Rothschild (Chairman), Ariane de Rothschild, Véronique Morali and Christian Varin. It meets at least once every year. Under the banking regulations, the Company has to prepare a report on the remuneration policy and practices every year. This report is filed with the ACPR (French Prudential Supervisory and Resolution Authority).

As part of its work, the Remuneration Committee verifies that:

- its assessment of remuneration includes all the relevant components;
- each proposed element is in the Company's general interest;
- remuneration is comparable with general practice in banking and finance;
- remuneration is linked to performance metrics;
- all remuneration components comply with the latest applicable regulations.

HISTORY:

The Rothschilds have, throughout the nineteenth and twentieth centuries, expanded their traditions of international banking and investments and of services to governments, companies and financial institutions around the world.

The Edmond de Rothschild Group is an independent, family-owned group that specialises in private banking and asset management. Founded in 1953, the Group has been chaired since 1997 by Baron Benjamin de Rothschild. At 31 December 2017, it had € 156 billion under management with 27 offices throughout the world.

Family roots give the Edmond de Rothschild Group a particular sense of the long-term, which is reflected in the way it manages the assets of its clients: creativity does not exclude prudence and entrepreneurial audacity goes hand in hand with risk management.

The Edmond de Rothschild Group offers a comprehensive service model for an international client-base of wealthy families, entrepreneurs and large institutions.

The Edmond de Rothschild Group is based on two powerful engines: Private Banking and Asset Management. The Group is also developing in the areas of Corporate Finance, Private Equity and Institutional & Fund Services.

Edmond de Rothschild (France) is 99.47%-owned by Edmond de Rothschild S.A., the French holding company of the Edmond de Rothschild Group. Caisse de Dépôt et Placement du Québec and EDRRIT Limited are also shareholders in Edmond de Rothschild (France), respectively with an interest of 0.44 % and 0.09%.

REPORT OF THE EXECUTIVE BOARD:

In economic and financial conditions far more supportive in 2017 than in 2016, the net income attributable to equity holders reported by Edmond de Rothschild (France) totalled €24.1 million in 2017, an increase of 45.8% relative to 2016.

Assets under management⁸ ended the year 13.5% higher at €51.5 billion, up from €45.4 billion at the end of 2016, based on an adjusted scope of consolidation.

The commercial traction gained in 2016, which powered a €1.9 billion net inflow of funds, carried through across all the business lines, with the net inflow of funds totalling €4.8 billion in 2017. Asset Management inflows reached €1.9 billion in both open-ended products and in managed accounts from the investment management ranges, plus an additional €1.3 billion in inflows from various real-estate management fund launches. The brisk commercial momentum in Private Banking generated €1.1 billion of inflows. Lastly, the launch of next-generation private equity funds raised €0.5 billion in net new money.

Alongside positive inflows, Asset Management was buoyed by upbeat market trends, which increased assets under management by €1.3 billion.

In thousands of euros	2017	2016	Évolution
Net banking income	305.117	274.595	11,1%
Operating expenses	-269.475	-267.996	0,6%
- Personnel expenses	-161.035	-153.830	
- Other operating expenses	-89.876	-94.952	
- Depreciation, amortisation and impairment	-18.564	-19.214	
Gross operating income	35.642	6.599	x 5,4
Cost of risk	-62	-242	
Operating income	35.580	6.357	x 5,6
Share in net income of associates	-1.045	9.345	
Net gains or losses on other assets	732	9.428	
Changes in the value of goodwill	-720	-807	
Income (loss) before tax	34.547	24.323	42,0%
Income tax	-9.986	-7.073	
Net income	24.561	17.250	42,4%
Net income attributable to non-controlling interests	-414	-683	
Net profit - Recurring net profit of the Group	24.147	16.567	45,8%
Exceptional operations	-	-	
Net profit - Publishable net profit of the Group	24.147	16.567	45,8%
Cost income ratio*	82,2%	90,6%	

* Personnel expenses and other operating expenses as a percentage of net banking income (NBI).

NET BANKING INCOME:

Net banking income rose 11.1% compared with 2016 to reach €305.1 million in 2017. The key drivers of this performance were:

- an 8.7% increase in management and advisory fees, in tandem with the trends in assets under management presented above;

⁸ Including funds of Edmond de Rothschild Investment Partners, treated as an associate since 1 January 2015

- €35.5 million in performance-related fees, up from €12.2 million in 2016, reflecting first-class management performance;
- a slight increase in fees on transactions (transfers and front-end charges) compared with 2016 (€55.8 million compared with €54.7 million) as a result of brisk business trends and high levels of market activity;
- a decline in on-balance sheet business compared with 2016 (down €4 million) reflecting the lack of gains in the investment portfolio, despite buoyant currency trading and robust lending activities;
- a contraction in the contribution from corporate advisory services compared with 2016, even though revenue held up at a remarkably high level in 2017.

Gross margin narrowed by 5 basis points compared with 2016 to 63 basis points owing to the relocation to Paris of the lower-margin asset management products in the second half of the year.

OPERATING EXPENSES:

Operating expenses totalled €269.5 million in 2017, putting them on a par with their 2016 level (up 0.6%).

Personnel expenses came to €161.0 million, up 4.7% relative to 2016 (the same level as in 2015 on an adjusted basis).

Other operating expenses fell by 5.0% compared with 2016, to €108.4 million. The key factors behind this drop were tight cost control and a drive to unlock efficiencies in the business model.

OPERATING INCOME:

With these trends in net banking income and operating expenses, gross operating income came to €35.6 million versus €6.6 million in 2016. Accordingly, the cost/income ratio improved by 9 percentage points compared with 2016 to reach 82%.

Including a net cost of risk kept firmly under control at less than €0.1 million (€0.2 million in 2016), consolidated operating income totalled €35.6 million versus €6.4 million in 2016.

NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT:

The Group's share in the income of associates was negative at €1.0 million. Exceptional losses from a minority shareholding in an asset management company in Asia (Zhonghai FMC) were the main reason for this. Gains and losses on assets produced a net gain of €0.7 million, compared with €9.4 million in 2016, which included the €6.2 million capital gain on the sale of Edmond de Rothschild (Israel) Ltd to Edmond de Rothschild (Suisse) SA, and €3.3 million in gains on the sale of shareholdings in Edmond de Rothschild (UK) and EdRRIT Ltd.

Non-controlling interests declined to €0.4 million following the buyout of minorities in Edmond de Rothschild Assurance Conseil in 2017.

Net income attributable to equity holders of the parent totalled €24.1 million, up 45.8% on the previous year.

BUSINESS TRENDS AND INCOME BY DIVISION:

Private Banking's brisk top-line performance in France generated record income (€10.3 million in gross operating income, compared with €3.3 million in 2016). That helped to mitigate the weakness of business trends in Italy, which contributed another loss (€3.7 million in 2017 versus €3.8 million in 2016).

Asset Management's business momentum in upbeat markets combined with the benefit of the 2016 restructuring measures produced a significant income contribution for the Group while also restoring

its revenue to levels more akin to those seen prior to 2016, which was a very tough year for this division.

The Private Equity division pressed ahead with its reorganisation and development efforts. As a result, investments remained at a high level for the revenue it generated at this stage.

Corporate advisory services continued to perform well, with the new mandates it was awarded underscoring its growing momentum during the year. The team was again successful on various fronts this year and is establishing itself as a force to be reckoned with in its market segment.

Property Management built up its asset management business by launching several new funds during the year, thereby expanding its recurring revenue streams. Lastly, the profitability of the Other Activities decreased again as a result of an adverse interest rate environment and the lack of significant gains on its investment portfolio.

OVERVIEW OF INCOME AND PROFITABILITY BY DIVISION:

In thousands of euros	Banque Privée		Gestion d'actifs		Private Equity		Autres activités et Gestion propre		Groupe	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Net banking income	95.890	86.204	172.077	141.412	4.150	3.172	33.000	43.807	305.117	274.595
Operating expenses	-89.334	-86.710	-135.054	-137.089	-5.230	-4.732	-39.857	-39.465	-269.475	-267.996
- Personnel expenses:	-54.999	-53.929	-73.174	-72.927	-3.765	-3.022	-29.097	-23.952	-161.035	-153.830
<i>direct</i>	-40.530	-40.934	-52.824	-54.164	-3.321	-2.682	-23.790	-18.246	-120.465	-116.026
<i>indirect</i>	-14.469	-12.995	-20.350	-18.763	-444	-340	-5.307	-5.706	-40.570	-37.804
- Other operating expenses	-27.204	-24.787	-53.974	-55.910	-1.358	-1.604	-7.340	-12.651	-89.876	-94.952
- Depreciation, amortisation and impairment	-7.131	-7.994	-7.906	-8.252	-107	-106	-3.420	-2.862	-18.564	-19.214
Gross operating income	6.556	-506	37.023	4.323	-1.080	-1.560	-6.857	4.342	35.642	6.599
Cost of risk	2	6	1	-	-	-	-65	-248	-62	-242
Operating income	6.558	-500	37.024	4.323	-1.080	-1.560	-6.922	4.094	35.580	6.357
Share in net income of associates	8.955	6.626	-11.384	2.170	1.384	549	-	-	-1.045	9.345
Net gains or losses on other assets	-	-	-	-	-	-	732	9.428	732	9.428
Changes in the value of goodwill	-	-	-	-	-720	-807	-	-	-720	-807
Income (loss) before tax	15.513	6.126	25.640	6.493	-416	-1.818	-6.190	13.522	34.547	24.323
Cost income ratio*	85,7%	91,3%	73,9%	91,1%	123,4%	145,8%	ns	ns	82,2%	90,6%

* Personnel expenses and other operating expenses as a percentage of net banking income (NBI).

** ns: not significant

PRIVATE BANKING:

Highlights of 2017

- Over €15 billion in assets under management
- Net inflows of €1.1 billion, reflecting a first-rate business performance
- A stronger offering to address key regulatory challenges

Private banking is the original business of the Edmond de Rothschild Group. In France, it aims to cater to the needs of families who are selling their business assets, and to those who have built up or inherited wealth.

To that end, Edmond de Rothschild offers a specialist range of investments, advice and services, ranging from financial planning to legal and tax analysis and advice on life insurance. For those selling a family-owned company, it knows how to address inheritance issues and can also advise on philanthropic ventures. All this expertise is co-ordinated by the private banker – the lynchpin of the client relationship.

First-rate business performance in 2017

Amid persistently low interest rates and high market volatility, Private Banking generated €3 billion in gross new money during 2017, reflecting the hard work of its dedicated staff and strong sales activity. To support private bankers with business development activities even more effectively and to harness greater synergies with the corporate finance activities, the Client Solutions department was expanded, and it launched a business development unit in the second half of 2017. The new unit will ramp up to full speed throughout 2018.

A more robust offering to address key regulatory challenges

Ahead of the MiFID II's entry into force in January 2018, the Bank carried out a far-reaching overhaul of all its systems. The goal was to balance the competing demands of the regulations and of excellence in CRM, the Bank's indelible hallmark. Automation of the various stages of investment services – order placing, mandatory tests, dispatch of additional information – is part of this. It also entails providing support and guidance to each of our clients to cope with the changes to the services provided in this regulatory environment.

It also led to the launch of a new online banking platform in 2017. The mobile app and the website are two critical pillars of a high-quality personalised relationship.

The Bank brought greater clarity to its offering of investment services by introducing three possible levels of support – discretionary management, investment advisory services, and value-added order receipt and transmission. Initial Advisory, a new range of investment advisory services, is now offered to clients seeking personalised recommendations while continuing to play an active part in all their investment decisions. In addition, Active Advisory continued to expand at a brisk pace. Private Banking continued diversifying and increasing the specialisation of its services last year. Led by Muriel Tailhades, Chief Investment Officer, the Bank expanded its asset management offering, with the Prudent Multi Expertises managed account, an innovative combination of the Group's active management and quantitative management expertise.

Expanded range of investment solutions

The low interest-rate and high-volatility environment heightened the need for diversification into physical assets. Real estate is one of the priorities identified by private clients. Through its 2016 deal for Cleaveland, a renowned asset management company specialised in real-estate investment, Edmond de Rothschild has gained the ability to provide its clients with access to this asset class. As part of this approach, it launched in 2017 Edmond de Rothschild Immo Premium, an OPCVI (collective undertaking for property investments) aimed at its private clients. Its objective is to deliver consistent rental income over a long-term horizon chiefly from high-end office and retail properties. Likewise, the Bank offered unlisted investment vehicles to clients seeking exposure to physical assets, such as the second Quadrant fund, a private equity fund of funds exclusively aimed at its private clients.

Lastly, Edmond de Rothschild Assurances et Conseils (France) continued to develop new investments as alternatives to non-unit-linked funds, and guarantee attractive performance on life-insurance policies despite the low level of interest rates. Thanks to these continuing client-focused measures, Edmond de Rothschild in France was again rated by *Décideurs* magazine as the leading private bank in the Key Players category this year.

Active support for entrepreneurs

Private Banking inflows again reflected the continued appeal this year of the Bank's services for entrepreneurs. These are based on a wide range of capabilities catering to SMEs and their managers, such as consulting, M&A, financial and wealth engineering, and private equity. Synergies with the Corporate Advisory Service team also make it possible to offer business clients tailored solutions for buyouts, capital raising and acquisitions.

Breakdown of Private Banking results

In thousands of euros	2017	2016	Évolution
Net banking income	95.890	86.204	11,2%
Operating expenses	-89.334	-86.710	3,0%
- Personnel expenses:	-54.999	-53.929	
. direct	-40.530	-40.934	
. indirect	-14.469	-12.995	
- Other operating expenses	-27.204	-24.787	
- Depreciation, amortisation and impairment	-7.131	-7.994	
Gross operating income	6.556	-506	ns
Cost of risk	2	6	
Operating income	6.558	-500	ns
Share in net income of associates	8.955	6.626	
Net gains or losses on other assets	-	-	
Changes in the value of goodwill	-	-	
Income (loss) before tax	15.513	6.126	153,2%
Cost income ratio*	85,7%	91,3%	

* Personnel expenses and other operating expenses as a percentage of net banking income (NBI).

Net banking income

The private banking model, based on forging close relations with and providing support for entrepreneurs, built further on the success achieved in recent years and generated gross inflows of close to €3.0 billion and net inflows of €1.1 billion, chiefly in France.

Private Banking net banking income came to €95.9 million in 2017, up 11.2% compared with 2016.

This overall trend reflects contrasting effects:

In France:

- management and advisory fees rose 8.3% compared with 2016 owing to the growth in assets as a result of net inflows;
- transaction fees advanced 5.1% compared with 2016, driven by a high level of trading activity in tandem with inflows and the dynamism of the markets;
- the significant increase in lending accounted for the healthy performance of the on-balance sheet business, which grew 38.6% in 2017, after a 34.5% rise in 2016.

In Italy, despite investments made in recent years, the business continued to face strong competitive pressure.

Overall, Private Banking net banking income accounted for 31.4% of consolidated net banking income in 2017, unchanged from 2015 and 2016.

Operating expenses

Private Banking operating expenses totalled €89.3 million in 2017, up slightly compared with 2016 (3%).

Personnel expenses came to €55.0 million, rising 2.0%, or €1.1 million, relative to 2016.

Other expenses moved 9.8% higher than in 2016. The key drivers of this increase were IT expenses on process automation and the introduction of digitalisation. Regulatory constraints in France and Italy also played a part in driving up expenses.

Operating income

Private Banking gross operating income came to €6.6 million, after a loss of €0.5 million in 2016, even though Italy made a negative contribution of €3.7 million. In France, Private Banking generated a

record profit of €10.3 million. Consequently, the cost/income ratio improved by 5 percentage points relative to 2016 to 86%.

As in previous years, the cost of risk was minimal, reflecting the high quality of the division's commitments and risk management.

Income (loss) before tax

Including the contribution from Edmond de Rothschild (Monaco), which was higher than in 2016, Private Banking's income before tax totalled €15.5 million in 2017, more than double its level in the previous year.

ASSET MANAGEMENT:

Highlights of 2017

- Close to €34.1 billion under management
- New infrastructure debt fund generations
- Significant successes delivered by high value-added strategies
- Ramp-up in Cleaveland

Edmond de Rothschild Asset Management's approach is founded on active management underpinned by strong research capabilities and an innovation strategy that aims to deliver long-run performance over a timeframe compatible with clients' own investment horizons.

The range of solutions available from Edmond de Rothschild Asset Management (EdRAM) comprises investment funds and managed accounts for institutional investors, together with open-ended UCITS marketed to private clients by partner financial institutions (private banks, investment companies and insurers) and independent financial advisors.

In late 2017, EdRAM announced the appointment of Gad Amar as Global Head of Business Development to contribute actively to strategic development in Europe. His arrival marked a major milestone in the process of building up EdRAM's presence in various client segments – institutional investors, distribution partners and independent asset management advisors.

New infrastructure debt fund generations

Infrastructure debt, which is gaining in popularity among institutional investors, has been one of the key components of the alternative asset offering in recent years.

To this end, two new infrastructure debt funds pursuing the same approach as the first generation, but with an optimised investment strategy, were launched as part of the expansion of the BRIDGE platform. BRIDGE 2, a fund registered in Luxembourg and launched in late 2016, closed with €310 million in commitments from French, German, Italian, Belgian and Spanish investors. The fund aims to hold a minimum of 80% in assets qualifying for a reduced capital weighting for infrastructure assets under the Solvency II directive, which makes this type of investment ideally suited for the needs of insurers and mutuals. BRIDGE 3, which was launched in 2017, closed initially in May with €80 million and then secured additional commitments in December, enabling the fund, which co-invests alongside other Bridge platform vehicles, to reach a total of €144 million.

BRIDGE 2 and 3 proved popular among yield-chasing institutional investors with long-term liabilities. The BRIDGE platform has already raised a total of €1.3 billion via its four funds, one of which is a dedicated vehicle, and BRIDGE 4, a new generation, is currently being marketed in 2018.

BRIDGE has invested over a billion euros over three years in 23 assets. Its infrastructure debt expertise has been recognised on several occasions. BRIDGE won two Deal of the Year accolades in the IJ Global Awards. At the European Pensions Awards, BRIDGE also gained a prize in the Infrastructure Manager of the Year category.

Distinctive funds

2017 brought several successes.

Edmond de Rothschild Financial Bonds generated over €600 million in net inflows in 2017. That made it Edmond de Rothschild Asset Management's largest fund with close to €2 billion under management. It outperformed its benchmark index by 6.4% in 2017⁹.

Edmond de Rothschild Fund Bond Allocation, a flexible fund covering the full spectrum of bond markets and harnessing Edmond de Rothschild Asset Management's diversified expertise in this asset class, generated over €950 million in net inflows in 2017. It represents an ideal solution for clients keen to delegate their fixed-income asset allocation in a complex environment in which active management is now absolutely vital. The fund draws on our know-how in fixed-income asset management and has delivered an annualised return of 4.4% since its new strategy was introduced in February 2013¹⁰.

The Edmond de Rothschild Start absolute-return fund, a very low volatility investment solution, was another solid performer in 2017, with inflows to the end of the year reaching close to €600 million, lifting the fund's total assets to close to €900 million.

Edmond de Rothschild Asset Management introduced Edmond de Rothschild Equity Europe Solve for its distribution clients, demonstrating its ability to adapt to the latest regulatory constraints and to devise novel investment solutions, building on its success among institutional clients. This new product has two main goals: to match the performance of European equities but with lower volatility and a reduced maximum risk of loss. It brings together several leading areas of expertise – European equity management, expertise in allocation and market risk management, and financial engineering capabilities.

Two of our funds gained a five-star rating from Morningstar. In its fourth year in operation, the Edmond de Rothschild Fund – Income Europe diversified fund was recognised for its performance, with the A units averaging a return of 5.2% p.a. since inception¹¹. The Edmond de Rothschild Fund – Emerging Credit fund also landed a top rating for the quality of its management. It ranked in the top decile in Morningstar's Global Emerging Markets Corporate Bond - EUR Biased category in 2017 and has done so for three years now.

More broadly, our expertise in emerging market bonds also gained acclaim. Edmond de Rothschild Asset Management won a 2017 Citywire Award in France, Spain and Germany for its expertise in emerging market bonds in strong currencies.

Lastly, our convertible bond management team was also honoured. The Edmond de Rothschild Fund – Convertible Europe All Caps fund won the convertible bonds category of the Globe de la Gestion 2017 awards in France. The SCOPE Awards 2017 organised in conjunction with German newspaper Handelsblatt also recognised Edmond de Rothschild Asset Management's convertible bonds expertise.

Major successes with institutional investors

The award of new managed accounts and increased allocations to existing managed accounts – a sign that investors continue to trust the quality of Edmond de Rothschild Asset Management's investment management – showed that the offering clearly appeals to institutional investors. In France, a dedicated Euro Equities managed account with a CSR bias was again secured from a major

⁹ Data to 31 Dec. 2017 for the C-EUR unit and for the BofA Merrill Lynch Euro Financial index. Source: Edmond de Rothschild Asset Management (France). Cumulative return since inception (4 April 2011): +41.76% (+5.31% annualised return). (France). Cumulative return since inception (4 April 2011): +41.76% (+5.31% annualised return).

¹⁰ Data to 31 Dec. 2017 for the A-EUR unit. Source: Edmond de Rothschild Asset Management (France). Cumulative return since the change in strategy (14 Feb. 2013): +23.44% (+4.42% annualised return). Cumulative return since inception (30 Dec. 2004): +46.64% (+2.99% annualised return).

¹¹ Data to 31 Dec. 2017 for the A-EUR unit. Source: Edmond de Rothschild Asset Management (France). Cumulative return since inception (31 December 2013): +22.41% (+5.19% annualised return). Average performance for Morningstar category over the period: +8.06. Morningstar ratings at 30 Dec. 2016 in the EUR Cautious Allocation category for the Edmond de Rothschild Fund – Income Europe fund and Global Emerging Markets Corporate Bond – EUR Biased category for the Edmond de Rothschild Fund Emerging Credit fund (A units in dollars). Morningstar ratings are not market classifications and cannot be considered as recommendations to buy, sell or hold units or shares in funds managed by Edmond de Rothschild Asset Management (France). Any reference to this fund's ranking or price is no guide to future classifications or prices for the fund and/or manager © Morningstar TM

institutional client. Bond funds also recorded significant inflows during the year, with our BRIDGE platform's financial debt and infrastructure debt funds the stand-out performers.

First-rate performance by Cleaveland in 2017

The 2016 acquisition of Cleaveland, a specialist real-estate manager, has expanded Edmond de Rothschild's real-estate offering in Europe. Cleaveland covers the full spectrum of real-estate services, including investment, financing and structuring, management of companies regulated by the AMF, renovation, and technical and administrative building management. Cleaveland had a very busy year in 2017, with its assets under management soaring €1.5 billion to €4.3 billion by the end of December. Its AMF approval was extended to cover retail funds for the Group's Private Banking clients and also to manage Luxembourg-registered FIAs (alternative investment funds). No fewer than 9 OPCIs (collective undertakings for property investments) were launched in 2017, bringing the total it manages to 28.

In addition, to capitalise on the real-estate market's strong performance, Cleaveland sold 22 properties for its investor clients.

Plans to acquire properties are currently afoot and are expected to go ahead in 2018.

Breakdown of asset management results

In thousands of euros	2017	2016	Évolution
Net banking income	172.077	141.412	21,7%
Operating expenses	-135.054	-137.089	-1,5%
- Personnel expenses:			
. direct	-52.824	-54.164	
. indirect	-20.350	-18.763	
- Other operating expenses	-53.974	-55.910	
- Depreciation, amortisation and impairment	-7.906	-8.252	
Gross operating income	37.023	4.323	x 8,6
Cost of risk	1	-	
Operating income	37.024	4.323	x 8,6
Share in net income of associates	-11.384	2.170	
Net gains or losses on other assets	-	-	
Changes in the value of goodwill	-	-	
Income (loss) before tax	25.640	6.493	x 3,9
Cost income ratio*	73,9%	91,1%	

* Personnel expenses and other operating expenses as a percentage of net banking income (NBI).

Net banking income

Assets under collective management totalled €34.1 billion at year-end, higher than at end-2016 based on the same scope.

The commercial successes presented above (Edmond de Rothschild Fund Bond Allocation, Edmond de Rothschild Start) and the renewed trust shown by clients in existing managed accounts (ERAFP) were the key contributors to the significant increase in assets under management.

They recorded a healthy performance effect in 2017, pushing assets under management up 4.5%.

Real-estate management income has been added back to this business. The results are thus analysed at comparable structure (2016 results also reflect the contribution made by this business).

Net banking income rose 20.0% compared with 2016 as a result of these supportive trends and the funds' healthy performance. The key contributors were as follows:

- net banking income rose by close to 21.0% in the original scope of the asset management business (excluding property) on the back of the uptrend in management and advisory fees (up 8.6%) in tandem with growth in assets under management and the very strong performance-related effects recorded in 2017 (€35.3 million vs. €12.2 million in 2016).

- more contrasting effects were at work in the real-estate management business, which was acquired during 2016, with the increase in the fund management business establishing a strong level of management and advisory fees while the major success on the sale of a property in 2016 was not replicated last year.
- the asset management fund distribution business in Italy also improved in 2017, generating a 49.2% increase in net banking income.

Operating expenses

Operating expenses edged 1.6% higher to reach €141.3 million, up from €139.0 million at comparable structure.

Asset Management personnel expenses came to €77.3 million, up from €74.4 million in the previous year. This 3.9% increase reflected the increase in variable remuneration in tandem with the growth in net banking income.

Other operating expenses (€55.0 million) dipped 2.3% between 2016 and 2017 as a result of restructuring efforts at the end of the year.

Operating income

As a result of the positive trends presented above, gross operating income rose in 2017 to €36.5 million from €9.2 million in 2016 at comparable structure.

The division's cost/income ratio improved significantly to 74% from 88% in 2016.

Income (loss) before tax

The Asset Management division's income before tax came to €25.1 million, up from €11.4 million in 2016 despite the significant negative impact of the loss recorded on a minority shareholding in Asia (in Zhonghai FMC) recognised under income from associates.

Calculated on the basis of management fees (excluding performance-related fees), the margin was 47 basis points, down 7 basis points from its 2016 level of 54 basis points.

PRIVATE EQUITY:

Highlights of 2017

- Co-investment funds: stellar performance and acquisitions
- Launch of the ActoMezz III fund
- Solid business flows for biotech and BioDiscovery 5 fund-raising
- Strong inflows and outflows from and into growth capital funds

Private equity is a strategic business segment for the Edmond de Rothschild Group, because it provides value-added investment solutions that set our private banking offering apart and add value to it. The divisional strategy focuses on supporting entrepreneurs and helping SMEs to grow. It takes the long view – in keeping with the culture and values of the Rothschild family.

In France, with over 25 years of experience and close to €2.4 billion under management at 31 December 2017, the Private Equity division possesses sophisticated expertise in growth capital (small and mid caps), mezzanine debt and minority co-investments.

Co-investment funds: stellar performance and acquisitions

Following the record €300 million raised by ERES III in mid-2016, the Edmond de Rothschild Equity Strategies (ERES) franchise had a busy year in 2017. From a corporate standpoint, it recruited new staff and arranged a €45 million short-term financing line to facilitate management of calls for funds from investors. On the investment front, the ERES III fund with its 5 portfolio lines invested over 30% of its commitments in just 18 months. In addition to the two transactions carried out in late 2016 (IHS Holding, Africa's leading independent telecom tower operator, and Prince Minerals Inc., a producer

and distributor of performance minerals, located in the United States), ERES III invested in three new shareholdings in 2017. Its portfolio now has a €20 million shareholding in Allegro.pl, Poland's undisputed e-commerce leader, plus a \$10 million commitment to PIB Insurance, an insurance broker covering speciality markets for SMEs in the United Kingdom. Lastly, ERES III contributed \$30 million to a fresh funding round by AmaWaterways, a high-end specialist in river cruises in Europe.

The ERES II portfolio again performed very well. It made a \$5 million build-up investment in IHS Holding alongside ERES III. In addition, the fund sold on the market the remainder of its investment in Baozun, a company that develops and manages e-commerce sites in China for an overall exit multiple of 4.4x its cost. ERES II also sold to Nippon Life its shareholding in US asset manager The TCW Group for an exit multiple of 4.7x its cost. These performances owe a great deal to the substantial organic growth achieved by these two assets, enabling ERES II to increase its payouts to 105% of initial commitments.

Launch of the ActoMezz III fund

One year after adding mezzanine investments to its offering, Edmond de Rothschild Investment Partners continued to expand this business in 2017, with ActoMezz III, its new fund, leading the way. It closed with €314 million in commitments, well above its initial hard cap of €300 million. Working as a close partner with business managers keen to maximise their shareholding, the ActoMezz team has firmly established itself in the French mid cap segment. Investments range from €5 million to €45 million, as with previous funds.

In 2017, the ActoMezz franchise completed several investments, including in MS Vacances (outdoor holiday accommodation) and Philogeris (nursing homes), the latest additions to the ActoMezz II fund, and G3S Alyzia (airport services), TimeOne (marketing services) and Walor International (turning of automotive parts) for the new ActoMezz III fund.

Solid business flows for biotech

The BioDiscovery franchise raised in 2017 €345 million for its BioDiscovery 5 fund, now the largest European fund dedicated to biotech. The funding round began in late 2016 and was due to close in January 2018. The roll-out of BioDiscovery 4 continued in 2017, with €18.1 million in build-up investments in 6 portfolio companies and 2 new investments.

The total capital raised for life sciences funds by Edmond de Rothschild Investment Partners, which has carved out a strong reputation for itself in this area in Europe, stands at over €750 million.

Strong inflows and outflows from and into growth capital funds

2017 was a busy year on two fronts.

The Winch 3 fund continued to invest at a brisk pace, establishing 6 new shareholdings in France and Italy during 2017 at a total cost of €106 million. These investments included the acquisition of a stake in Potel & Chabot (organisation of prestige receptions) and Platinum (online ticketing software vendor) in France.

Additionally, Winch 2 continued its active search for liquidity, disposing of interests in European Homes. In 2017, €78.4 million was paid back to investors.

Activity in the small-cap private equity segment was brisk. Following its funding round in 2016 that closed with €170 million in commitments, the deployment of Cabestan 2 continued apace. The fund completed seven investments in 2017.

Breakdown of Private Equity results

In thousands of euros	2017	2016	Évolution
Net banking income	4.150	3.172	30,8%
Operating expenses	-5.230	-4.732	10,5%
- <i>Personnel expenses:</i>	-3.765	-3.022	
<i>. direct</i>	-3.321	-2.682	
<i>. indirect</i>	-444	-340	
- <i>Other operating expenses</i>	-1.358	-1.604	
- <i>Depreciation, amortisation and impairment</i>	-107	-106	
Gross operating income	-1.080	-1.560	-30,8%
Cost of risk	-	-	
Operating income	-1.080	-1.560	-30,8%
Share in net income of associates	1.384	549	
Net gains or losses on other assets	-	-	
Changes in the value of goodwill	-720	-807	
Income (loss) before tax	-416	-1.818	-77,1%
Cost income ratio*	123,4%	145,8%	

* Personnel expenses and other operating expenses as a percentage of net banking income (NBI).

Net banking income

As a result of the successful fundraisings in 2016, net banking income rose €1.0 million despite the decline in fund set-up fees in 2017.

Operating expenses

With further investments to diversify its activities and continuing reorganisation costs related to the core private equity businesses in France, the division's operating expenses were €0.5 million higher in 2017 than in 2016.

Operating income

Private Equity posted a gross operating loss of €1.1 million in 2017, reflecting the trends presented above.

Income (loss) before tax

The contribution from Edmond de Rothschild Investment Partners was €0.8 million higher than in 2016 reflecting the successful launches of the next generations of its Bio Discovery (5th generation) and ActoMezz (3rd generation) franchises.

The Private Equity business posted a loss before tax of €0.4 million.

OTHER ACTIVITIES AND PROPRIETARY TRADING:

CORPORATE ADVISORY SERVICES:

Highlights of 2017

- 19 transactions advised on by the corporate finance unit
- Continuing ramp-up in the property business and in financing advisory
- Two new areas of expertise: tech & digital and the small caps segment

Advising owner-managers, family-controlled companies and financial investors is a longstanding business at the Group and a distinctive feature of its business model in France setting it apart from its direct banking rivals. Edmond de Rothschild advises entrepreneurs and families, as well as financial investors and industrial groups, on capital transactions related to their industrial, commercial and property assets. That also gives family-office investors access to asset diversification solutions.

The team focuses on the small- and mid-cap market segment (i.e. deal sizes ranging from €20 million to €500 million. Independent, conflict of interest-free and unique deal-making experience with family-owned firms to support clients in France and abroad is what sets it apart from its rivals.

To build a tighter management team, Edmond de Rothschild Corporate Finance made changes to its governance structure, switching to a five-strong Management Committee headed by Philippe Duval, its Chairman. The new governance structure with its more collective decision-making has enhanced the team's effectiveness and is aligned with the Group's development goals for the business line.

Expertise harnessed through close collaboration with other business lines

Corporate Finance offers a full line of advisory services catering to all industries covering equity and debt transactions, from sales of shareholdings (LBO, MBO, capital-raising) to divestments, acquisitions and delistings.

Combining the Corporate Finance division's advisory expertise with private banking/wealth engineering know-how yields strategic, industrial and wealth planning insights for family-controlled firms, owner-managers working under an existing LBO and Private Equity funds in the early stages of deals. It also helps forge long-term ties.

To meet the needs of an ever more global client base, the teams based in Paris, Lyon and the United Kingdom complete a large number of deals with an international dimension. They chiefly involve disposals or the sale of shareholdings in French companies to non-French investors (both financial and industrial).

Strong business momentum in small and mid caps

Like the large cap market, the midmarket was again very active in 2017. The midcaps market, highly influenced by business owners' wealth planning considerations, accelerated very sharply in the second half of the year¹². The Corporate Finance teams reaped the benefit of this trend, completing 19 deals, and pushed ahead with the development of the business.

Completed transactions included the sale of the Clos de Tart vineyard in Burgundy to Artemis, the sale of Hedis to the UK listed group Bunzl, the sale of a stake in pharmaceutical group SERB to CharterHouse, the sale of pharmaceutical group Théradiol to its management and to investment funds UI Gestion and BPI France, the purchase of a minority shareholding in Maison du Whisky by RAISE, the sale of a controlling interest in DL Software to 21 Centrale Partners, the acquisition of Unither by Ardian plus management, and an overhaul of the Cojean group's ownership structure.

Development of two new areas of expertise that got off to a promising start: tech & digital and the small caps segment

Since mid-October 2017, Edmond de Rothschild Corporate Finance has gained tech & digital expertise to cement its offering in an area that is fertile ground for M&A transactions. By adding this new expertise, the Corporate Finance team will be in a position to provide a higher level of support to owner-managers and family-owned companies in the tech & digital sector, especially with financing and growth (fundraising), M&A and wealth planning issues. It will also be able to advise and guide financial investors and funds with shareholdings and assets in the sector.

Likewise, the small caps unit now provides more effective coverage of this segment, which harbours major synergies with mid-caps and private banking and generates a very substantial annual volume of transactions, with the sourcing of midcap opportunities, cross deal flow between corporate finance and private banking, and direct investment opportunities via the ultra-high net-worth segment.

¹² Source: Agefi Hebdo no. 594-595, 4 January 2018 – Exclusive M&A rankings – p. 24

In addition, property expertise and financing advisory expertise both continued to ramp up to full speed during the year. Both were involved in new deals, such as the sale of a majority shareholding in building renovation specialist CIR and Urban Premium to Bridgepoint and in advising majority shareholders in the Accueil group to finance the acquisition of the minority holding.

Results of Other Activities and Proprietary Trading

In thousands of euros	2017	2016	Évolution
Net banking income	33.000	43.807	-24,7%
Operating expenses	-39.857	-39.465	1,0%
- <i>Personnel expenses:</i>	-29.097	-23.952	
<i>. direct</i>	-23.790	-18.246	
<i>. indirect</i>	-5.307	-5.706	
- <i>Other operating expenses</i>	-7.340	-12.651	
- <i>Depreciation, amortisation and impairment</i>	-3.420	-2.862	
Gross operating income	-6.857	4.342	ns
Cost of risk	-65	-248	
Operating income	-6.922	4.094	ns
Share in net income of associates	-	-	
Net gains or losses on other assets	732	9.428	
Changes in the value of goodwill	-	-	
Income (loss) before tax	-6.190	13.522	ns
Cost income ratio*	ns	ns**	

* Personnel expenses and other operating expenses as a percentage of net banking income (NBI).

Net banking income

Corporate Advisory Services

The Corporate Advisory Services division continued to perform well in 2017, building on the very strong platform it established in 2016. Its net banking income came to €16.2 million, down €3.5 million on 2016.

Proprietary Trading

Net banking income sank €6.2 million lower than in 2016 despite a healthy contribution from currency trading. The key factors at work were the low interest-rate environment and the lack of any significant gains on the investment portfolio.

Operating expenses

Corporate Advisory Services

Thanks to the impact of adjustments to variable remuneration to reflect top-line trends and tight management of discretionary budgets and payroll costs, operating expenses were €0.4 million lower than in 2016.

That said, gross operating income was at breakeven point, down from €3.2 million in positive territory in 2016, as lower net banking income took its toll.

Income (loss) before tax

The disposal of Edmond de Rothschild (Israel) Ltd and the divestment of interests in Group entities (Edmond de Rothschild (UK) Ltd and EdRRIT) had produced €9.4 million in capital gains in 2016. No such transactions took place in 2017.

Consequently, the Other Activities and Proprietary Trading division recorded a loss before tax of €6.2 million, after a profit of €13.5 million in 2016.

Outlook for 2018

Edmond de Rothschild (France) (or **EdR (France)**) will continue to execute the Group's strategy of refocusing on its core strengths, leading by example and harnessing opportunities for collaboration and synergies within the Group.

Buoyed by a year of very strong business trends crowned with key commercial and financial success, Private Banking continues to pursue ambitious goals in France. Following on from the landmark compliance project completed in 2017 of aligning its processes with MiFID II, the main challenge for Private Banking is to stay just as agile so it is able to maintain its profitability as other market players gradually adapt their own offering to the new regulatory environment. Other key avenues of development will again include efforts to harness synergies with the Group's other business lines – Asset Management with the ramp-up in the private banking/investment advisory division (PBIA) and Cleaveland, Private Equity and Corporate Finance.

One of the most important strategic developments for the Asset Management business line, now refocused on its European backbone with a reshaped offering of products and services, is the build-up of the PBIA division, which aims to serve the Group's private banks as effectively as possible. Innovation continues to drive its product offering, and the goal is to ensure investors are offered solutions geared to complex markets.

Movements in the portfolio of subsidiaries and associates

During 2017, the main transactions carried out by Edmond de Rothschild (France) were as follows:

- Acquisitions

Edmond de Rothschild (France) acquired shares in Edmond de Rothschild Asset Management (France) in 2017. Its interest rose from 99.53% at 31 December 2016 to 99.85% at 31 December 2017.

- Divestments and dissolutions

Edmond de Rothschild (France) sold its entire holding in the following companies:

- it sold its shares in BpiFrance Financement in May 2017
- it sold its shares in Novespace in December 2017.

In addition, its Italian subsidiary Edmond de Rothschild (Italia) SGR SpA merged with and into Edmond de Rothschild (France) with retroactive effect from 1 January 2017. As a result of this cross-border merger by absorption, all the assets and liabilities of Edmond de Rothschild (Italia) SGR SpA were transferred to Edmond de Rothschild (France) Italian branch, a pre-existing permanent establishment.

- Restructuring

In January 2017, Elivest reduced its share capital by means of a reduction in the nominal value of its shares. Following this transaction, Elivest's share capital consists of 600,000 shares each with a nominal value of €0.0833333, representing a total of €49,999.98. Edmond de Rothschild (France)'s shareholding remained unchanged at 16.67% at 31 December 2017.

Consolidated balance sheet

Consolidated total assets came to €3,442.8 million at 31 December 2017, up 23.8% compared with €2,781.7 million at 31 December 2016.

This increase in total assets was accompanied by a major shift in the structure of the balance sheet, with a hefty rise in central bank assets, a corollary of the Bank's improved overall liquidity position and a conservative cash management policy with the low interest-rate environment offering few opportunities. The rise in loans and receivables due from clients resulted from the Group's strong business momentum.

Assets

In thousands of euros	31.12.2017	31.12.2016
Financial liabilities at fair value through profit and loss	2.025.603	1.176.124
Due to credit institutions	8.777	35.970
Due to clients	221.482	269.138
Current and deferred tax liabilities	127.861	249.595
Provisions	672.883	631.744
Subordinated debt	-	-
Equity attributable to equity holders of the parent	168.753	190.294
Non-controlling interest	217.464	228.861
Total liabilities	3.442.823	2.781.726

Liabilities and equity

In thousands of euros	31.12.2017	31.12.2016
Financial liabilities at fair value through profit and loss	1.379.627	967.876
Due to credit institutions	28.127	23.683
Due to clients	1.418.286	1.170.160
Current and deferred tax liabilities	204.892	224.613
Provisions	25.331	28.333
Subordinated debt	-	-
Equity attributable to equity holders of the parent	373.579	364.459
Non-controlling interest	12.981	2.602
Total liabilities	3.442.823	2.781.726

Commitments given and received by the Group

In thousands of euros	31.12.2017	31.12.2016
Commitments given		
Loan commitments	216.401	189.695
Guarantee commitments	72.192	98.955
Commitments received		
Loan commitments	-	-
Guarantee commitments	12.871	50.802

Main changes in consolidated assets

Cash, due from central banks and postal accounts shows the Bank's demand deposits with the ECB and the Banque de France. As explained above, the increase in this line item was the consequence of the general improvement in the Bank's liquidity position and prudent cash management in a period of very low or, at times, negative interest rates.

Total financial assets at fair value through profit and loss declined to €8.8 million at 31 December 2017 from €36.0 million at 31 December 2016. The key factors at work were the fall in the fair value of trading derivatives and the maturity of three government bonds.

At 31 December 2017, this line item chiefly comprised eurozone government bonds acquired in connection with structured UCITS funds (€2.6 million) and futures contracts measured at fair value (€0.6 million) to hedge market risks incurred through structured products (€5.6 million).

Available-for-sale financial assets net of impairment were measured at a fair value of €221.5 million at 31 December 2017, down 17.7% from €269.1 million at 31 December 2016, as two German government bonds held previously reached maturity.

At 31 December 2017, this line item mainly reflects positions in Group UCITS held by the Bank and its subsidiaries as seed money or for sponsorship purposes.

It also includes German (€4.1 million) and French government bonds (€14.5 million), with interest-rate risk hedges in place.

Loans and receivables due from credit institutions declined to €127.9 million at 31 December 2017, down 48.8% from €249.6 million at the end of the previous year. This decline was attributable to the maturity of a €79.2 million overnight loan and a €42.6 million reduction in ordinary demand deposit accounts.

Loans and receivables due from clients (net of provisions), consisting of ordinary overdrafts and loans, advanced by 6.5% to €672.9 million at 31 December 2017 compared with €631.7 million at 31 December 2016. That increase was primarily the result of an increase in client overdrafts excluding UCITS funds, which rose by €28.7 million, and a €4.8 million increase in lending.

Debit positions on UCITS current accounts fell from €8.0 million at 31 December 2016 to €7.6 million at 31 December 2017.

Tax assets and other assets declined by 11.3% with the depletion of the deferred tax assets arising from the tax loss carryforwards.

Non-current assets other than financial assets totalled €217.5 million at 31 December 2017, down from €228.9 million at 31 December 2016. This decline was predominantly linked to the reduction in investments in associates.

Main changes in consolidated liabilities

Financial liabilities at fair value through profit and loss totalled €1,379.6 million at 31 December 2017, up 42.5% relative to 31 December 2016 (€967.9 million). This increase mainly derived from a net increase of €411.8 million in issues of debt instruments by Edmond de Rothschild (France) to credit institutions.

Due to credit institutions reflects demand deposit accounts, on which balances increased to €28.1 million at 31 December 2017, from €23.7 million at 31 December 2016.

Due to clients comprises ordinary accounts in credit, term deposits and savings accounts, and repo transactions with the Group's UCITS for cash management purposes. This line item rose by 21.2% or €248.1 million overall to reach €1,418.3 million at 31 December 2017. This net increase was chiefly driven by a €290.6 million rise in ordinary accounts in credit, offset by a €50.1 million decline in other financial liabilities.

Provisions declined from €28.3 million at 31 December 2016 to €25.3 million at 31 December 2017.

After 2017 net income of €24.1 million, **equity attributable to equity holders of the parent** rose 2.5% to €373.6 million at 31 December 2017.

Commitments given and received by the Group

Loan commitments given to clients, which include commitments to invest in certain of the Group's private equity funds, amounted to €216.4 million compared with €189.7 million at 31 December 2016. This increase reflected a €31.0 million rise in overdraft authorisations and a €4.2 million reduction in commitments on securities receivable.

Guarantees given by the Group fell 27% to €72.0 million, from €99.0 million at 31 December 2016. The guarantees mainly consisted of administrative and financial security provided to clients (down

€42.7 million) and guarantees to investors in structured, formula and cushion funds, as well as representations and warranties provided to companies.

Guarantees received from credit institutions declined to €12.9 million from €50.8 million at the end of 2016.

Parent company financial statements

Parent company balance sheet

At 31 December 2017, the Bank's total assets amounted to €3.425 billion. That represented an increase of 26.2% over the previous year from €2.713 billion.

The main balance sheet items were as follows:

In thousand of euros	31.12.2017	31.12.2016
Assets		
Cash accounts and interbank operations	2.135.093	1.404.703
Loans to customers	710.338	737.633
Other financial accounts	177.598	155.904
Securities and fixed assets	401.833	414.892
Total	3.424.862	2.713.132

Liabilities		
Cash accounts and interbank operations	995.233	576.300
Client deposits	1.506.860	1.244.840
Borrowings represented by securities	455.012	472.784
Other financial accounts	162.877	119.028
Subordinated debt	21.023	21.732
Shareholders' equity	283.857	278.448
Total	3.424.862	2.713.132

On the asset side, **cash accounts and interbank operations** accounted for 62.3% of the Bank's total assets, or €2.135 billion compared with €1.405 billion at 31 December 2016, an increase of €730 million or 52%. Cash deposited with the ECB and the Banque de France amounted to €2.025 billion at 31 December 2017, or 59% of the Bank's total assets (versus €1.176 billion and 43% at 31 December 2016), reflecting conservative cash management in a low interest-rate environment. Demand deposits with financial institutions decreased from €229 million at 31 December 2016 to €109 million at 31 December 2017.

Loans to clients amounted to €710 million at 31 December 2017, down 4% from €738 million at 31 December 2016. That fall derived largely from customer overdrafts.

Other financial accounts rose 14% to reach €178 million, up from €156 million in the previous year.

Securities and non-current assets amounted to €402 million at 31 December 2017, compared with €415 million at 31 December 2016. This 3% decrease was to a great extent the product of, firstly, calls for funds and sales of private equity UCITS funds and, secondly, the merger with Edmond de Rothschild (Italia) SGR SpA.

On the liabilities side, **interbank operations** rose to €995 million at 31 December 2017 from €576 million at 31 December 2016. Term loans were the main factor behind this increase.

Client deposits rose by 21% to €1,507 million at 31 December 2017, up from €1,245 million at 31 December 2016. This increase was predominantly the result of a rise in clients' other demand deposits. Repo transactions with the Group UCITS remained stable at €6 million at 31 December 2017 compared with €7 million at 31 December 2016 with the continuing decline in interest rates.

Clients' term deposits fell €48 million.

Debt securities amounted to €455 million compared with €473 million one year earlier. They consisted mainly of Euro Medium Term Notes (EMTNs) issued in connection with structured products and certificates of deposit.

Other financial accounts raised €44 million to €163 million from €119 million at 31 December 2016. The rise reflected the measurement of currency exposures.

Subordinated debts, which amounted to €21 million at 31 December 2017 (unchanged from at 31 December 2016), includes only the undated super-subordinated notes issued by the Bank in June 2007 to strengthen the Group's regulatory capital.

Items relating to **shareholders' equity** are as follows:

In thousand of euros	(1) 31.12.2017	(1) 31.12.2016
Capital	83.076	83.076
Reserves	130.522	130.522
Retained earnings	51.558	40.458
Total	265.156	254.056

⁽¹⁾ Before appropriation of net income for the year.

Net income for the year came to €18.7 million compared with €24.4 million in 2016, representing a decline of 23%.

Parent company income statement

The Bank's condensed income statement, in thousands of euros, was as follows:

	2017	2016
Net banking income	170.675	157.130
Personnel expenses	-90.073	-84.166
Other operating expenses	-53.189	-55.814
Depreciation and amortisation	-11.296	-13.074
Gross operating income	16.117	4.076
Cost of risk	26	10
Net gains or losses on other assets	-8.763	4.986
Non-recurring items	-8.437	4.636
Income tax	19.758	10.684
Net income	18.701	24.392

Net banking income

Net banking income rose 8.6% in 2017 to reach €170.7 million, up from €157.1 million in 2016.

The €14 million increase derived mainly from asset management fee income, which surged 12.3% to €78.2 million from €69.7 million in 2016. The increase flowed from higher investment fees, other transaction fees (transfers and front-end charges) and fees on portfolios managed by the Italian branch, which rose significantly following the merger of Edmond de Rothschild (Italia) SGR SpA, the Italian subsidiary, with and into Edmond de Rothschild (France)'s branch.

Margin revenue rose €1 million between 2016 and 2017. The growth reflected the increase in financing awarded to clients and the introduction of interest charges on overdrawn institutional clients' accounts.

Capital market transactions, which were again affected by the record low levels of interest rates, and currency movements, contributed €1.7 million to the rise in net banking income between 2016 and 2017.

Net banking income also reflected higher gains on the securities portfolio and other income.

The line item increased by €2.2 million compared with 2016. This trend was chiefly attributable to a reduction in impairment losses on securities and an increase in miscellaneous revenues.

Operating expenses, depreciation and amortisation

Operating expenses, depreciation and amortisation came to €154.6 million, up 1% from the €153.1 million recorded in 2016.

This €1.5 million increase breaks down into:

- a 7% increase in **personnel expenses** to €90.1 million in 2017 from €84.2 million in 2016;
- a 4.7% reduction in **other operating expenses** to €53.2 million in 2017 from €55.8 million in 2016; and
- €11.30 million in **depreciation and amortisation** in 2017, compared with €13.1 million in 2016.

After operating expenses, depreciation and amortisation, gross operating income totalled €16.1 million, up from €4.1 million in 2016.

Non-operating items

The net **cost of risk** was positive in 2017, as in 2016, a real testament to the calibre of the Bank's commitments and its risk management policy.

Net gains or losses on other assets showed a net loss of €8.8 million versus a net gain of €4.9 million in 2016. The key contributor to this loss was an impairment loss of €12.9 million recognised on our investment in Zhonghai Fund Management Co. Ltd.

Non-recurring items showed a net loss of €8.4 million, reflecting recognition of a merger loss on the Edmond de Rothschild (Italia) SGR SpA subsidiary.

Under the Group's tax consolidation arrangements, the Bank recorded a net income tax benefit of €19.8 million compared with €10.7 million in 2016.

Net income came to €18.7 million compared with €24.4 million in 2016, representing a decrease of €5.7 million.

Share capital

Ownership of the share capital, which amounted to €83,075,820 at 31 December 2017, was as follows:

Edmond de Rothschild S.A.	5.509.180	representing	99,47%
Caisse de Dépôt et Placement du Québec	24.172	representing	0,44%
EDRRIT Limited	4.976	representing	0,09%
Various Group's employees shareholders	60	representing	0,00%
Total	5.538.388	representing	100,00

At 31 December 2017, there were no employee shareholders as the term is defined in Article L. 225-102 of the French Commercial Code.

Disclosures pursuant to Articles 39-04 and 223d and 39-05 and 223e of the French General Tax Code.

Edmond de Rothschild (France) recorded a total amount of €344,359 in expenditure covered by Articles 39-04 and 223d of the French General Tax Code (extravagant expenditure), corresponding to €114,786 in corporate income tax, which was duly paid.

No expenditure falling within the scope of Articles 39-05 and 223e of the French General Tax Code was recorded.

Information on payment terms

(Articles L441-6-1 and D441-4 of the French Commercial Code)

At year-end 2017, the amounts owed by the Company to its suppliers broke down by maturity as follows (in euros):

Invoices received and issued unpaid at the balance sheet date of the fiscal year in which the term has expired.												
	Article D. 441 I.- 1° : invoices received not paid on the closing date of the financial year that has expired						Article D. 441 I.- 2° : unpaid invoices issued at the end of the fiscal year ending on the expiry date					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Slices of late payment												
Number of invoices concerned	11					11	82					82
Total amount of invoices concerned excl tax		113.343				113.343		734.261	138.047	5.891	176.699	1.054.898
Percentage of total purchases excl tax in the year	0%	0%	0%	0%	0%	0%						
Percentage of turnover for the year excl tax							0%	0%	0%	0%	0%	0%
Invoices excluded from (A) relating to disputed and unrecorded debts and receivables												
Number of invoices excluded												
Total amount of excluded invoices excl tax												
(C) Reference payment periods used (contractual or statutory period - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment deadlines used for calculating late payments												

Information on dormant bank accounts

Pursuant to French Act no. 2014-617 of 13 June 2014 on dormant bank accounts, Edmond de Rothschild (France) discloses that:

- it identified 5 dormant accounts as defined in the aforementioned Act on its books in 2017 with a total balance of €16,321.88;
- it did not identify any dormant accounts on its books in respect of 2017 with deposits or other assets transferable under French law to Caisse des Dépôts et Consignations and thus made no such transfers to Caisse des Dépôts et Consignations.

Information on branches (Article L. 232-1 of the French Commercial Code)

Pursuant to Article L. 232-1 of the French Commercial Code, the branches in existence at 31 December 2017 were as follows:

- a branch at Corso Venezia 36 in Milan (Italy);
- regional offices in Bordeaux, Lille, Lyon, Marseille, Nantes, Strasbourg and Toulouse.

Information about offices and activities at 31 December 2017

Article L. 511-45 of the French Monetary and Financial Code as amended by government order no. 2014-158 of 20 February 2014 requires credit institutions to publish information about their offices and business activities within their scope of consolidation, in each state or territory.

Offices by country

Operation	Business
CHILE	
Edmond de Rothschild Asset Management (Chile) S.A.	Asset management
CHINA	
Zhonghai Fund Management Co. Ltd.	Asset management
Edmond de Rothschild Advisory Management (Beijing) Co Limited	Asset management
China Investment Partners (Shanghai) Limited	Advisory/financial engineering
FRANCE	
Edmond de Rothschild (France)	Banking
Edmond de Rothschild Asset Management (France)	Asset management
Edmond de Rothschild Investment Partners	Asset management
Financière Boréale	Proprietary trading (buying and selling of investments)
Cleaveland	Asset Management
Edmond de Rothschild Corporate Finance	Business advice/Financial Engineering
Edmond de Rothschild Private Equity (France)	Asset management
Groupement Immobilière Financière	Other
Edmond de Rothschild Investors Assistance	Other
Edmond de Rothschild Assurances et Conseils (France)	Insurance broking
UK	
LCFR UK PEP Limited	Asset management
HONG KONG	
Edmond de Rothschild Asset Management (Hong Kong) Limited	Asset management
Edmond de Rothschild Securities (Hong Kong) Limited	Wealth management (private banking)
China Investment Partners (Hong Kong) Limited	Asset management
ISRAEL	
Edmond de Rothschild Boulevard Buildings Ltd.	Property management
LUXEMBOURG	
Edmond de Rothschild Euroopportunities Management SàRL	Asset management
EdR Real Estate (Eastern Europe) Cie SàRL	Proprietary trading (buying and selling of investments)
Edmond de Rothschild Euroopportunities Invest SàRL	Proprietary trading (buying and selling of investments)
CFSH Secondary Opportunities S.A SICAR	Proprietary trading (buying and selling of investments)
CFSH Luxembourg SàRL	Proprietary trading (buying and selling of investments)
Bridge Management SàRL	Proprietary trading (buying and selling of investments)
Edmond de Rothschild Euroopportunities Management II Sàrl	Asset management
Edmond de Rothschild Euroopportunities Invest II SàRL	Asset management
EdR Real Estate (Eastern Europe) Management SàRL	Asset management
Edmond de Rothschild Investment Partners China SàRL	Asset management
MONACO	
Edmond de Rothschild (Monaco)	Wealth management (private banking)

	Revenue	Net banking income	Headcount	Pre-tax income	Income tax	o/w current taxes	o/w deferred taxes
CHILI	43	-84	-	-90	-	-	-
CHINE	7	-21	-	-11.245	-12	-12	-
FRANCE	826.551	302.704	774	39.633	-9.854	-3.154	-6.700
GREAT BRITAIN	-	-	-	-18	-	-	-
HONG KONG	539	1.300	2	-817	-50	-47	-4
ISRAEL	1.325	929	1	-757	-	-	-
LUXEMBOURG	5.284	289	-	-1.113	-70	-73	3
MONACO	-	-	-	8.955	-	-	-
TOTAL	833.749	305.117	777	34.547	-9.986	-3.285	-6.701

Internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Presentation of the organisation and operation of internal control and risk management

The key principle underpinning the internal control organisation is that operational duties should be kept separate from supervisory roles. Under this approach, front-office units (e.g. sales departments and trading floors) are kept strictly separate from support functions (e.g. back-office, middle-office and accounting). Edmond de Rothschild (France)'s handbook of internal procedures underscores this principle of the separation of duties. In addition, its framework of control processes is built around internal controllers within the Compliance and Permanent Control Department and in the business lines and subsidiaries. The internal control procedures aim to ensure the fair presentation and reliability of the accounting and financial information provided to the Supervisory Board, shareholders and supervisory authorities, and that the information is provided and published on a timely basis.

Control levels

Edmond de Rothschild (France)'s internal control framework is underpinned by the following principles:

- corporate and supervisory bodies are heavily involved, especially the Audit Committee and the Risk Committee;
- a dense network of 17 internal controllers at the business lines and subsidiaries, plus 6 staff members who monitor compliance within the Compliance and Permanent Control Department. These employees are obliged to report their findings on a regular basis and apply a unified control methodology;
- a Central Risk Department monitoring operating risk, which has 7 permanent staff members and 10 risk liaison officers working at the business lines (2 of whom have a different main activity);
- an Internal Audit division with five members of staff;
- special attention paid to compliance with regulations, including:
 - o government decree of 3 November 2014 on internal control,
 - o AMF's General Regulation,
 - o MiFID II directive,
 - o recommendations published by the Basel Committee,
- Government order no. 2016-1635 of 1 December 2016 and Directive (EU) 2015/847 of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and other related rules;

- clear allocation of resources to either periodic control (by the Internal Audit Department) or permanent control (by dedicated internal controllers and the Compliance and Control Department).

General risk management policy

Edmond de Rothschild (France)'s main sphere of activity covers private banking, asset management, private equity and corporate advisory services.

Accordingly, its risk management policy aims to:

- perform very strict controls on the development of various activities, including market and credit transactions, to ensure that only limited exposure is incurred;
- arrange highly liquid financing arrangements, with abundant long-term sources of funds and uses of funds that can be sold easily, should the need arise.

In addition to its own role in monitoring financial risks, the Central Risk Department is tasked with coordinating risk management. In particular, it is responsible for organising cross-functional committees that review all the risks inherent in the Bank's business activities. It drafts a Risk Policy in conjunction with its liaison officers and in line with the Group Risk Charter and Policy (Edmond de Rothschild Holding, Geneva), which is submitted to the Risk Committee, then approved by the Supervisory Board.

The Central Risk Department also submits a Recovery Plan to the Risk Committee and the Supervisory Board, pursuant to the French government order no. 2015-1024 of 20 August 2015.

The Central Risk Department reports directly to the Executive Board and reports regularly on the controls it performs to the Supervisory Board via the Risk Committee.

Production of accounting and financial information

The internal control framework also applies to the production of accounting and financial information. The Company's individual and consolidated accounts are maintained by the Accounting Department, which is rigorously independent of the operating entities. It also applies the principle that at least two staff members should be in a position to perform every critical task.

The Accounting Department manages the (parent company and consolidated) accounts of the Bank and those of majority-owned subsidiaries primarily using information provided by the back offices. It applies the accounting principles and rules in force. The accounts of subsidiaries registered in other countries are managed locally.

The consolidation process relies on the transmission of detailed information using a standard reporting package completed by each subsidiary.

The Accounting Department consolidates profit and loss each month and carries out a detailed review of each subsidiary's individual financial statements. It ensures that financial statements are published on time.

Furthermore, a meeting is held at least quarterly under the authority of a member of the Executive Board to review doubtful loans and provisions for litigation and to determine the appropriate allocations to and reversals from provisions. The Legal Department, the Chief Accountant and an Internal Auditor also attend this meeting.

The Accounting Department has a unit tasked with analysing the financial statements and detecting potential errors. The accounting processes and the quality of the accounting and financial information are also subject to checks by permanent control, with one internal controller assigned solely to the Finance and Development Department, and to periodic audits by the Internal Audit Department.

Additionally, the Company's financial statements have to be audited by two independent Statutory Auditors.

The parent company financial statements (Report of the Executive Board, parent company financial statements) and consolidated financial statements (consolidated financial statements, Edmond de Rothschild (France)'s Management Report) are submitted to the Audit Committee and the Supervisory Board.

The Audit Committee conducts a global and summary review of the control framework for accounting and financial risks, and ensures the completeness and consistency of the system for reporting financial information.

Lastly, the Statutory Auditors review the interim financial statements (for the period to 30 June) and present their work to the Audit Committee ahead of the approval of the financial statements (at least twice a year). They are also invited to meetings of the Supervisory Board that review the financial statements.

Recognition of financial risks associated with climate change effects and measures taken to reduce them

Edmond de Rothschild (France) has pursued a programme to mitigate its environmental footprint since 2011. Its efforts are an integral part of Edmond de Rothschild Group's sustainability strategy. Measures taken by the Edmond de Rothschild Group to reduce such risks are presented in the Sustainable Development Report (<http://www.edmond-de-rothschild.com/site/International/en/Sustainable-development/reports>).

The measures introduced specifically by Edmond de Rothschild (France) are stated in the Social and environmental information section ("Management of financial risks linked to climate change and the energy transition") in Edmond de Rothschild (France)'s annual report.

2017 Sustainability report

The Edmond de Rothschild Group's sustainability strategy is based around five pillars, on which the Group has decided to focus until 2020 (see image below). The first three represent material issues that directly impact our activities and performance, while the last two reflect our pro-active commitment to sustainability overall in line with our corporate identity and values.

The Group has defined material issues and specific objectives for each of the five pillars, in order to manage the identified issues in an active, controlled way. The issues and objectives are presented as a general framework in each section of this report.

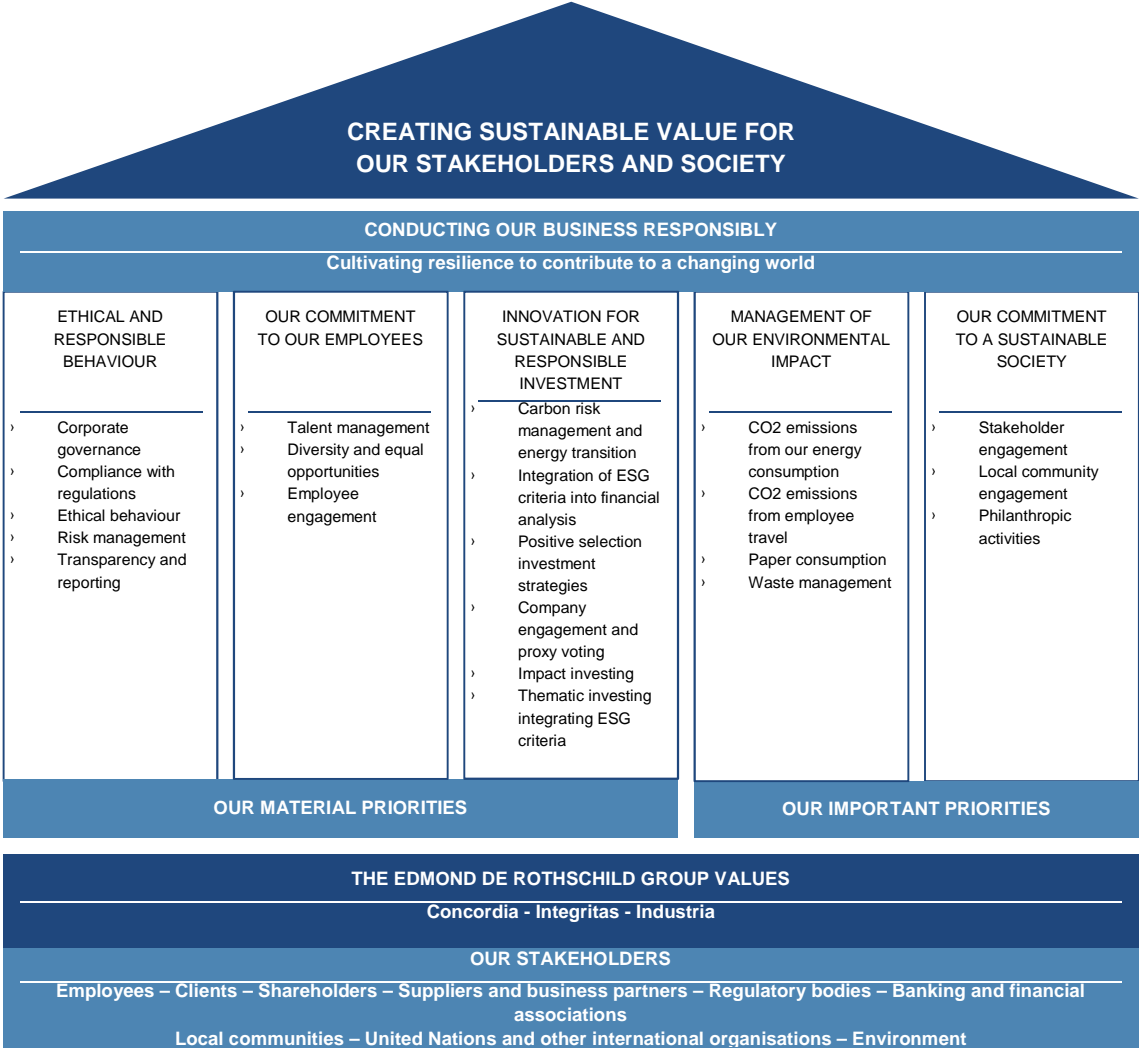
This chapter outlines the sustainability approaches and projects adopted by Edmond de Rothschild (France), which reflect the Group's overall strategy and serve to illustrate our commitment in this domain. The Group's sustainability report provides more information on material issues, the 2020 objectives and our progress towards meeting them¹³.

Edmond de Rothschild (France) has been a signatory of the United Nations Global Compact – the world's largest initiative involving voluntary commitment to social responsibility, with more than 12,000 participants – since 2011, and is also a member of the United Nations Environment Programme Finance Initiative (UNEP FI). The aim of the latter initiative is to encourage financial organisations to apply sustainability principles more effectively at all levels of their operations by integrating environmental, social and governance (ESG) factors into investment and risk analyses.

As part of our commitment to our employees, we also support the fundamental conventions of the International Labour Organisation (ILO) and the United Nations Guiding Principles on Business and Human Rights. Edmond de Rothschild Asset Management (France) and Edmond de Rothschild

¹³ See Edmond de Rothschild Group Sustainability Report 2016: <http://www.edmond-de-rothschild.com/site/International/fr/developpement-durable/rapports>

Investment Private Equity have signed the Principles for Responsible Investment, thereby making a commitment to integrating environmental, social and governance (ESG) issues into their asset management activities. Since September 2015, Edmond de Rothschild Asset Management (France) has also been a signatory to the Montreal Carbon Pledge, committing to calculating the carbon footprint of portfolios. This approach formalises our commitment to reducing our portfolios¹⁴ carbon footprint.



Reporting scope

After analysis of reporting results for 2014, 2015 and 2016 covering the whole Edmond de Rothschild (France) scope – i.e. the Bank and all foreign subsidiaries and branches, and taking into account the reduction in the scope in 2016 and 2017 with the closure of sites in Chile, Beijing and Shanghai and the current winding-up of the Hong Kong site – the Sustainability Department, in agreement with the auditors of the sustainability information, decided to reduce the reporting scope for environmental and social data to the country of France, which accounts for more than 90% of the workforce. This reporting scope does not affect the analysis of information or the reliability of that information. The processes in place remain the same for the new reporting scope for 2017 onwards, i.e. Edmond de Rothschild in France.

Ethical and responsible behaviour

In 2017, the Edmond de Rothschild Group continued its efforts and projects as part of its sustainability strategy. Issues regarded as material in terms of “ethical and responsible behaviour” are corporate

¹⁴ That carbon footprint, which was published for the first time on 1 December 2015, can be accessed on our website at the following address: <http://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-FR-EN-empreinte-carbone-carbon-footprint.pdf>

governance, compliance with legislation, ethical behaviour, risk management, transparency and reporting. The Group's 2020 objectives for this strategic pillar are guiding the action taken by the Group's various entities:

- Train 100% of employees on the Group Code of Ethics;
- Create a common library of the Group's ethics and compliance training courses to strengthen employees' expertise and ability to manage risk;
- Facilitate employees' access to directives that are relevant to their activity and to the support required for their application.

Edmond de Rothschild (France) contributed to the achievement of those targets in 2017.

All of Edmond de Rothschild (France)'s compliance-related procedures are available to all staff on the intranet and categorised by activity or business line according to their content. The procedures are updated regularly and the employees concerned are informed about updates when they take place.

Checks are carried out each year to ensure that existing procedures are properly applied. Depending on identified needs and regulatory changes, the Compliance departments define the training plan for the coming year.

The Edmond de Rothschild (France) Code of Ethics is fully in line with the Group's Code of Ethics, and a copy of it is provided to all employees when they join. It is also available on the Bank's intranet. The Compliance and Control department enforces full compliance with the ethical rules set out in the Code of Ethics.

This Code states, explains and supplements the laws, regulations and best ethics practices regularly observed in France.

All employees must, at all times, perform their duties with the required ethical behaviour, skill, care and diligence. They are expected to work in the clients' best interest and preserve the integrity of the financial markets. Based on the fundamental duty to know one's client, the Code reminds employees of the Bank's obligations relating to the fight against money laundering and the financing of terrorist activities. It also covers the prevention of market abuse, ethics provisions applicable to employees as well as rules relating to the use of IT and communication resources.

Every year, all staff members are required to take a training course on anti-money laundering and terrorist financing. In 2017, intensive preparations took place ahead of MiFID II (the European Markets in Financial Instruments Directive) coming into force on 3 January 2018. That involved large amounts of work by all departments, including the compliance and control departments. Working groups were set up in all Edmond de Rothschild (France) companies to help them prepare for MiFID II, which affects all of the Group's business areas.

Governance

Edmond de Rothschild (France) is a limited company governed by a Supervisory Board and an Executive Board. This two-tier structure satisfies the corporate-governance principles of the Group, wherein the executive management of a company must be separate from oversight tasks.

Risk management

In 2017, regarding the consolidated supervision of the French subsidiary and applying Swiss financial regulator FINMA's directive no. 2017-01, the "financial risk framework concept" working group led by Edmond de Rothschild (France)'s Chief Risk Officer launched and completed a compliance project involving the following phases:

- Reviewing all main financial risks, including identifying real-estate risk, which had not previously been assessed separately;
- Defining a risk calculation method for each individual risk, with validation by the business lines, particularly for the risks that are hardest to assess such as the VaR 95% risk of loss in Private Equity;

- Defining a capital allocation matrix that shows the capital requirement for each type of risk, according to the strategic importance of the business line generating the risk;
- Having the Group's Executive Committee validate the risk tolerance for each risk, and allocating capital according to the risk matrix;
- Validating simple Key Risk Indicators (KRI) to manage the risk of loss in the Group's activities, and thus reduce the maximum risk of loss to a level lower than the capital allocated by the Group's Executive Committee;
- Submitting the KRIs to the Group Executive Committee and validating the model in view of risk appetites.

That process resulted in a coherent methodological approach, allowing management to place the various risks in parallel and relate them with the appetite for those risks as determined at the highest level of the Bank. This represents a major step forward in terms of risk supervision and long-term strategic business planning, and was achieved well in advance of the regulatory timetable, which required implementation of the approach starting in the third quarter of 2018. Through these efforts, we showed once again our desire to take action ahead of the European regulatory timetable and to anticipate regulatory changes before they are implemented in local law.

As another notable example of our efforts in this area, we sent our "Bank Recovery Plan" to the ACPR (the Banque de France's prudential control and resolution authority) in March 2016, more than a year ahead of the deadline. This ability to anticipate future developments, and the professionalism that underpins it, was recognised by the supervisory authority in March 2017 in its annual meeting with the Executive Board.

That ability supports our ongoing good relationship with the supervisory authority, and therefore provides security for clients entrusting us with their assets over the long term.

Compliance with legislation

To train its staff in the prevention of money laundering and terrorist financing, Edmond de Rothschild Asset Management (France) has since 2015 used an e-learning system developed by the AFG (Association Française de la Gestion Financière), which is more suited to the asset management business. The programme that began in May 2016 remained open until the end of June 2017, and 100% of eligible employees took the course.

In January 2017, Edmond de Rothschild Asset Management (France) organised classroom-based training covering the system for preventing market abuse, aimed at all of its portfolio managers, particularly after MAR (the European Market Abuse Regulation) came into force on 3 July 2016. The training was provided by Edmond de Rothschild Asset Management (France)'s Internal Control and Compliance team and 100% of eligible employees took the course.

Other targeted training courses were organised for the sales and marketing teams, mainly relating to the rules applicable to the wording of commercial documents.

In addition, the French market authority, AMF, requires investment service providers to verify that individuals performing certain duties either for them or under their authority have a basic understanding of 12 regulatory and ethics topics as well as financial techniques. Knowledge can be verified by an in-house or external, AMF-approved exam. Edmond de Rothschild (France) has opted for external tests administered by Bärchen.

Certain employees are grandfathered out of the certification exam. All individuals in positions requiring the exam as at 1 July 2010 are deemed to demonstrate the minimum competency level required by the regulation so long as they do not change employers.

In Private Banking, the Compliance and Control Department created a private banking-specific e-learning course relating to the prevention of money laundering and terrorist financing in 2017. The course was taken by 127 employees of Edmond de Rothschild (France) and Edmond de Rothschild Assurance et Conseil (France) in 2017.

Transparency and reporting

For our Group, ethics, integrity and transparency are intrinsically linked to our values and our strong sense of responsibility. Banks must comply with an increasing number of regulations aimed at protecting the integrity of the financial system and encouraging public trust in banks. Against that background, our financial and sustainability reporting aims to achieve the high level of transparency needed to maintain the trust of our clients and stakeholders over the long term.

The reporting framework adopted by the Sustainability Department reflects the Group's responsibility to meet the objectives it set in 2015. The reporting framework provides a foundation for interacting more closely with all stakeholders, identifying requirements and improving practices.

The sustainability report is an effective tool for communicating more broadly about how the Group meets the sustainability challenges it faces. The five pillars of our strategy, set out in the diagram at the start of this chapter, cover the main issues and the realities of our day-to-day work.

The Edmond de Rothschild Group publishes its results in accordance with the Global Reporting Initiative Guidelines, version G4 (GRI-G4) as well as its supplement for the financial sector¹. This approach has been taken so that data can be compared, and to improve clarity for all stakeholders when reading the results.

It is also a way for the Group to ensure the reliability and transparency of its approach to sustainability reporting.

The Group also uses PriceWaterhouseCoopers, a member of the PwC international network, to audit the main sustainability data published in this report.

PwC is one of Edmond de Rothschild (France)'s statutory auditors, and carries out an independent audit and annual assessment of how robust its data collection and control processes are. The report by one of the statutory auditors can be found on the 2017 Annual Report.

Our commitment to our employees

Reporting scope

The reporting scope for Edmond de Rothschild (France)'s social data was reduced in 2017, to reflect the fact that 90% of that entity's employees are located in France. As a result, subsidiaries and branches that remain active outside France and that report to France – i.e. operations in Germany, Italy and Asset Management activities in Spain – are no longer taken into account in the data presented in this report. References to EdR France correspond to operations in France (country).

Introduction

The quality and commitment of our employees as well as their support for the Group's values are crucial for our success. The Human Resources strategies used by Edmond de Rothschild in France and by the Edmond de Rothschild Group are fully aligned with those values, and so the priority issues are to:

- Attract, develop and retain the best talent;
- Develop a culture of managerial leadership to enhance performance and foster employee recognition and commitment;
- Respect and promote diversity.

While always keeping these issues in mind and striving to continue building a business that is ever more robust, the Group has developed and expanded customised training for both managers and staff members, with the aim of continuing to help each of them, as effectively as possible, to achieve ever higher standards of excellence in their various roles and activities. This quest for excellence is for the benefit of the Bank's clients.

Our commitment to our staff involves three material issues: talent management, employee engagement and diversity and equal opportunities. Like the other pillars of the sustainability strategy, initiatives relating to this pillar are guided by the Group's published 2020 objectives:

- Supporting the deployment of the Group's strategic objectives;
- Developing a managerial and leadership culture based on the Group's values;
- Ensuring dynamic, diversified drivers of employee engagement;
- Gradually increasing the percentage of women in senior management;
- Maintaining gender diversity in the workforce as well as our cultural diversity.

The existing roadmap, which identifies the actions and programmes needed to achieve these objectives, remains in force.

Efforts to make Edmond de Rothschild (France) employees aware of sustainability themes such as environmental, social and responsible investment issues continued throughout 2017, through news published on the Group's intranet and articles on a wide range of subjects such as impact investing, developments in responsible investing, diversity and our efforts to support various social initiatives.

The Sustainability Department continued to work on developing a variety of communication methods intended for target audiences within the Group, focusing on specific businesses and themes such as responsible investing, climate issues and responsible purchasing.

The Group is continuing to work hard on monitoring legislation, international initiatives and standards relating to sustainability and applicable to the banking industry. In this way, the Sustainability Department provides a steady stream of information to teams directly concerned by current or upcoming developments raises their awareness of the resulting risks and opportunities and, where necessary, supports them in the action they have to take.

Attracting, recruiting and retaining staff

All of the data presented below concern Edmond de Rothschild (France) (see the "reporting scope" section).

The Group's strategy of refocusing on its European business continued in 2017 with the closure of branches in Shanghai, Beijing and Hong Kong. At 31 December 2017, the Bank in France had 780 employees, of 25 different nationalities. Cleaveland SA, whose business is integrated into that of the Group, is included in our reporting, which explains why our total number of employees in France remained stable.

The success of the Edmond de Rothschild Group relies on its employees, their skills, their professionalism, their commitment and their desire to help us strengthen our values constantly. Aside from operational and business aspects, our people are of crucial importance to the Group. As a family business, the ability to work together effectively and thereby create synergies across the Group in order to serve our clients and pursue our strategies most effectively is vital to the strength of our activities.

For those reasons, attracting and retaining people with the best profiles and who share the Group's vision and values is paramount. To achieve this, the processes and tools that the Group's Human Resources function uses to recruit staff and support their development within the Group are constantly being improved across all of the following areas:

- Identifying and recruiting the best talent
- Integrating and monitoring new arrivals
- Managing performance

- Listening, appraising and providing feedback
- Training and developing staff
- Promoting internal mobility as a way of retaining talent
- Managing jobs and skills with foresight
- Recognising employees and providing benefits

The workforce in France still has a high proportion of management-level employees, i.e. 86.3%, slightly higher than in 2016 (85.2%).

Gender balance is good, with women making up 49% of the total workforce.

The average age of employees in France was 42.4 years in 2017, the same as in 2016. At 31 December 2017, 97.8% of the workforce had a permanent contract and 47.8% of permanent roles were occupied by women.

4% of the workforce, mostly women have chosen to work part-time. All requests to switch to a part-time schedule were approved in 2017.

	2013	2014	2015	2016	2017
Employees in France	747	761	793	787	780
Employees outside France	143	149	157	74	63
Total employees	890	910	950	861	843

	Scope	2015	2016	2017
Management-level employees as a proportion of the workforce	EdR France	85%	85.2%	86.3%
- Women	EdR France	45%	44.9%	46.1%
Average years of service	EdR France	9.9	9.7	10.2
Average age	EdR France	43	42.4	42.4
Proportion of workforce on permanent contracts	EdR France	97.5%	98.3%	97.8%
- Women	EdR France	48.5%	47.6%	47.9%

In 2017, 90 people joined the Bank, of whom 51% are women and 60% are on permanent contracts.

40% of those recruited are on fixed-term contracts, a much higher percentage than in 2016 (20%).

Meanwhile, 72 people left the Bank, of whom 47% were women and 38% were aged over 45. With arrivals up 36% and departures up 11%, turnover was relatively stable at 9.3% (8.4% in 2016). Voluntary departures made up 64% of all departures in 2017.

People leaving voluntarily were not always replaced with someone in the same role. The approach is driven by management's desire to encourage people to move jobs within the Group, enabling it to meet today's needs as effectively as possible while anticipating those of tomorrow.

The approach also creates development opportunities for employees wanting to expand their knowledge and progress their careers. Recruitment efforts are made with this in mind and focus on skills connected with future needs. The average length of service was almost unchanged at 10.2 years in 2017 (9.7 years in 2016).

Reasons for leaving

Dismissals	27%
Retirement	8%
Employee leaving voluntarily/ Resignations	64%
Other reasons	1%

	Scope	2014	2015	2016	2017
Number of recruitments	EdR France	153	135	66	90
- number of short-term contracts	EdR France	66	59	13	40
- Women	EdR France	48%	43%	42%	51%
Number of departures among permanent contracts	EdR France	-	-	68	72
- Women	EdR France	-	-	55%	47%
- Employees above 45	EdR France	-	-	43%	38%
Turnover	EdR France	11%	8%	8%	9%

Annual performance reviews

Annual employee performance reviews are a key indicator used in the Edmond de Rothschild Group's human resources strategy. The process provides a vital opportunity to gain feedback from employees and to help them as effectively as possible with their professional development.

The annual performance review form contains a dedicated section allowing all staff members to alert their line managers about any workload issues. During individual appraisals, each employee can raise concerns and there are several operational safeguards to help management anticipate risks and thus promote work/life balance.

Performance reviews are also involved in the granting and calculation of variable remuneration.

In 2017, training programmes developed for managers and staff members dealt with areas including the scope and issues covered by performance reviews, both for teams and for the Group:

- Identifying and developing talent
- Recognising employee performance
- Highlighting development and/or training needs
- Encouraging and contributing to internal mobility

These programmes emphasise the importance of setting ambitious targets that are aligned with the Group's priorities, in order to ensure that all employees contribute effectively to its success.

In 2017, 96.7% of Edmond de Rothschild (France)'s employees participated in all steps of the review process (versus 98.1% in 2016).

The important process involves managers and staff members having a structured, factual dialogue about their performance. Performance reviews relate to both quantitative and qualitative factors, i.e. a set of behaviours that reflect the Group's values and ambitions.

The criteria are in line with the Group's new leadership model, and they fall into five main categories:

- Attitude and state of mind
- Client relationship
- Focus on results
- Team management
- Strategy

As well as discussions with managers as part of performance appraisals, Human Resources organises meetings every two years in order to ensure dialogue and transparency regarding the activities and day-to-day experience of each staff member.

In 2017, 51 Edmond de Rothschild (France) employees benefited from internal mobility, as opposed to 38 in 2016, which shows that this process is more effective than before. The Group set up a committee dealing specifically with internal mobility in 2015, with the aim of aligning talent management and staff development requirements. The Group is investing in internal mobility because it is a priority aspect of its Human Resources strategy.

In addition, 82 employees were promoted (including changes in pay grade) as an acknowledgement of their performance in 2017, as opposed to 54 in 2016.

	Scope	2015	2016	2017
Percentage of employees having received an annual performance review	EdR France	86%	99%	96.7%
Number of employees promoted to internal vacant positions during the year	EdR France	58	38	51
- Women	EdR France	40%	50%	55%
Number of employees promoted during the year	EdR France	62	54	82
- Women	EdR France	44%	50%	55%

Remuneration policy

Edmond de Rothschild Group strongly believes that strengthening the link between performance (individual or collective) and reward (salary, promotion or mobility), and having communication channels that are based on genuine mutual trust, help to reinforce transparency and fairness but also to increase employee motivation and commitment, thus creating the conditions for the achievement of all our common goals.

The remuneration policies of Edmond de Rothschild Asset Management France and Edmond de Rothschild (France) have been completely overhauled and updated in the light of the AIMFD, UCITS V and CRD IV directives. The new policies came into force on 1 January 2017 and were validated by the Supervisory Boards of each entity concerned in March 2017, on the recommendation of the Remuneration Committee.

Corporate officers, risk-takers as well as individuals with compliance, internal audit and risk-management responsibilities receive the variable portion of their salary on a deferred, staggered timetable.

Each year, the Finance, Human Resources, and Compliance and Risk Control departments review and set out specific rules governing the application of these principles. The rules are then submitted to Edmond de Rothschild (France)'s Supervisory Board for approval based on proposals made by the Remuneration Committee.

With respect to CRD IV, a Group "Long Term Incentive Plan", involving rights to receive participation certificates in the Edmond de Rothschild Group's Swiss holding company, was set up in 2016 as a deferred compensation instrument. As regards AIMFD, a new system was set up in March 2016 for the payment of any deferred portion of the variable remuneration of risk-taker Asset Management employees. The system allows the deferred remuneration of those employees to be indexed to the weighted average return on a basket of Edmond de Rothschild Asset Management funds that represents their expertise.

The UCITS (Undertakings for Collective Investment in Transferable Securities) V directive came into force on 1 January 2017. Its provisions are very similar to those of AIMFD. The Group has anticipated UCITS V by applying, for several years already, a deferred remuneration principle, including for UCITS managers. The aforementioned system, involving cash payments linked to a basket of funds, was adjusted with a view to UCITS V coming into force in 2017.

These regulations aim to achieve ongoing improvements in the quality of risk management and in the control that the relevant people and companies have over the risks they take, and to ensure that their interests are aligned with those of their clients.

Wages paid totaled more than €89 million, up 4.7% from €85 million in 2016.

Under Articles L. 511-71 and L. 511-73 of the French Monetary and Financial Code, shareholders at the Annual General Meeting must be consulted each year on the overall compensation – comprising all salary components – paid to certain employees during the year under review. These employees include company executives and categories of employees – including employees whose duties require risk-taking, employees with an oversight function and any employee whose overall income puts them in the same remuneration bracket as employees with those functions (except control functions) – whose professional duties have a material impact on the company’s or Group’s risk profile.

Shareholders will therefore be asked for their opinion, on an advisory basis, regarding remuneration paid in 2017 to the aforementioned people.

In addition, Article L. 511-78 of the French Monetary and Financial Code limits the variable salary component to 100% of the fixed component for all group employees regulated by CRD IV, unless shareholders at the Annual General Meeting approve, giving reasons, a higher figure of up to 200%. In order to ensure that group salaries remain competitive, we submitted a motion to shareholders to set the maximum ratio of variable to fixed salary components at 200% for all Group CRD IV-regulated employees with respect to 2018. The motion passed in the May 2017 Annual General Meeting, and will be submitted again to shareholders in relation to 2018 in the May 2018 Annual General Meeting.

	2013	2014	2015	2016	2017
Gross annual payroll subject to social security charges	83,045	91,352	83,735	85,249	89,288
Increase in the fixed component	1.3%	4.5%	3.5%	2.2%	2.7%
Percentage of variable component relative to fixed component on (31/12/(N-1))	39%	46%	44%	38%	36%

Staff training and development

Our human resources strategy supports and prepares employees – and the Group – to master the challenges of today and tomorrow by developing their individual skills and business techniques.

The Group has developed a single, comprehensive training platform called Latitude, covering the following areas:

- Managerial expertise
- Business expertise
- Foreign languages
- Digitalisation (IT and office applications), quality and security

These programmes were designed to ensure ongoing learning and development in both professional and personal terms, based on the proactive involvement of each staff member.

The range of online and classroom-based courses available allows all employees to broaden the range of day-to-day activities they undertake, but also to help them achieve their professional development goals. The programmes support the Group’s efforts to engage with and retain staff, while also promoting individual and collective innovation, in line with the Group’s strategy.

The “Columbus manager course” consists of six specific modules: managerial duties and leadership, engagement, performance management, talent development, guiding and supporting teams through change, and employment law for managers.

The “business expertise” programme comprises all technical training courses by business-line and geographical region. It has three levels: specialisation, expertise and integration (including training relating to internal and external regulations, values and the Group’s culture).

In the fourth category, the various training programmes that exist within the Group have been reviewed to help us enhance the offering, ensure that quality levels are consistent across all staff and provide solutions that meet their needs.

In 2017, an automatic workflow was set up to access online English language courses. That reduced demand for classroom-based courses, which is reflected in the small proportion of staff attending foreign language classes in the table below.

In 2017, we continued optimising training expenditure; at the same time, the proportion of employees taking at least one training course rose by 44 points. These results were primarily due to courses relating to the prevention of money laundering and terrorist financing and MiFID II, which were taken by almost all employees, but also the increasing efficiency of many courses and their availability in digital form, i.e. videos that can be viewed on staff workstations. The desire to develop synergies among our training programmes, so that they address the expectations and needs of our people more effectively, remains a priority for our Learning & Development teams.

Classification of training by category	2017
Technical/business skills	62%
Interpersonal/managerial skills	29%
Beginners and advanced language training	1%
IT skills	3%
Health and safety	5%

	2013	2014	2015	2016	2017
% of employees who attended at least one training course	63%	58%	58%	64%	92%
% of women among trainees	47%	53%	53%	51%	48%
Total training hours	7,195	11,417	10,371	9,956	9,923
Annual budget for training (in thousands of euros)	1,608	2,076	1,412	1,335	1,567
- of which contributions to training insurance funds	40%	35%	60%	64%	58%

¹ In 2017, only the market abuse training course was managed by the Compliance and Internal Control department at EdRAM. That course represented 7 hours of training, taking total training hours to 9,923 in 2017.

² The percentage of the training budget paid to training insurance funds is regulated and set at 1% of payroll.

All training figures are calculated on the basis of staff numbers excluding contractors and apprentices

Diversity and equal opportunity

Edmond de Rothschild Group attaches a great deal of importance to diversity in the workplace and is convinced that diversity helps us meet the demands of the market, create new opportunities and drive innovation.

Promoting equal professional opportunities for men and women is therefore a key element of our human resources philosophy. Efforts are also directed at fostering generational diversity and hiring individuals with disabilities. Human Resources make regular efforts to raise managers' awareness of these subjects.

A specific diversity module is included in the employment law training programme that has been offered to managers since 2016. In 2017, around 50 managers took that module.

After the application of new legislation on vocational training, experience appraisals – adopted as part of the Generation Contract agreement – were replaced by vocational appraisals.

Human Resources takes the opportunity of these appraisals to foster a genuine, transparent dialogue with each staff member and thereby build a long-term trust-based relationship.

The Human Resources team also supports employees who are approaching retirement age, to help them make a smooth transition that is suited to their needs.

Each year, the Group establishes partnerships with schools and training programmes, not only to develop a talent pool for its own future workforce, but also to contribute actively to professional education for students. In 2017, the Bank and its French subsidiaries participated in five recruitment forums at the following French universities: HEC Paris, EDHEC, ESCP Europe, EM Lyon and Université Paris-Dauphine.

The Edmond de Rothschild Group actively seeks to integrate young people in the workplace. In 2017, the Bank and its French subsidiaries welcomed 111 interns and 35 students under work/study programmes (under apprenticeship and/or professional development contracts) – equating to 20% of its staff on a full-time-equivalent basis – and recruited some of them subsequently.

	Scope	2014	2015	2016	2017
Percentage of women in workforce	EdR France	48%	49%	48%	49%
Percentage of women in the year's new recruits	EdR France	59%	43%	42%	51%
Percentage of women among candidates	EdR France	-	41%	45%	65%
Percentage of women among employees trained	EdR France	53%	53%	51%	48%
Percentage of women among total management-level employees France	EdR France	45%	45%	45%	46%
Percentage of women among total senior managers in France ¹	EdR France	25%	27%	26%	28%

¹ These are senior managers with hierarchical responsibilities and a degree of autonomy in decision-making that means that they report directly to a member of the General Management Committee.

The disability agreement, signed in June 2015 for companies in the UES (a legally recognised group of integrated companies in France¹⁵) for a period of three years, will be renegotiated in 2018. One of the commitments under this agreement was to increase the percentage of disabled people in the workforce to 1.3% by the end of 2017. That commitment was met, because the percentage was 1.39% at end-2017.

The Bank also fulfilled its undertaking to hire two disabled workers per year. The Human Resources department wants to increase the proportion of disabled people in the workforce to 2% by 2020.

The Group's disability initiative is continuing to help implement the agreement, raise awareness and encourage involvement among our staff, monitor the situation of disabled people within the Group, and manage the allotted budget.

The Human Resources team also supports disabled employees when they have specific needs in areas such as their working environment or work organisation, using external resources – such as ergonomists – where necessary.

At the end of 2017, 10 disabled employees were working within Banque Edmond de Rothschild in France, which means that the end-2017 targets set in the Agreement were achieved. These good results are partly due to the training provided by the Human Resources team, which has raised awareness levels among managers, particularly regarding recruitment.

Labour relations

There were a number of presentations to the works council in 2017. They mainly dealt with strategic themes, against the background of preparations for MiFID II, which came into force at the start of 2018. Discussions took place in a positive atmosphere, which was helped by the creation of working groups to prepare for MiFID II and the operational and strategic changes it requires. Dialogue was of a high quality and transparent, and there was excellent information-sharing across all subjects covered.

The three main consultations required by regulations – regarding workforce-related policy, the economic and financial situation and strategy – were carried out and the Works Council gave its approval.

Employee health and well-being and psychological-risk

Well-being at work is assessed using absenteeism¹⁶ as the key indicator. The absenteeism rate was 4.3%, lower than the 2016 figure of 5.6%.

¹⁵ In 2017, the UES comprises the following companies: Edmond de Rothschild (France), Edmond de Rothschild Asset Management (France), Edmond de Rothschild Corporate Finance, Edmond de Rothschild Investment Partners, Edmond de Rothschild Private Equity (France) and Edmond de Rothschild Assurances et Conseils (France).

¹⁶ No. of working days lost due to illness throughout the year / no. of employees with permanent or fixed-term contracts (excluding students under work/study contracts).

	2013	2014	2015	2016	2017
Absenteeism	4.6%	4.4%	4.5%	5.6%	4.3%

Our workplace accident frequency rate¹⁷ was 3.28 in 2017 (2.45 in 2016), and the injury severity rate¹⁸ was 0.07 (0.03 in 2016).

All employees whose working time is based on a fixed number of days in France have the opportunity to address the issue of work/life balance once a year with their managers. Employees can inform their managers and Human Resources of any difficulties arising from their workload in the annual assessment. This makes it easier to establish a dialogue and anticipate any risks arising in this area.

Management training sessions are held to raise awareness among team leaders on how to prevent workplace stress, whether job-related or due to organisational changes in the working environment. The management of working hours, employee health and safety, discrimination and the promotion of diversity have been covered in those training sessions. A specific module deals with health and safety at work. Around 50 managers received training in this area in 2017.

Negotiations regarding quality of life at work started in 2017. Two negotiation meetings with staff representative bodies took place in 2017 and discussions are ongoing.

Gender balance is another subject that will be addressed in 2018 as these negotiations continue.

Innovation in responsible investment

Responsible investment (RI) is at the heart of the Edmond de Rothschild Group strategy. For many years, we have considered it a major material issue, given its impact on the economy as a whole and on the Group's performance. We are convinced that the solutions contributed by the private sector to sustainability challenges are a source of economic growth and return on investment.

Two years after the historic signature of the Paris Agreement, those taking part in two further meetings – COP 23 in Bonn and the One Planet Summit in Paris – made clear that they want to kick-start the Agreement's implementation in the real economy, after the process was slowed by the USA's decision to withdraw in summer 2017. For investors, the key measures¹⁹ arising from those two meetings include adopting targets for a low-carbon economy, steering funding towards environmental initiatives, monitoring the 100 companies that produce the most CO2 emissions via the Climate Action 100+ initiative, and encouraging companies to carry out climate reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In this context, the Group's various entities – particularly Edmond de Rothschild Asset Management²⁰ and Edmond de Rothschild Private Equity – are more motivated than ever to contribute proactively to aligning economies with collective sustainability aspirations²¹. They have therefore set their 2020 objectives and are implementing their roadmaps to integrate ESG (Environment, Social and Governance) criteria into their investments and thus enhance the positive contribution that they can make to sustainability.

At the same time, they are working in close collaboration with the Group's Private Banking entities to make these investment opportunities increasingly accessible and attractive to their institutional, private and external distribution clients, so as to most closely meet their needs for investment solutions which perform well in both financial terms and as regards ESG.

¹⁷ The accident frequency rate is calculated as follows: $\frac{\text{No. of accidents resulting in lost working time} \times 1,000,000}{\text{No. of hours worked}}$

¹⁸ The injury severity rate is calculated as follows: $\frac{\text{No. days compensated} \times 1,000}{\text{No. of hours worked}}$

¹⁹ <http://www.novethic.fr/actualite/environnement/climat/isr-rse/les-12-climacts-lances-lors-du-one-planet-summit-145200.html>

²⁰ "Edmond de Rothschild Asset Management" or "EdRAM" is the commercial name of the asset management entities (including branches and subsidiaries) of the Edmond de Rothschild Group. It also refers to the Asset Management division of the Edmond de Rothschild Group.

²¹ See the Sustainable Development Goals of the United Nations: <http://www.un.org/sustainabledevelopment/>

The Responsible Investment part of the Edmond de Rothschild Group’s sustainability strategy refers to the following material issues:

- Carbon risk management and energy transition;
- Inclusion of ESG criteria in financial analysis;
- Shareholder engagement and voting policy;
- Positive selection in asset management;
- Theme-based investing;
- Impact investing.

The Group’s has adopted certain RI targets, which it aims to achieve by 2020, including:

Asset Management

- Adopt a 2017-2020 Responsible Investment Strategy for all of Edmond de Rothschild Asset Management’s investment expertise;
- Define a Responsible Investment Action Plan and an Action Plan on management of climate risk for the 2017-2020 period;
- Train 100% of internal equity and bond investment teams in RI/ESG;
- Establish an “advanced” ESG integration process for European equities management;
- Establish “advanced” ESG integration processes for our strategies on infrastructure debt and on direct investment in Swiss real estate;
- Extend the scope of ESG analysis to all equity, corporate debt and sovereign debt strategies of Edmond de Rothschild Asset Management (2014: 295 companies).

Private Equity

- Convert one new strategy to ESG best practice each year, with 100% of strategies covered by 2020;
- Measure the impact across all impact-investing and mainstream strategies that apply ESG integration methodologies, as of 2017;
- Increase the assets under management in our impact investing strategies by 20% per year until 2020.

Edmond de Rothschild Asset Management (France), Edmond de Rothschild Private Equity (France) and Edmond de Rothschild (France) are contributing to the Group’s progress towards these targets.

Our approach to Responsible Investment

We apply the term “Responsible Investment” or “RI” to all of the investment categories we develop that can be described as socially responsible or sustainable, and we make the following distinctions:

SRI: Socially Responsible Investment / Sustainable & Responsible Investment	Impact investing	<p>Principle: Investment strategy which sets out to respond to sustainability challenges with the explicit objective to create positive economic/financial, social and environmental value for society and investors, while remaining competitive with the market. Evaluation of the impacts and the pursuit of ESG opportunities are a strong focus and are the subject of dedicated reporting.</p> <p>Impact at portfolio level: systematic impact on all investment decisions.</p>
	Sustainability-themed investing	<p>Principle: Investment strategy which involves investing in companies or categories of securities that provide solutions to major sustainability issues, such as health, climate change – including energy and environmental transition – and economic development in emerging countries, while generating growth opportunities linked to the innovative nature of their business models.</p> <p>Impact at portfolio level: systematic impact on all investment decisions.</p>
	Positive selection and engagement strategy	<p>Principle: Investment strategy with advanced ESG integration associated with the use of ESG criteria either to determine the portfolio composition (e.g. positive ESG selection strategy: best in class/best in universe), or to practise “engagement” (direct or collaborative in-depth ESG dialogue with the companies, which is formal and traceable).</p> <p>Impact on asset management: systematic impact on investment decisions and/or the adoption of ESG commitment initiatives that may affect portfolio composition (i.e. decisions to add to, reduce or sell positions).</p>

Advanced ESG integration		<p>Principle: This involves the traceable integration of ESG criteria into an issuer’s valuation, rating or financial recommendation. Our equity, credit and sovereign debt investment teams work with the Responsible Investment team on specific projects to identify the practical impact of ESG issues on their investment approach, and to incorporate material ESG risks and opportunities into their investment strategy, based on ESG and carbon reporting comparing portfolios with their benchmarks. The analysis and ratings are produced mainly in-house, with the input of external analysis to cover certain geographic zones and asset classes, particularly credit.</p> <p>Direct ESG dialogue with companies can be envisaged, based on material ESG factors, and carried out jointly and formally by the RI investment team and fund managers, in order to supplement this internal analysis.</p> <p>Advanced ESG integration may be adapted as necessary to apply it to other types of asset management activities carried out by the Edmond de Rothschild Group, such as multi-asset/fund selection, private equity, infrastructure debt and direct real-estate investments.</p> <p>Impact at portfolio level: The most material ESG issues are identified and may have an impact on investment decisions.</p>
Initial ESG integration		<p>Principle: ESG analysis data and scores are made available to the investment teams, so that they can be taken into account by the fund managers in their financial analysis and/or investment decisions. Norm-based exclusions relating to anti-personnel mines and cluster bombs, defined by Edmond de Rothschild Asset Management. As regards investments, EdRAM (France) has also devised a list of countries that are banned or under surveillance on the basis of national and international sanctions currently in force.</p> <p>Investments and divestments in those countries are forbidden or subject to prior approval by the Internal Control and Compliance team. These restrictions are integrated into the Dimension system and give rise to pre-trade restrictions.</p> <p>Impact at portfolio level: ESG impacts on portfolio composition are not necessarily systematically traceable, except for norm-based and sector exclusions.</p>

Edmond De Rothschild Asset Management: a strong commitment to Responsible Investment

In 2017, in line with targets adopted in COP 23 and the One Planet Summit, Edmond de Rothschild Asset Management has maintained its firm, long-standing commitment to Responsible Investment by validating a 2°C Climate Roadmap. This Roadmap supplements our proven ESG analysis and the Socially Responsible Investment (SRI) fund management approach that has won the approval of committed institutional investors, which have been entrusting their assets to us since 2011.

Retaining the trust of these pioneering clients and working with new institutional investors and private clients, who are increasingly keen to see these new extra-financial issues addressed in the financial products in which they invest, forms part of the first principle of our 2017-2020 responsible investment strategy: Mitigate risks and identify opportunities to make our investments more sustainable.

This section, which sets out progress made in this area in 2017, is part of Edmond de Rothschild Group’s responsible investment strategy²².

Integration of ESG criteria in SRI financial analysis

Edmond de Rothschild Asset Management’s solid RI skills base can be seen in four main ways:

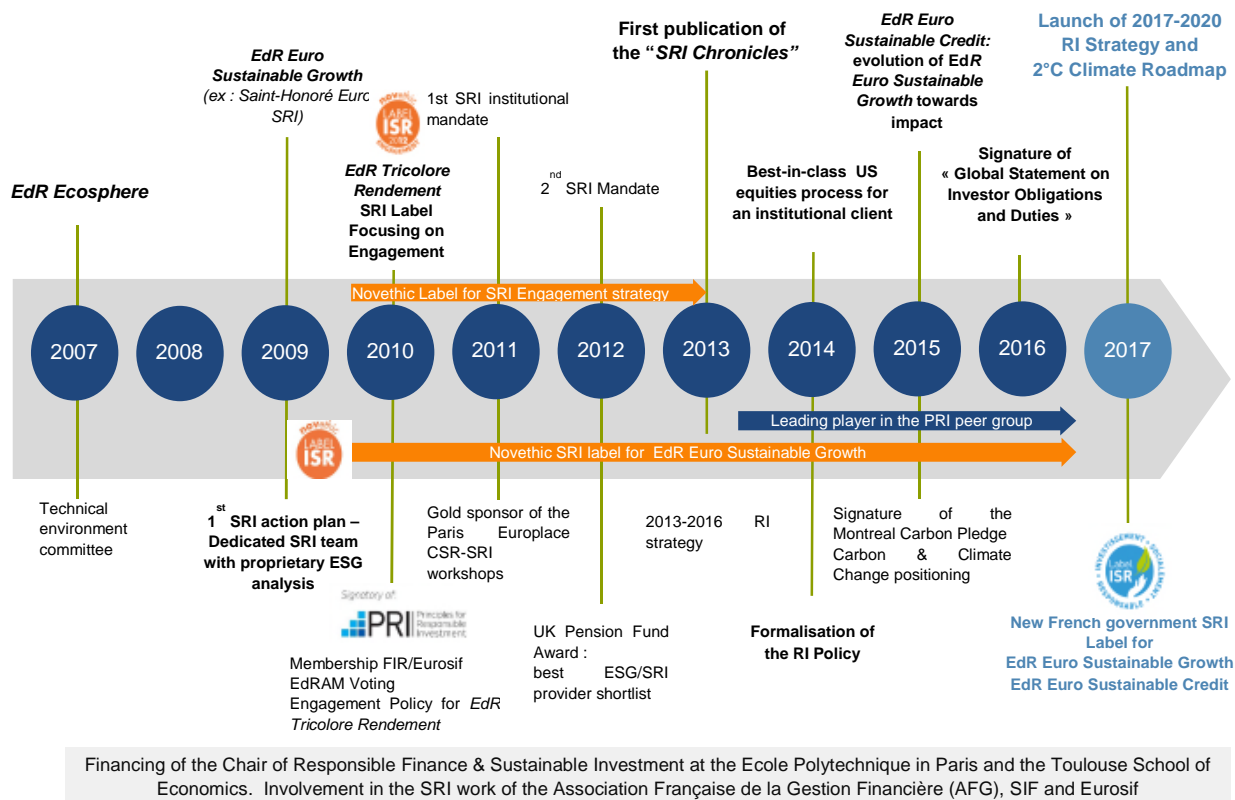
- It integrates ESG risks and opportunities in its fundamental equities and credit analysis;
- It actively selects companies that have advanced sustainability policies, using a proprietary in-house ESG rating system for positive-screening SRI funds;
- It has adopted a pioneering ESG shareholder engagement approach since 2010;

²² See Edmond de Rothschild Group Sustainability Report 2016, pp. 37-59: <http://www.edmond-de-rothschild.com/SiteCollectionDocuments/group/sustainable-development/sustainable-development-report-2016.pdf>

- It is able to build portfolios of SRI funds that combine strong ESG impacts and financial returns.

2017-2020 Responsible Investment Strategy

THE EVOLUTION OF EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)'S COMMITMENT TO RESPONSIBLE INVESTMENT SINCE 2007



Ambitions and main elements of the 2017-2020 RI Strategy

The Group’s 2013-2016 Responsible Investment Strategy produced positive results, with ratings for our PRI²³ reporting putting us among the leaders in our international peer group and with institutional investors granting SRI mandates to us. To continue that strong track record, on 13 September 2017 Edmond de Rothschild Asset Management launched its new 2017-2020 Responsible Investment Strategy covering all of the Edmond de Rothschild Group’s asset management business lines. This strategy aims to: Mitigate risks and identify opportunities to make our investments more sustainable.

Main elements of the 2017-2020 RI Strategy



²³ PRI reporting and ratings covering the signatory entity, i.e. Edmond de Rothschild Asset Management (France)

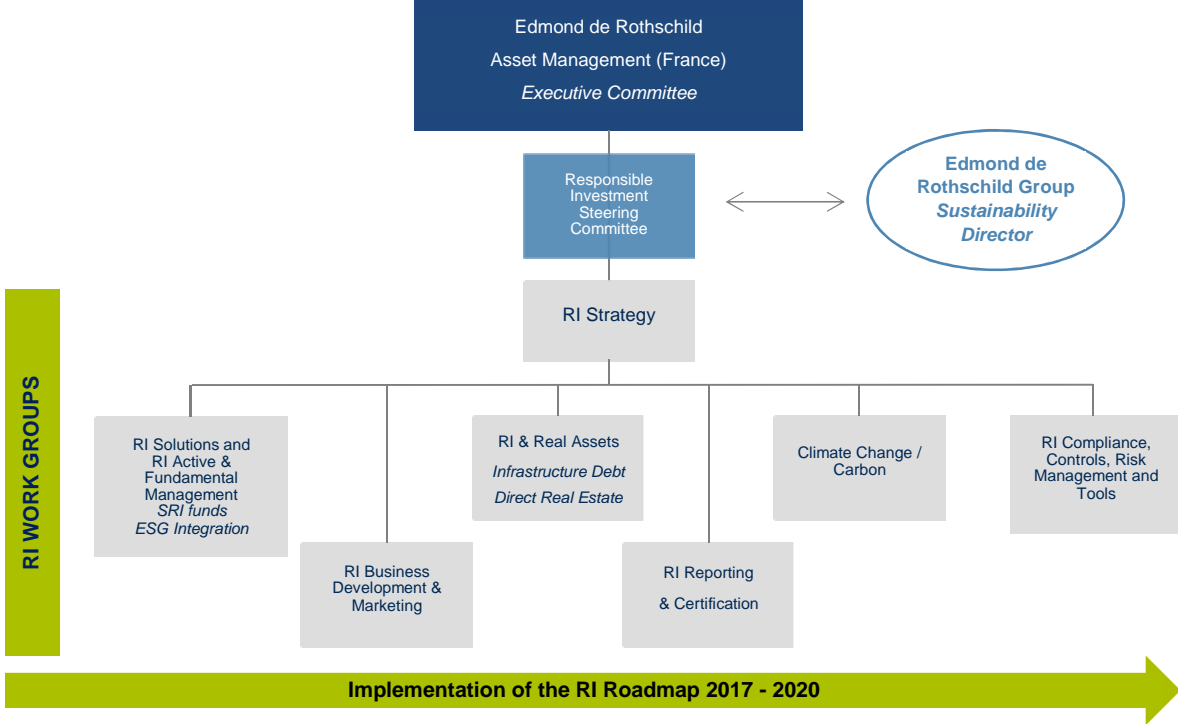
The 2017-2020 RI Strategy is being implemented by investment teams with the help of all support functions. It is being overseen by the Edmond de Rothschild Group’s Asset Management Executive Committee and co-ordinated by an RI Steering Committee consisting of 24 RI correspondents from all operational departments.

These correspondents are actively helping to implement the actions included in the 2017-2020 RI Roadmap, which are prioritised within their departments each year.

RI governance within Edmond de Rothschild Asset Management

CONCRETE IMPLEMENTATION OF THE RESPONSIBLE INVESTMENT STRATEGY OF EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)

Governance and management of the Responsible Investment strategy



Main RI projects relating to the RI strategy undertaken in 2017

Our project-based approach has enabled us to strengthen collaboration between the various in-house teams involved in achieving strategic objectives relating to our responsible investment expertise. That expertise is embodied by our SRI open-end funds and mandates, but also by the way we are gradually factoring ESG risks and opportunities into our mainstream funds by developing ESG integration approaches that are deployed at either a basic or advanced level.

Projects undertaken in 2017 include:

1. Maintaining the acknowledged high quality of our RI expertise, backed up with the highest standards of reporting and the development of impact indicators

RI reporting and SRI label project group

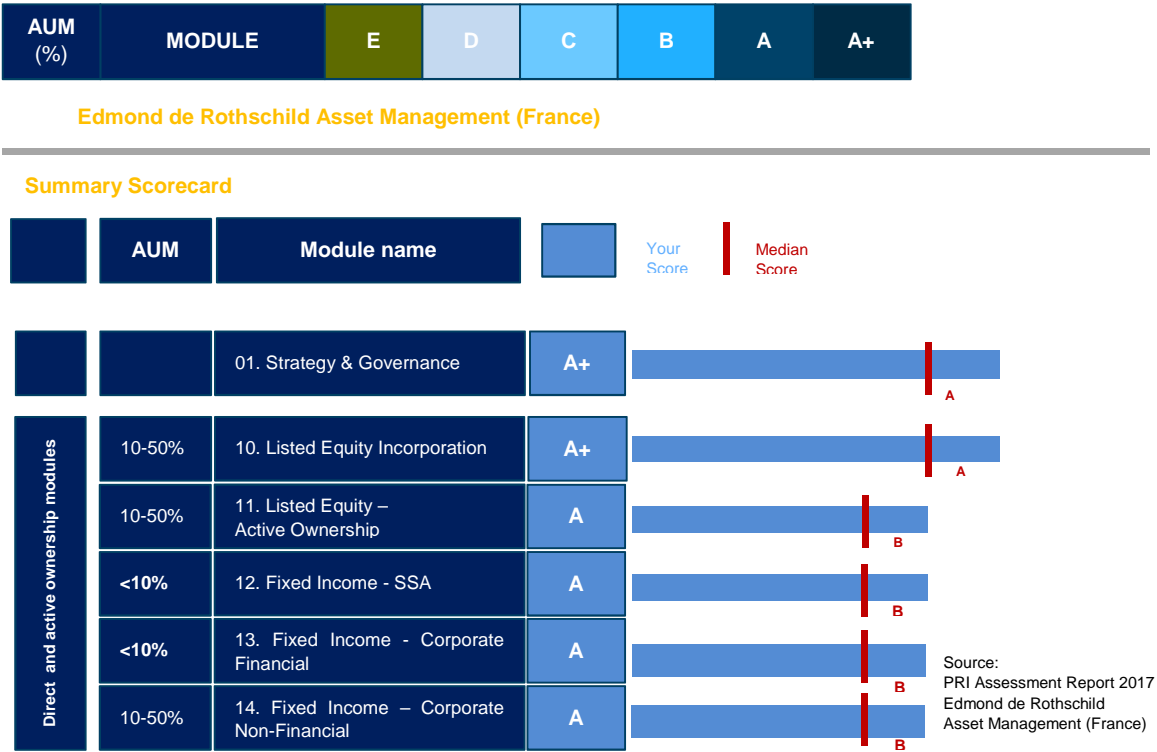
2017 PRI annual reporting and rating: Since 2010, Edmond de Rothschild Asset Management (France) has had the quality of its RI approach assessed by an independent external third party, i.e. the

international organisation overseeing the UN PRIs (Principles for Responsible Investment), to which EdRAM (France) is a signatory. That commitment to the PRIs, which form one of the core reference texts for our 2017-2020 RI Strategy, enables us to identify areas in which we can improve and stand out in the market.

At the end of the 2017 reporting process, Edmond de Rothschild Asset Management (France) confirmed, for the third consecutive year, that it was one of the leading players in its peer group as regards the quality of its RI Governance Strategy and investment expertise, with more than 10% of its assets invested according to RI-based methods in equities (with the associated shareholder engagement) and bonds.

As regards bond investments, Edmond de Rothschild Asset Management (France) increased its rating from B in 2016 to A in 2017. That was due in particular to its ESG dialogue with credit issuers and improvements in public communication regarding its credit SRI expertise, including the creation of a dedicated section of its website for the EdR Euro Sustainable Credit fund.

The excerpt from this rating report presented here is partial and must be considered in the context of PRI methodology²⁴. The full rating report is available on request.



2. Obtaining the new SRI label in France

RI Compliance, Control, Risks and Tools project group

In September 2017, EY France granted the new SRI label²⁵ – supported by the French Finance Ministry – to the EdR Euro Sustainable Credit and EdR Euro Sustainable Growth open-end funds.

²⁴ <https://www.unpri.org/about/pri-teams/reporting-and-assessment>

²⁵ <http://www.lelabelisr.fr>

This accreditation is granted to funds that meet a set of criteria reconciling economic performance with social and environmental impact, by financing companies and public entities that contribute to sustainable development, regardless of their sector of activity.

These two funds also refer to “impact” indicators in order to measure the extra-financial performance of the portfolios and thus better reflect the impact of our SRI investments. Indicators are calculated by the SRI team using an internal database.

For example, the following indicators have been calculated for the index and both portfolios: the percentage of independent directors, the percentage of companies that have signed the United Nations Global Compact and the green impact score²⁶. These indicators are detailed in the extra-financial reporting of the EdR Euro Sustainable Growth fund and in the transparency codes of the two SRI-accredited open-end funds²⁷.

3. Compliance with Article 173 of France’s Energy Transition for Green Growth Act

RI investment
solutions and
asset
management

For the first year in which this Act came into force, Edmond de Rothschild Asset Management (France) worked hard to comply fully with it, in order to achieve the highest standards of transparency when communicating about its RI approach. As a result, its Article 173 declaration²⁸, which was put online in summer 2017, is a genuine resource that makes it easier for users to find information on this topic.

4. Integrating ESG into our fundamental asset management approach: a pragmatic process aimed at increasing efficiency

In line with the first main element of our 2017-2020 RI strategy and to meet the challenges faced by our industry in successfully integrating ESG into investment methods, Edmond de Rothschild Asset Management spent two years developing the most effective operational methods through strategic discussions.

After a test phase in 2015 and 2016 with the European Equities team, and based on the feedback from those tests, the Fundamental Asset Management Department decided to take a pragmatic, practical and flexible approach in 2017-2018. The aim is to increase the appeal of ESG for equity managers, but also credit and sovereign debt managers, so that the topic is seen as a value-added input that helps their asset management activities rather than a constraint, given that ESG is too often associated with regulatory and standards-based reporting obligations.

The aim is to prove the usefulness of ESG data in order to encourage fund managers to take an interest in them and adopt them, before moving on to the second stage of more advanced deployment within asset management teams in 2019-2020. Our aim is to address the needs of fund managers as closely as possible, offering them effective, customised resources. As a result, operational methods focus on interacting with asset management teams and paying attention to material ESG risks and opportunities

²⁶ This qualitative analysis criterion was developed by Edmond de Rothschild Asset Management (France)’s RI team, taking into account companies’ contributions to green innovation and to reducing the environmental impact of their products. It supplements quantitative indicators such as those relating to greenhouse gas emissions.

²⁷ These documents are available on the EdRAM (France) website:

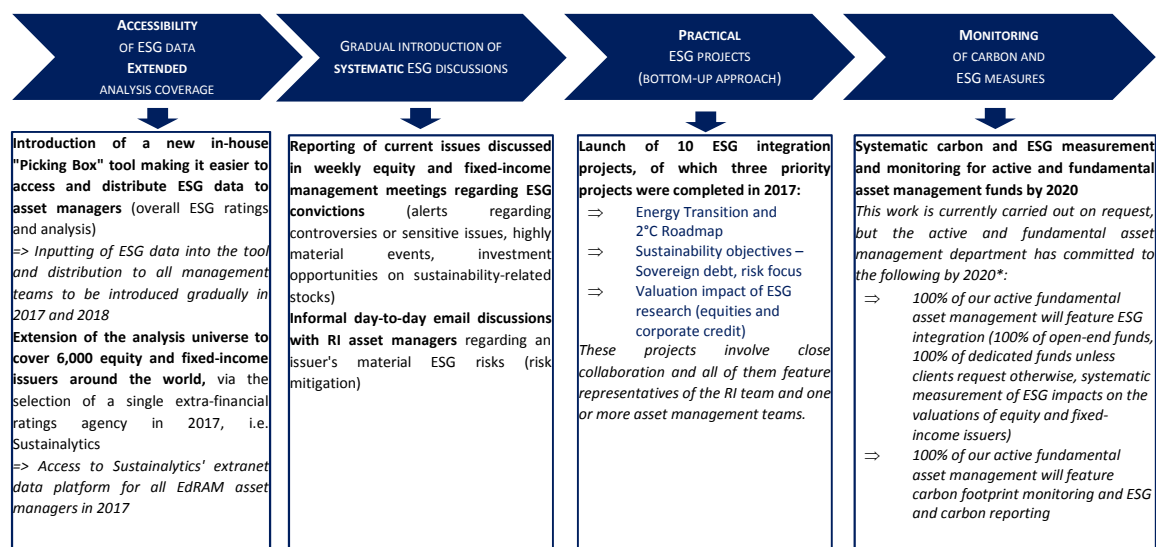
<http://www.edmond-de-rothschild.com/site/France/en/asset-management/our-expertise/socially-responsible-investment>

²⁸ <http://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-FR-Declaration-art-173.pdf>

in order to help managers understand and take ownership of ESG factors. Operational methods involve four levels of action:

EDRAM – ACTIVE AND FUNDAMENTAL ASSET MANAGEMENT

Stages of the ESG integration process



These commitments were validated by *Edmond de Rothschild Asset Management's Executive Committee and presented to members of the Responsible Investment Steering Committee on 13/09/2017*

Focus on results of the three priorities ESG integration projects in 2017:

All equity and bond management teams are contributing to and co-operating with ten ESG integration projects in 2017-2020. These innovative projects, chosen by asset management teams, are giving concrete, traceable results, and are focusing on precise subjects identified as highly material in financial terms.

1. "Valuation impact of ESG research (equities and corporate credit)" project:

The impact of ESG ratings on the valuation of equities and bonds has been assessed using an internal methodology and validated by the equity and corporate credit management teams involved in the project. The positive or negative impact of ESG ratings is shown by a percentage change (upward or downward) in the share price or the improvement or deterioration in financial ratings (number of notches) in the case of bonds. This impact is now systematically recorded in all new issuer analyses and their updates, and the analysis results are provided to all equity and bond managers.

2. "Sustainability objectives – Sovereign debt, risk focus" project:

As part of our bond management activities, analysis of sovereign issuers now takes account of all United Nations Sustainable Development Goals²⁹ following the latest update of our ESG analysis methodology. In 2016, we monitored roughly 30 ESG indicators, covering 15 of the Goals. We added three new indicators in 2017 and are now covering all 17 of the Goals.

3. "Energy transition and 2°C Roadmap"³⁰ project:

This project is being conducted with the help of the RI and Commodities / Infrastructure Equity Management teams, and is helping Edmond de Rothschild Asset Management to meet one of its aims

²⁹ <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

³⁰ Project carried out by the Climate/Carbon Project Group.

regarding the definition of a Climate Roadmap. This work was completed in late 2017 after Edmond de Rothschild Asset Management's Executive Committee validated the Roadmap for 2020, 2030 and 2040, and takes into account the reporting recommendations of the TCFD³¹ and the most recent 450 Scenario of the International Energy Agency (IEA)³². More detailed information about the Fundamental Asset Management Department's 2°C Roadmap is provided on page 68 of the report.

RI investment
solutions and
asset
management

4. Multi-asset/fund selection expertise: advanced ESG integration and sustainability selection process

After introducing its first ESG and SRI questionnaire and sending it to 257 funds managed by 117 asset management companies in 2016, in 2017 the Fund Selection team formalised an advanced ESG integration process in which the questionnaire is completed every two years and active, constructive ESG dialogue is held with asset management companies based on the analysis of information provided in the questionnaire.

This engagement strategy is intended to encourage asset management companies whose funds are selected by our team to commit to responsible investment, by signing up to the PRIs for example. In 2018, through this close dialogue, we are seeking to encourage adoption of RI best practice, particularly in terms of transparency regarding key information such as the carbon footprint of selected funds.

Also in 2017, the team developed the sustainable fund selection expertise that formed the basis, in winter 2016, of the newly launched SRI mandate³³ for the Edmond de Rothschild Group's private clients.

Unlisted RI as
RI investment
solutions and
asset

5. Expertise in infrastructure debt: advanced ESG integration process and investments with an "Energy Transition" theme

In infrastructure debt, assets under management have been growing rapidly in the last three years, rising from €400 million at the first close of our first BRIDGE fund in 2014 to €1.2 billion at 31 December 2017³⁴, when we had four BRIDGE funds including a dedicated subfund. Our expertise in infrastructure debt naturally makes us a major player in this market, for both entities undertaking infrastructure projects and the French and European institutional investors that are the core clients of these funds.

³¹ <https://www.fsb-tcfd.org/publications/final-recommendations-report/>

³² <https://www.iea.org/publications/scenariosandprojections/>

³³ For more information about the Edmond de Rothschild Group Private Banking SRI Mandate, see page 70

³⁴ The BRIDGE platform has a dual structure, i.e. that of a French securitisation fund (FCT) and a Luxembourg SICAV-SIF, with EdRAM (UK) providing advisory or delegated asset management services. As a result, BRIDGE assets under management are not included in this Edmond de Rothschild (France) annual report but are included in the RI assets under management published in the Edmond de Rothschild Group's sustainability report: <http://www.edmond-de-rothschild.com/site/International/en/Sustainable-development/reports>. The information published here is regarded as relevant to the extent that BRIDGE focuses on investment opportunities with a positive social and environmental impact, including in the context of Article 173 of France's Energy Transition for Green Growth Act.

2017 was a particularly busy year in terms of RI development in this segment, since infrastructure financing is an integral part of sustainable development, with both its social and environmental components representing key drivers of this investment strategy.

Based on the RI roadmap for the BRIDGE funds, we defined an ESG analysis matrix for our investments in order to improve our reporting and monitoring of environmental and social risks at the project and overall portfolio level.

This work will allow investors to access information showing how we prioritise compliance with environmental regulations and good governance practices in our investments, while paying close attention to social impacts.

Alongside this work, we are continuing to facilitate major transactions that contribute to sustainable development and have a positive impact on the community, particularly the financing of renewable energy projects such as biomass, wind and solar projects but also projects that have a positive social impact, such as those involving retirement homes.

Adopting an advanced ESG integration process for the BRIDGE platform will take place in two stages:

- I. Application of the ESG integration process within a new BRIDGE fund focusing on financing energy transition for green growth. This environmentally-themed fund will be launched in 2018.
- II. Gradual extension, from 2018, of the ESG integration process to the whole BRIDGE platform and all new investments, along with retroactive ESG reporting for certain projects in which we have already invested, depending on our access to the relevant data. As well as carrying out ESG analysis on our investments, the approach includes an engagement strategy aiming to develop a constructive, collaborative ESG dialogue with entities seeking to borrow money to finance infrastructure projects but also with arrangers and sponsors/shareholders, in order to increase the transparency of ESG information.

In 2018, our Responsible Investment category will start to include the assets under management of BRIDGE funds that have applied the advanced ESG integration process.

RI development
and marketing
project group

6. Raising awareness and promoting our RI expertise

We are keen to respond precisely to our clients' requirements by constantly developing our RI expertise, and we are also committed to ensuring that our communication is accessible and easy to understand.

For that purpose, in late 2017 we started to harmonise the RI sections of the Edmond de Rothschild Asset Management websites in Europe, and the process should be completed in the first half of 2018. In 2017, the Edmond de Rothschild Group also developed an e-learning course on Responsible Investment in collaboration with Swiss Sustainable Finance, which will help to raise awareness among key players about current main trends and the role that they can play in their daily work. The course will subsequently be available via the Swiss Sustainable Finance website to raise awareness more widely in the finance industry.

It is also vital that we promote our RI expertise and explain its specific details to our clients on an ongoing basis.

In 2017, we used various media in France and Europe to achieve that aim: we held eight press interviews and sent staff to speak at 11 conferences and round tables, the Edmond de Rothschild Group hosted two seminars for clients, and we provided jury members for two ESG awards ceremonies.

Evolution of our main SRI funds and mandates

Edmond de Rothschild Asset Management (France)'s open-end SRI funds

Edmond de Rothschild Asset Management (France)'s range of open-end SRI funds			
Source: Edmond de Rothschild Asset Management (France)			
Fund	SRI strategy	AuM at 31/12/2017 (% change vs. 2016)	Return (source: Morningstar - 31/12/2017)
Edmond de Rothschild Tricolore Rendement	ESG commitment	€1,559.52 million (+6%)	★★★★*
Edmond de Rothschild Euro Sustainable Growth	ESG positive selection / Best-in-universe	€94.4 million (+162%)	★★★★*
Edmond de Rothschild Euro Sustainable Credit	ESG positive selection / Best-in-universe	€102.6 million (+36%)	★★★*

Our open-end SRI funds saw assets under management rise by almost 11% in 2017, largely as a result of net inflows from private clients, in the context of RI mandates secured by the Group's Private Banking business, and because of rising markets. The performance of our SRI funds is on a positive trend, illustrated by the fact that EdR Euro Sustainable Growth ranked in the first decile / 10th percentile of its Morningstar category in 2017, while EdR Euro Sustainable Credit ranked in the second decile / 11th percentile of its Morningstar category.

Edmond de Rothschild Asset Management (France)'s open-end SRI funds are managed in-house using proprietary ESG analysis, which is performed year-round. In 2017, we reviewed our ESG rating criteria, with the number of analysis categories being reduced from four to three while the corresponding criteria were updated: some were added while others, regarded as insufficiently relevant, were withdrawn.

In 2017, the RI team analysed the ESG performance of 144 companies (versus 111 in 2016) and met with 115 companies (versus 81 in 2016) on ESG topics. In 2017, Edmond de Rothschild Asset Management also expanded its analysis to cover all regions, responding to the growing needs of its equity and credit asset managers. With the help of Sustainalytics, a world-renowned extra-financial ratings agency, our ESG analysis now covers 6,000 issuers, versus 1,089 in 2016.

Growth in SRI assets under management

Edmond de Rothschild Asset Management (France) had €3,786 million of SRI assets under management at 31/12/2017. That represents a 13% year-on-year increase, and our SRI AuM is divided between our three open-end SRI funds and dedicated funds for institutional investors. Those funds are proving their appeal because of both the quality of their ESG analysis and their ability to offer high-performance SRI asset management.

Edmond de Rothschild Asset Management (France) SRI equity funds and mandates – AuM covered by ESG strategies in 2017³⁸

€3,786 million

³⁵ MORNINGSTAR rating at 31/12/2017 in the France Large Cap Equity category

³⁶ MORNINGSTAR rating at 31/12/2017 in the Eurozone Large Cap Equity category

³⁷ MORNINGSTAR rating at 31/12/2017 in the EUR Corporate Bond category

³⁸ Open-end funds and asset management mandates. Socially responsible investing by positive selection entails identifying companies that perform well on ESG criteria. Our efforts in this area are based on regular dialogue with corporate executives.

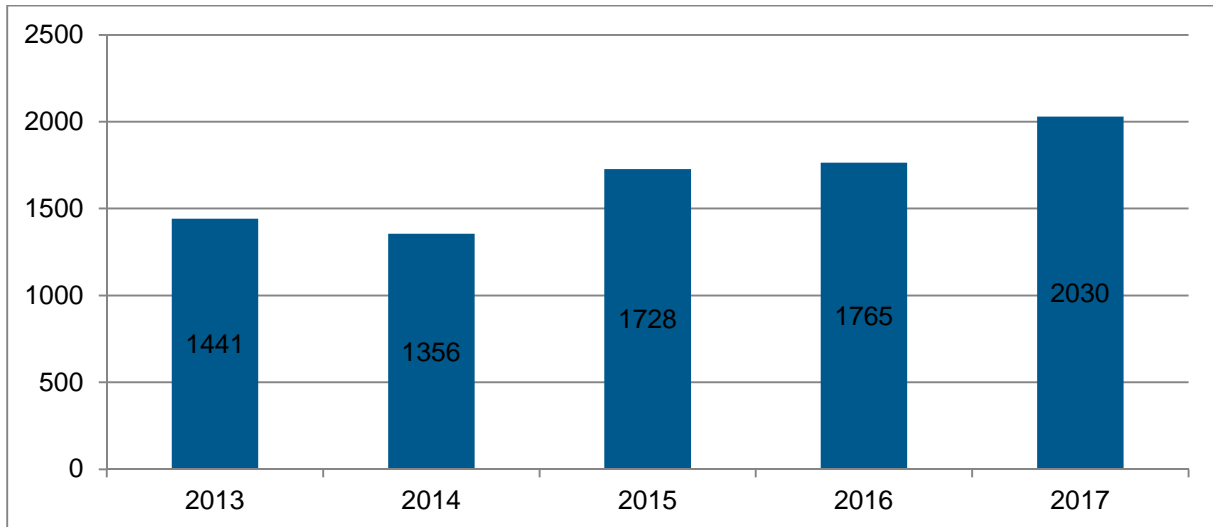
Institutional mandates	54%
Open-ended listed funds	46%

14.2% of Edmond de Rothschild Asset Management (France)'s assets under management

Source: Edmond de Rothschild Asset Management (France), figures at 31/12/2017.

Total assets under management in this category exclude the Asset Management Servicing, Overlay, EMTN and FSP activities, to which it is not possible to apply Responsible Investment strategies.

5-year change in SRI assets under management (in millions of euros) at Edmond de Rothschild Asset Management (France)



Edmond de Rothschild Asset Management (France)'s dedicated SRI funds posted growth of 22% between 2013 and 2016, and again delivered strong returns in 2017 with an annual gain of more than 15%.

The renewal of an institutional mandate in 2017 was one of the reasons for our success last year, along with strong inflows into open-end funds. This shows that clients are confident in the quality of our SRI asset management expertise and our ability to adapt to institutional clients' increasingly diversified and complex requirements, such as applying their proprietary ESG guidelines and voting policies.

The proportion of our total AuM in the SRI category was 14.2% in 2017 – split equally between our dedicated and open-end SRI funds – down slightly compared with 2016 because of significant growth in overall assets. Edmond de Rothschild Asset Management (France) is clearly demonstrating that this expertise plays a significant role in its range of investment solutions.

Company engagement and voting policy

In early 2018, Edmond de Rothschild Asset Management (France) updated its voting policy for the 2018 voting season. Some of the policy's key features are as follows:

- Voting against the chairman of the appointments committee if no gender equality policy is in place.
- In 2017, there was large-scale voting activity again, and we took part in 505 AGMs.

It should be noted that Edmond de Rothschild Asset Management (France) reports on its voting practices – i.e. its exercise of voting rights attached to shares held by the funds it manages – through a specific annual report, which is prepared within four months of the end of each year and available on the website: <http://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-EN-annual-report-on-exercising-voting-rights.pdf>

Edmond de Rothschild Asset Management (France) voting statistics	2013	2014	2015	2016	2017
Number of AGMs in which EdRAM France participated	759	679	717	654	505
Voting rate in the AGMs of equity investees	85%	75%	84%	75%	88%
Number of resolutions voted on	9,071	8,559	9,135	8,268	6,385
Proportion of votes "against" a resolution (including abstentions)	21%	20%	20%	25%	25%

Edmond de Rothschild Asset Management (France) voting scope: issuers in which funds own a stake of at least 0.01%.

Requests for Proposals (RFPs) showing investor interest in responsible investment

RFPs from institutional and retail investors including ESG/RI criteria, along with corporate due diligence processes conducted by investors on the asset management company (including ESG/RI questions), are key indicators that help us evaluate and assess how the responsible investment market is changing. These investors are the pioneers in this market, and they play a vital role in its evolution.

The chart below shows that 29% of the RFPs to which Edmond de Rothschild Asset Management (France) responded in 2017 included criteria relating to RI and/or sustainability in general, versus 15% in 2016.

The sharp increase in this proportion shows the increasing interest of French institutional investors in the RI market. In addition, we have noticed that questions relating to ESG matters in questionnaires are becoming ever more specific.

The following trends have also emerged:

- RI-related questions are being included in the standard due diligence questionnaires of major distributors, in France but also in Spain, for example;
- RI is continuing to attract interest from institutional investors in Italy.

Our indicator showing the inclusion of ESG/IR questions in due diligence processes fell in 2017. That was due to the cyclical nature of institutional investors' requests for proposals and due diligence processes. However, the trend that emerges from these two indicators shows that the RI market is growing, possibly as a result of Article 173 of France's Energy Transition for Green Growth Act.

Requests for proposals to which Edmond de Rothschild Asset Management (France) responded in 2017

RFPs from retail investors	48%
RFPs from institutional investors	52%

Among them:

RFPs dedicated specifically to sustainable investment	10%
RFPs integrating ESG/SRI or wider sustainability aspects	19%
RFPs without ESG/IR criteria	71%

Due diligence processes in which Edmond de Rothschild Asset Management (France) participated	2017	2016
Percentage of due diligence processes in which Edmond de Rothschild Asset Management (France) participated including questions related to ESG/SRI or wider sustainability	35%	35%

Maintaining and strengthening the RI commitments of Edmond de Rothschild Asset Management (France)

Continuing its efforts to make progress in this area, Edmond de Rothschild Asset Management (France) takes part to varying extents in industry discussions to advance ESG-related matters. For example, it helps promote and encourage adoption of RI via its involvement and contribution to various working groups. In 2017, we made an active contribution in the following areas:

- As Chair of the Research Committee of the Responsible Investment Forum (FIR), we took part in the 12th FIR PRI Finance and Sustainability European Research Awards³⁹ – co-founded by our Head of RI Jean-Philippe Desmartin in 2011 – which were held in Berlin on 26 September 2017. The jury, consisting of academics and practitioners, gave awards to several researchers – two German, one Bulgarian, three Spanish and two French – looking at subjects ranging from socially responsible loans, the connection between companies’ financial performance and their investments in corporate social responsibility, making sustainability an integral part of institutional investors’ investment decisions, social finance and the commons, the impact of climate change on corporate productivity and impact investing explained via a MOOC⁴⁰.
- As part of the FIR’s Research Committee, we also became the joint co-ordinator of a new FIR exploratory working group on the theme of “ALM / Strategy asset allocation and Responsible Investment”, which met for the first time in November 2017. The group will address questions relating to the connection between SRI and asset allocation, and the consequences in terms of risk, asset classes and management constraints. Four deliverables are expected in 2018.
- Finally, Edmond de Rothschild Asset Management (France) was elected as a director on FIR’s board representing asset management companies⁴¹, and sponsored Novethic’s annual “ESG strategies for responsible investors” conference⁴², which was attended by some major European asset owners. The 300 investors attending the conference, in its 10th edition, showed their increased commitment to making climate, environmental, social and governance issues a central part of their investment and asset management strategies.

Edmond de Rothschild Asset Management (France) continued to support research by the Toulouse School of Economics and the Chair of Sustainable Finance and Responsible Investment, a joint venture between the Ecole Polytechnique in Paris and the Toulouse School of Economics, overseen by the French asset management association AFG.

We also continued to publish our SRI Chronicles, launched in 2013 to highlight responsible-investment issues. Each edition puts forward the academic perspective on RI, featuring a researcher’s point of view on current topics. Among those topics, three issues published in 2017 contained our analysis of ESG factors and small- and mid-cap returns, the value created by ESG asset management, and governance factors that increase a company’s longevity. News items on climate-related subjects – which we monitor closely on behalf of our clients and asset managers – also feature prominently in our publications.

Managing climate change and energy transition risks: our 2017-2020 2°C Climate Roadmap

Climate/
Carbon project
group

In 2017, Edmond de Rothschild Asset Management sought to formalise a climate strategy including a 2°C Roadmap. The Roadmap fits with the company’s signature of the United Nations’ Montreal Carbon Pledge in 2015, under which it has committed to measuring progressively and publishing annually the carbon footprint of its investments⁴³. In 2017, Edmond de Rothschild Asset Management measured the carbon footprint of 14 of its funds.

The Roadmap was developed using in-house expertise, particularly that of the RI and Commodities / Infrastructure Equity Management teams, and on the basis of the final recommendations of the Task

³⁹ <http://www.fir-pri-awards.org>

⁴⁰ Massive Open Online Course.

⁴¹ <http://www.frenchsif.org/isr-esg/fir/la-gouvernance/#conseil-d-administration>

⁴² <http://www.novethic.fr/colloque-novethic2017.html>

⁴³ Carbon footprint information, which was published for the first time on 1 December 2015, can be accessed on our website at the following address: <http://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-FR-EN-empreinte-carbone-carbon-footprint.pdf>

Force on Climate-related Financial Disclosures (TCFD) and the International Energy Agency's 450 Scenario.

The 2°C Roadmap is being applied first to the Equity and Bond asset classes. Our analysis work includes:

- a proprietary in-house rating model to quantify the main climate risks and opportunities within economic sectors and sub-sectors. In practice, this means that in relation to climate risks, our Roadmap will not become diluted, remaining focused on a limited number of sectors and issuers, because 90% of climate risks arise from 10% of issuers operating in fewer than 10 economic sectors.
- reviews focusing on the four aspects of Regulation, Technology, Markets and Reputation, through which we identified ten high-level risks including five for the 2017-2020 period, starting with the coal industry.
- reviews focusing on the five aspects of Resource Management, Energy Sources, Products and Services, Markets and Resilience, through which we identified 20 high-level opportunities including 11 immediate opportunities, foremost among which are those relating to energy efficiency.

The Roadmap aims to set out, in a pragmatic way, a path to making Edmond de Rothschild Asset Management (France)'s investment strategy compatible with the 2°C scenario. It is a long-term process which could last until 2040, in contrast to certain approaches currently adopted in the financial markets. It also forms part of a continuous improvement procedure, which aims to address current and future difficulties relating to understanding, identifying and measuring climate challenges.

It will be updated every 12-24 months as progress is made on measurement methodologies – particularly as regards scope-3 and avoided CO2 emissions – as well as access to information and the maturity impact analyses, in order to reassess the action we take.

By taking this approach, Edmond de Rothschild Asset Management is making a commitment to supporting energy and environmental transition from a European and global economy that is dominated by fossil fuels to a low-carbon economy.

Applying the 2°C Roadmap to our equity and credit investments

The approach involves gradually reducing the carbon footprint of our portfolios between now and 2040. This commitment, which is consistent with our fiduciary duty, has been defined in collaboration with our clients, particularly institutional investors. As part of that approach, we have been:

- developing low-carbon asset management expertise through a virtual low-carbon global equity fund since 2016, which has shown our ability to generate very strong returns, ranking in the top quartile in 2017 and over two years in the low-carbon fund category, as calculated by MSCI for AM League⁴⁴. Our overall ESG returns are better than the benchmark and higher than the average of the 25 competing virtual low-carbon global funds.
- applying it for the first time in our products with the 21 December 2017 launch of the EDR Energy Evolution fund, in order to bring our investment strategy gradually into line with the 2°C Roadmap. This work has involved closely examining the portfolio of a commodities investment fund (EdR Géosphere) using the criteria and conclusions of our 2°C Roadmap to identify the stocks showing the greatest risks and those showing opportunities for the future. This allowed us to reposition this fund, which is now called EdR Energy Evolution. The in-depth work done by the Responsible Investment team alongside the Commodities investment team has enabled the fund's managers to address the climate change issue and the risks and opportunities it represents for their portfolio.

⁴⁴ <https://www.am-league.com/fr/news/amleague-creation-d-un-mandat-global-equities-low-carbon-370.html>

Climate change – our holistic approach

1. Carbon footprint measurement	<ul style="list-style-type: none"> • Proprietary data on scopes 1 and 2 • Investee companies encouraged to extend their data to scope 3 and emissions avoided • Publication of the carbon footprints of our investment strategies
2. Evaluation of the carbon strategy of companies	<ul style="list-style-type: none"> • Business model & climate change • Carbon strategy governance • Ability to identify and manage material carbon risks and opportunities • Definition of a "2 degree" roadmap
3. Measurement of innovation of products and services	<ul style="list-style-type: none"> • Ability to innovate in favour of the energy transition (quantitative proprietary indicator) • Weighting per sector according to the importance of the carbon issue • Identification of "winning/losing" companies in a "2 degree" world
4. Shareholder dialogue and engagement	<ul style="list-style-type: none"> • Transparency and quality of reporting • Integration of the carbon issue into the ESG dialogue • Numerous individual meetings with companies • Participation in investor coalitions
5. Decision-making	<ul style="list-style-type: none"> • Integration of carbon and financial analyses • Potential impact on financial statements • Evaluation of the specific carbon approach to apply • Impact on investment decision

Responsible Investment in our banking activities

Since 2015, Edmond de Rothschild (France) has been working with Edmond de Rothschild Group's Sustainability Department and the Asset Management business line on integrating Responsible Investment into the products and services it offers to private clients.

In 2016, this fundamental work led to the creation and launch of a new product, the SRI Mandate, which enables clients to invest using RI strategies that combine strong financial returns with a positive social and environmental impact. In 2017, we continued to see growing interest in RI among our Private Banking clients.

The ongoing challenge in this area is to "translate" technical concepts relating to RI strategies used by institutional investors into simpler and more accessible opportunities with a focus on the companies' environmental and social impact.

Firstly, the private bankers themselves must take ownership of the topic so that they can feel at ease when discussing it with their clients. A toolbox including RI training was developed and used in 2016 in 2017 to support Relationship Managers' learning in this area. In 2017, the Edmond de Rothschild Group turned that training into an e-learning course in conjunction with Swiss Sustainable Finance, and it will be made available to Asset Management and Private Banking teams in 2018 to help them achieve greater knowledge of the subject.

Responsible Investment in our Private Equity activities

The Edmond de Rothschild Group is a major player in the private equity sector, using the experience gained by generations of the Rothschild family to support companies through partnerships with our

dedicated teams. Those teams are more than just financial investors: they partner with companies to help them grow and create value.

Our flexible structure allows us to adopt an opportunistic, responsive approach, enabling us to identify future investment themes and put together teams with the leading-edge skills required to ensure the success of our projects.

We have a wealth of experience in structuring funds, defining investment processes, and integrating ESG principles and good governance rules. For each of our strategies, we ensure that the interests of investors, our investment teams and the Group are fully aligned.

Since 2014, all of our Private Equity activities have been conducted by a single entity – Edmond de Rothschild Private Equity – which is represented in various countries including France. Bringing those activities under one roof has enabled us to achieve greater synergies in areas related to Responsible Investment and thus hit our target of increasing the proportion of assets we manage according to ESG methods. In 2016, Edmond de Rothschild Private Equity became a signatory to the UN’s Principles for Responsible Investment, following the commitment made by its subsidiary Edmond de Rothschild Investment Partners.

We have expertise in three main areas:

<u>Growth Capital</u>	<ul style="list-style-type: none"> • Diversified Minority Investments • Mid Cap Development Capital • Small Cap Development Capital • Life Sciences
<u>Emerging Economies</u>	<ul style="list-style-type: none"> • Sub-Saharan Growth
<u>Real Assets</u>	<ul style="list-style-type: none"> • Infrastructure • Remediation of Polluted Sites • Luxury Hotels • Agro-forestry

It should be noted that in 2017, the Group adopted a new strategy called PEARL, which specialises in environmental infrastructure and water and waste treatment. The new fund has started to raise money, and will supplement our existing expertise as regards soil remediation and the financing of social and transport infrastructure.

Responsible Investment methods are integrated into our Private Equity activities in two main ways:

1. A theme-based approach using an impact investing strategy. This strategy is attracting increasing numbers of institutional investors, particularly development banks and other asset owners, family offices and private clients wanting to have a positive social and/or environmental impact as well as investment returns that are comparable to those of the broad market;
2. A traditional approach, possibly including a specific theme such as life sciences or economic development in Africa, in which ESG and governance criteria form an integral part of financial analysis, investment decisions and, in some cases, contractual agreements.

Brownfield regeneration in France via Ginkgo 2⁴⁵

⁴⁵ Ginkgo assets are managed in Switzerland and so are not included in this Edmond de Rothschild (France) annual report but are included in the AuM figures published in the Edmond de Rothschild Group’s sustainability report: <http://www.edmond-de-rothschild.com/site/International/en/Sustainable-development/reports> . The information published here is regarded as relevant to the extent that Ginkgo focuses on investment opportunities with a positive social and environmental impact, including in the energy transition context.

In May 2017, we launched Ginkgo 2, the Edmond de Rothschild Group's Private Equity platform dedicated to the sustainable regeneration of heavily polluted brownfield sites in urban areas.

To mark the launch, Ariane de Rothschild attended an official ceremony in Lyon – one of the main regeneration sites of the first fund launched in 2010 – and welcomed the heads of the fund's main public- and private-sector partners, including the European Investment Bank, the Caisse des Dépôts et Consignations, Société Fédérale de Participations et d'Investissement and Lyon Métropole.

The fund has attracted commitments of €160 million, and will allow the sustainable regeneration of heavily polluted sites while addressing the environmental, economic and social issues involved in regenerating brownfield sites in urban areas. Ginkgo 2 is likely to create 400,000 m² of new building land, around 5,000 homes and the equivalent of 8,500 full-time jobs.

Ginkgo 2's new projects include three in the Paris region (Saint-Denis, Suresnes and Fontainebleau). Three other projects are located in Lyon, Marseille and Brussels. A seventh project began in late 2017 in Malaga, Spain.

The first-generation Ginkgo 1 fund, which raised €81 million in 2010, is currently completing the regeneration of seven contaminated brownfield sites in France and Belgium. These projects are creating more than 200,000 m² of building land in the heart of major cities like Lyon, along with more than 3,000 homes and 5,000 jobs.

Like its predecessor, Ginkgo 2 will continue to focus on France and Belgium, adding value for all stakeholders in projects to regenerate contaminated brownfield sites, i.e. owners of polluted land, local authorities, developers, construction companies and end-users. As well as the major social and environmental benefits for the community, Ginkgo represents an innovative investment solution for our clients and major institutional investors. It is a win-win combination, which makes Ginkgo particularly attractive for a growing number of investors in France and Europe.

Ginkgo supports entities that buy land and then defines, finances, performs and oversees the clean-up work that precedes the sites' redevelopment. For the stakeholders of each regeneration project, Ginkgo's involvement ensures that the measures taken are appropriate to the sites' future use and that any contaminants are dealt with fully and sustainably. Ginkgo also pays particular attention to development projects and to the energy performance of future buildings.

The Edmond de Rothschild Group's Private Equity operations in France

The Group's Private Equity activities in France take place through two entities: Edmond de Rothschild Private Equity (France) and its 51%-owned subsidiary Edmond de Rothschild Investment Partners (EdRIP).

Private Equity is a strategic business at the Edmond de Rothschild Group, delivering added-value investment solutions that conjoin uniquely with private banking services and allow us to provide highly distinctive services to major institutional investors. Our Private Equity strategy, which focuses on supporting entrepreneurs and helping SMEs grow, takes the long view, in keeping with the culture and values of the Rothschild family.

Growth continued to accelerate in 2017 after major fund-raising activity in 2016: the ERES III fund, which has a minority co-investment strategy, reached its hard cap by achieving a final close of €300 million, while Cabestan Capital 2, a Private Equity fund focusing on French small caps, reached its hard cap of €170 million.

A year after adding mezzanine debt investments to its offering, Edmond de Rothschild Investment Partners continued to develop that business with its new ActoMezz III fund. The fund achieved a close of €314 million, more than its initial hard cap of €300 million. ActoMezz's team works closely in partnership with company managers wanting to maximise their stakes, and is strengthening its position in the French "smid-cap" segment.

The BioDiscovery franchise attracted €345 million for its new BioDiscovery 5 fund, making it the largest European fund focusing specifically on biotech. Fundraising started in late 2016 and the final close took place in January 2018. The new fund has already started to invest its funds, with three initial investments in the therapeutic field: Complexa, LogicBio and Erytech.

So far, the total amount of capital raised by the Group’s life sciences franchise is more than €750 million, making it a leading player in Europe.

Through its Private Equity activities, Edmond de Rothschild Group has put together a diversified range of products that address entrepreneurs’ varying development needs, fund the real economy and give institutional and private investors access to stable and high-performance investment products. The Group promotes the adoption of optimum environmental, social and governance (ESG) practices, including managing risks, seeking opportunities and maximising impacts.

When managing its funds, Edmond de Rothschild Private Equity (France) applies an exclusion policy that is included in its funds’ legal documentation. For example, funds are barred from investing in companies with head offices in certain countries regarded as risky; the list of those countries changes over the investment period.

In addition, they cannot invest in companies that carry out or promote: forced labour, child labour, pornography or prostitution; the sale of illegal products or products resulting from activities that are illegal under international legislation (regulations, international conventions and/or agreements etc.) or that have been banned or are being phased out; the production or sale of radioactive material or material deemed hazardous within the meaning of international laws, arms and/or munitions; or the production of or involvement in media that are racist, anti-democratic or encourage discrimination against a part of the population.

Assets managed by Edmond de Rothschild Private Equity at the end of 2017 (€m)

Assets covered by an ESG methodology	1825
Not covered by an ESG methodology	194

Among them:

ERES II SICAR	0%
ERES III FPCI	4%
Capital-Development Mid Caps -Winch Capital	23%
Capital-Development Small Caps - Cabestan Capital	14%
Sciences de la Vie- Biodiscovery	30%
Acto Mezzanine	27%
Edmond de Rothschild Euroopportunities II FPCI	2%

Management of our environmental impact

Edmond de Rothschild (France) has been strongly committed to managing its environmental impact since 2011. It assesses its carbon footprint every year, producing a Bilan Carbone® according to ADEME standards. Its efforts are an integral part of Edmond de Rothschild Group’s sustainability strategy.

When reviewing the Edmond de Rothschild Group's material environmental issues, the Sustainability Department, in agreement with the entities that audit the sustainability reporting, have also decided to reduce the scope of its environmental reporting. The reduction concerns indicators related to other indirect emissions (scope 3):

- IT hardware acquired during the reporting year (excluding ink cartridges and toner)
- Purchases of goods and services
- Employee home-work travel
- Business travel by train, car, taxi and hire car

The environmental priorities defined by the Group after the 2014 materiality exercise, which enabled it to identify the material issues, are:

1. Greenhouse gas emissions, primarily due to:
 - a. Direct energy consumption
 - b. Business travel (by plane, helicopter and private jet)
2. Paper consumption
3. Waste management

Based on these three priorities, the Group published, in 2016, its 2020 objectives (figures for reference years relate to Edmond de Rothschild Group):

- Reduce the carbon footprint per employee by 15% (reference year 2015: 9.2 tonnes of carbon equivalent/employee);
- Reduce energy consumption per employee by 10% (reference year 2014: 6.8 MWh/employee);
- Offset our CO₂ emissions for scopes 1 and 2 of the Greenhouse Gas Protocol;
- Reduce paper consumption per employee by 25% (reference year 2014: 87kg/employee);
- Use 100% recycled or FSC/PEFC certified paper (reference year 2014: 85%).

Since 2014, a reporting system used at Group level has given an accurate picture of Edmond de Rothschild (France)'s environmental contributions, and allows even more precise reports to help us satisfy the requirements of the Bilan Carbone® and Article 225 of French Act no. 2010-788 of 12 July 2010 (also known as Grenelle 2).

In 2016, we decided to align reporting methods between France and the rest of the Group by only taking into account staff on permanent and fixed-term contracts, students under work/study contracts and interns (therefore excluding external providers and temp staff). To retain historical data with which to compare our results, Bilan Carbone® figures for 2013, 2014 and 2015 were recalculated, as were ratios for environmental indicators.

The 2017 reporting scope covered France excluding foreign sites and branches reporting to the French business and still active (Italy, Germany and Asset Management activities in Spain), but also excluding Edmond de Rothschild Investment Partners (EdRIP) in France. The ratios presented have been recalculated to align previous data with the new scope focusing on France.

Changes between 2016 and 2017 shown in the following paragraphs have all been calculated at constant scope, i.e. focusing on France and excluding foreign subsidiaries.

Carbon footprint

The results set out below for Edmond de Rothschild in 2017 show a reduction of our carbon footprint, both overall (-15%) and per employee (-9%).

The reduction was mainly due to a 36.1% decrease in business-class long-haul aircraft travel. That reduction accounted for 90% of the improvement in the carbon footprint between 2016 and 2017.

2,063 tonnes of CO₂ equivalent

Paper and consumables	2%
Business travel and commuting	65%
Waste	0.2%
Energy and air-conditioning	33%

	2014	2015	2016	2017
CO ₂ emissions for EdR France and its foreign subsidiaries (tonnes CO ₂)	8,046	7,469	6,100	-
CO ₂ emissions per employee (tonnes CO ₂ equivalent) ^a	10.2	9.1	7.8	-
CO ₂ emissions for EdR (France) in France (tonnes CO ₂ equivalent)			2,417	2,063
CO ₂ emissions per employee (tonnes CO ₂ equivalent) ^a			3.09	2.83

a CO₂ emissions for Edmond de Rothschild (France) and per employee have been recalculated for 2013, 2014 and 2015 to align results with the new calculation methodology, which excludes external providers and temp staff. This change affects data relating to commuting and per-employee ratios.

b The significant difference with respect to the 2015 carbon footprint figures published last year (8,422 tonnes of CO₂ equivalent) is partly due to the methodological change (exclusion of external providers and temp staff from the calculation) but also to an error detected 2016 in calculating carbon emissions arising from commuting by bus.

Energy consumption

In 2017, energy consumption fell 11%, mainly because of a 5.7% drop in electricity consumption, but also a 4.6% decrease in gas consumption. Energy consumption per employee fell 4.8%.

Air conditioning requirements also fell, with the amount of energy used to cool buildings down 42%. The general resources department negotiated equipment upgrades in 2017, resulting in lower costs.

For the two Paris buildings that are heated using steam, expenditure on that energy source also fell 14%.

Renewable energy accounted for 5.53% of total energy consumption, down from 7.5% in 2016.

We are continuing our efforts to reduce our environmental impact on an ongoing basis, by analysing our consumption and anticipating changes that need to be made within our buildings and business activities. Those efforts drive project development and help us to minimise our costs, as well as reducing our carbon footprint.

	2014	2015	2016	2017
EdR (France) energy consumption (MWh)	5,986	5,945	5,736	5,099
of which electricity	3,458	3,562	3,246	3,062
Energy consumption per employee (MWh) ^a	7.5	7.2	7.3	7.0

^a In 2016, "energy consumption per employee" ratios were all recalculated in line with the new reporting methodology (see introduction to the "Environmental information" section).

Energy consumption in 2017

5,099 MWh

Steam	9%
Electricity	60%
Gas	22%
Cooling	9%

Sustainable use of resources

Edmond de Rothschild (France)'s paper consumption fell 1.76% compared with 2016. Total consumption was 52.97 tonnes and paper consumption per employee was stable. The Communications department is continuing to make constant efforts to reduce printing, both internally and externally.

The introduction of multifunction machines and the replacement of individual printers continued in 2017 under the supervision of the IT Systems Department

Virtually all (99%) of the paper used in France – which accounts for around 91% of paper consumption – is recycled and carries the FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) label.

Overall water consumption increased by 25.7% in 2017.

In 2016, Edmond de Rothschild (France) acted as a pilot for the Group's Responsible Purchasing Policy. This policy is intended not just to monitor the practices of suppliers and subcontractors in terms of sustainability, but also to raise awareness among employees involved in the purchasing process so that they take into account the social and environmental impacts, both positive and negative, of the products and services they select. A practical guide has been produced to give the relevant people the information they need, to help them implement the Responsible Purchasing Policy.

Paper consumption in 2017

52.97 tonnes

Recycled paper	45.7%
Paper with FSC or PEFC label	53.3%
Other paper	2.8%

	2014	2015	2016	2017
EdR (France) paper consumption (tonnes)	57.0	56.4	53.9	52.97
Paper consumption per employee (kg) ^a	71.9	68.7	69.0	72.6

^a "Paper consumption per employee" ratios have all been recalculated in line with the new reporting methodology (see introduction to the "Environmental information" section).

	2015	2016	2017
EDR France water consumption (m ³)	8,782	7,371	9,265
Water consumption per employee (m ³) ^b	10.7	9.4	12.7

^a Water consumption figures for 2015 have been adjusted to take into account revisions of the estimates made for the Edmond de Rothschild Group's 2015 report.

^b "Water consumption per employee" ratios have all been recalculated in line with the new reporting methodology (see introduction to the "Environmental information" section).

Waste management

A specialised service provider picks up our old IT equipment, wipes all data (providing a data deletion certificate) and determines what can be resold, upgraded or recycled.

Sorting bins are in place at all sites in Paris to encourage employees to recycle responsibly.

In 2017, special bins for coffee pods were placed next to coffee machines, and 83 kg of waste was recycled as a result.

The amount of aluminium we recycle increased by 91% last year, from 80 kg in 2016 to 153 kg in 2017. We also recycled 443 toner cartridges.

Paper to be recycled is transferred from employees’ individual waste baskets to secure containers, which are then processed by a specialised company. A total of 112.2 tonnes of paper were recycled in 2017, the equivalent of 1,795 trees, and 20,000 litres of water were saved per tonne of paper recycled.

	2014	2015	2016	2017
Recycled waste paper (tonnes)	113.2	96.3	102.5	112.2
Recycled waste plastic (tonnes)	6.60	6.60	7.09	5.75
Recycled waste aluminium (tonnes)	0.70	0.1	0.08	0.15
Recycled toners (units)	579	566	368	443

The sharp drop in recycled waste aluminium between 2014 and 2015 resulted from a change in the way our provider makes estimates.

Biodiversity

Since the Rio Earth Summit in 1992, which took place in the midst of an environmental crisis, preserving biodiversity has been regarded as a key element of sustainability. Protecting and restoring the diversity of living things is a vital mission for human societies, which are entirely dependent on that diversity via the earth’s ecosystems.

The disappearance of species is very often the most visible sign of declining biodiversity. Bees represent one of the many species under the greatest threat, and this is having a major direct impact on humans because bees play a vital role in pollination, which is necessary for many plants to reproduce.

Of the world’s flowering plants, 80% depend on pollination, and so bees help to ensure the survival of many plant species. They are a leading indicator of environmental change, because anything that threatens bees can also cause serious problems for other pollinators.

Bee colony collapse has become an increasingly worrying phenomenon in recent years, and there are many factors behind it. These include the ill-considered use of pesticides, the destruction of woodland, increasingly early flowering or excessively long and cold winters, pollution of the air, water and soil, disease and parasites.

Although the disappearance of bees would not necessarily spell the end of humanity, it would be a real catastrophe. It could cause the disappearance of 80% of plant species, wiping out a third of our food supply.

Maintaining the balance of the world’s plant species by protecting bees is one of the first projects that Edmond de Rothschild (France) adopted, in 2012, as part of its sustainability approach.

That project has involved installing four beehives in the immediate vicinity of one of our Paris buildings. Around 140,000 bees are now enjoying the diverse range of plants and flowers present in Paris all year long.

Since 2016, Edmond de Rothschild (France) has also pursued its commitment to biodiversity by installing two insect hotels. Working with an environmental advisory company, these shelters are made from wooden wine cases used by the Rothschild family, and have been installed in the Bank’s gardens.

The insect hotels attract insects and arachnids, which help bees survive the winter, playing useful roles as pollinators and predators of parasites and pests. In summer, they are a place for species like mason bees to lay eggs.

As part of the same project, and in order to extend initiatives to maintain biodiversity and ecological balance in the urban environment, a number of nesting boxes and feeders have been installed to provide food and shelter for animals that are useful for the gardens. These species are finding fewer and fewer locations to reproduce and so their presence in cities – which is vital – is diminishing.

Our commitment for a sustainable society

Stakeholder engagement

In an interconnected world faced with major societal and environmental challenges, effective solutions require individual and collective efforts. The Rothschild family has always been driven by the passion for entrepreneurial activity and innovation in the service of economic and social progress.

As part of the Edmond de Rothschild Group’s sustainability strategy, the key elements of this social commitment include:

- Engagement with the local community;
- Philanthropic activities; and
- Engagement with stakeholders.

Engaging with our stakeholders was identified as one of our material issues as a result of the materiality exercise undertaken in 2014. This is a subject that spans our strategy and we address it in various sections of this chapter of the Edmond de Rothschild (France) report and the Group sustainability report, particularly in the sections on Responsible Investment.

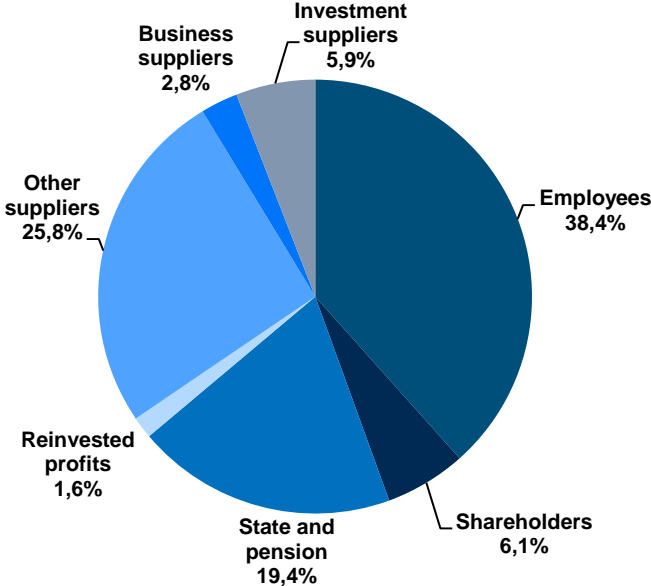
Our 2020 targets in this area are as follows:

- Implement a process of evaluation and engagement with suppliers as part of our Responsible Purchasing Policy;
- Implement the Community Engagement Charter and encourage Group entities to implement philanthropic programmes.

Edmond de Rothschild (France) holds regular, in-depth discussions with its stakeholders, i.e. clients, employees and their representatives, suppliers and subcontractors, national and financial authorities, and other economic actors.

Banking revenues by expense item or appropriation

€292 million



Since 2015, the Edmond de Rothschild Group has published an annual sustainability report covering all its entities. By adopting the highest reporting standards – i.e. compliance with GRI4 guidelines and third-party verification of quantitative data – we want to show our commitment to transparency with respect to our stakeholders. We make the report available to the general public via the website, and we provide hard copies of a brochure summarising the key points to clients and partners in our branches.

Our interactions with stakeholders have a major impact on our ongoing efforts to improve the way we manage sustainability themes in our main business activities, and most of those interactions were on the subject of responsible investment in 2017 (see page 335). At the same time, the Sustainability

Department was in contact throughout the year with key organisations in this area, such as Swiss Sustainable Finance (SSF), UNEP Finance Initiative (UNEP FI) and Responsible Investor (RI).

Working with our suppliers

Suppliers are another important category of stakeholders for Edmond de Rothschild (France). A working group was set up in 2016 to develop the Group's Sustainable Purchasing Policy in France as a pilot, and it achieved its objectives on schedule. The Policy was validated by the Executive Committee and published in June 2017.

The Policy was turned into a "Responsible Purchasing Charter" signed by Ariane de Rothschild. The intention is that the charter will be co-signed by the Group's suppliers to underpin their commitment to issues relating to human rights, the environment and ethics. The launch took place in June 2017 and the Charter was sent to 525 suppliers.

Of the suppliers that have received the Charter, 33% have signed and returned it. The Charter will be sent again in 2018 to suppliers that have failed to respond.

The programme has been a useful exercise for the Bank, allowing it to update its supplier database and to consider the next steps to be taken in this project.

Those steps include rolling out the practical guide prepared in 2016 to accompany the Responsible Purchasing Policy, and sending the Charter to suppliers of the Group's other main entities.

Active collaboration with social enterprises

As in previous years, Edmond de Rothschild (France) continued to do business with companies employing disabled employees or that have a major positive social and environmental impact.

For example, as part of our disability agreement, the Human Resources team organised a disability awareness-raising cookery session in 2017 with Kialatok, which received funding as part of the Scale Up programme in 2016. Twelve people from the Human Resources department took part in the event. Also in 2017, we signed up to a partnership with TIH Business, a platform for connecting with self-employed disabled workers, to whom we have been able to outsource tasks such as translation.

We continued our collaboration with Handiprint in printing services, and we used the Les Ateliers du Comminges ESAT⁴⁶ to prepare letters to be sent by post. We used the catering services of Berthier, another disability-oriented social enterprise, on several occasions. We also continued to work with ATF Gaia, which received support from Scale Up in 2012 and specialises in the environmentally friendly recycling of electronic equipment. The company also provides long-term work for employees with disabilities, who make up 80% of its production workforce.

Community engagement and philanthropy: close collaboration with the Edmond de Rothschild foundations

Supporting diversity with PasserElles

For the seventh year in a row, Edmond de Rothschild (France) supported the professional-integration programme PasserElles, offered by the non-profit recruitment agency Mozaïk RH. This programme, initially funded by the Edmond de Rothschild Foundations, is aimed at young female graduates from different backgrounds looking for employment. It combines group workshops, individual coaching by recruitment professionals and personalised support by a sponsor from the company. Edmond de Rothschild (France) encouraged its employees to participate as a mentor in 2017.

For the programme that began in October 2016, 17 participants in France volunteered to be mentors. The programme remains open all year in order to attract new mentors.

⁴⁶ An ESAT is a disability-oriented social enterprise that supports people with disabilities and aims to integrate them into society and the world of work.

When mentors and mentees meet, they discuss highly practical matters like how to make the most of their strengths, how to network, and how to prepare for an interview or a new job. Most mentors use their own networks to help mentees find a job.

There is a practical guide for mentors, particularly to remind them of their role and the various stages of the programme.

Feedback from mentees in the 2016-17 programme showed that they benefited from greater self-confidence, improved knowledge of the jobs market, a better understanding of the professions and sectors that interest them, useful advice on finding jobs and on job interviews, an introduction to network-building and guidance on starting a new job and developing a career. Overall, 104 mentors have helped 116 young women in the six years since the programme began. The programme currently has 85 active mentors..

Working with impact entrepreneurs as part of Scale Up

The Bank also continued its commitment to the Scale Up programme, created jointly in 2010 by the Edmond de Rothschild Foundations and the ESSEC Business School to support the development of businesses that have a major positive impact on society and/or the environment. These companies all share in common the fact that they propose new business models focused on inclusive growth that combines economic performance, impact and technological innovation. Candidate companies are analysed from several angles:

- Viability and profitability of the business model
- Established proof of concept
- Socially innovative company with a major social and/or environmental impact, and willingness to measure that impact
- Growth potential along with a desire to attract outside equity investors and strengthen governance
- Solid and French-speaking entrepreneurial team

In this programme, selected companies are assisted for one year by volunteers from Edmond de Rothschild (France), who share their expertise on strategy, finance, fundraising and communication. Their professional expertise supplements the educational content of the programme, which also provides access to a panel of business-line experts and a broad network of traditional and socially responsible investors. The aim is to give the companies' leadership teams the tools they need to define, implement and finance their growth. As a result, Scale Up is now the first entrepreneur support programme to combine academic expertise with financial and strategic expertise.

In the seven years since its inception, Scale Up, with its combination of economic performance and social impact, has been recognised as unique in France.

To strengthen its position further, the programme has since 2015 been open only to companies (SA, SAS, SARL) in a growth phase, with a view to raising over €200,000 of financing. The seven companies that completed the programme in 2017-2018 – JEM (Jewellery Ethically Minded), Hopon Family, Les Talents d'Alphonse, Citizen Farm, Poiscaille, Le Potager Extraordinaire and Pop School – were aided by nine Group experts from various business lines, i.e. business advisory, asset management, private equity and wealth management, but also marketing and communication. In 2017, Humanis became a partner of the programme in order to provide more support to entities serving the "silver economy", i.e. providing products and services for older adults, as part of a shared-value and open-innovation approach.

The programme includes three seminars organised by ESSEC and ends with a Demo Day. This is an opportunity for participating companies to present their growth plans to potential investors. Several of them are already in the process of raising new funds. As well as helping companies attain new scale, one of the programme's objectives is to develop the ecosystem by bringing together people from various entities and professional backgrounds:

- Large corporations committed to CSR and/or shared-value approaches
- Traditional and responsible investors

- Academic institutions
- Incubators and entrepreneurs

In September 2016, a study of 14 former participating companies was carried out. Since the programme's support ended, those companies have seen an average revenue growth rate of 100%, created 135 jobs and raised almost €10 million of funding.

A practical French-language guide called “Changer d’Échelle: manuel pour maximiser l’impact des entreprises sociales” (“Changing scale: a manual for maximising the impact of social enterprises”), has been published by the Edmond de Rothschild Foundations and ESSEC Business School. It can be downloaded free of charge at www.programmescaleup.org. Finally, a comprehensive assessment of the programme since its inception in 2010 is currently being carried out, and its results will be presented in 2018.

OPEJ: community support for young people

The origins of the OPEJ-Baron Edmond de Rothschild Foundation lie in the Jewish resistance during the Second World War. It was created in 1945 under the name of Œuvre de Protection des Enfants Juifs (organisation for the protection of Jewish children or OPEJ) to provide a home and an education for children in hiding whose parents had been deported.

It became a government-approved charity in 1957 and changed its name to the OPEJ-Baron Edmond de Rothschild Foundation in 2012. It is continuing its work today in the areas of prevention, protection and support for children, young people and families. The diversity of the work it does is testament to its ability to support vulnerable people and its historic commitment to three regions: Greater Paris, Hauts-de-Seine and Val-d’Oise.

Its teams are community-driven, and aim to develop social cohesion through the acknowledgement and mutual respect of identities. Today, OPEJ welcomes people from 27 different cultures, and the best interests of children and their families lie at the heart of its work.

OPEJ key figures:

- 175 child protection professionals
- 135 children and adolescents housed in children’s homes / 2,900 people supported
- 10 institutions and departments / 3 locations in the Paris region

To celebrate OPEJ’s 70th anniversary in 2015, Edmond de Rothschild (France) strengthened its ties with the Foundation by encouraging its staff to get involved in the Foundation’s work. In 2015 and 2016, Edmond de Rothschild (France) employees were invited to mentor a young person for one year.

This mentoring was a way of supplementing the work done by educators, by giving the young mentee an external contact who takes an interest in his/her future outside of OPEJ’s educational efforts. To maintain these relationships and the grass-roots work done by these mentors, they received constant support and advice from the young person’s key educator and OPEJ staff.

In 2017, Edmond de Rothschild (France) focused its support for OPEJ on sales and collections for the Foundation’s benefit. For example, the Group arranged:

- a furniture sale that raised €1,810;
- furniture donations that helped furnish the Maison des Familles et des Cultures, a family mediation centre that moved to new premises in September 2017, along with donations of IT hardware (PCs, keyboards, printers etc.).

In addition:

- in summer 2017, Group employees collected 10 boxes of books and toys for children visiting day centres;
- in December, they collected another two boxes of brand new toys and games for children supported by OPEJ.

Reporting methodology and validation of data

1. Selection of indicators

In order to monitor the performance of the sustainability approach followed since 2011, the Bank identified the most relevant indicators pertaining to its business dealings and influence. In doing so, it referenced the French decree implementing Article 225 of the Grenelle 2 Act, the principles of the United Nations Global Compact and various recognised CSR benchmarks.

Certain key indicators were highlighted because they provide a clear picture of our workforce-related, environmental and social issues, and because they support appropriate decisions-making and actions:

- Social: headcount and movements, payroll trends, the proportion of employees who took part in annual performance appraisals, employee training and the percentage of women among management-level employees.
- Environment: the Bilan Carbone®, applied to all of the Bank's activities, which is a global indicator of greenhouse gas emissions; direct energy consumption; and paper consumption.
- Wider sustainability: assets managed according to SRI standards, the carbon footprint of Edmond de Rothschild Asset Management (France) funds, and ethical and compliance training.
- Some indicators required by the decree are not included in the report insofar as they are irrelevant to the Bank's services. These indicators are noted in the concordance table further on in this text.

2. Reporting scope

After analysis of reporting results for 2014, 2015 and 2016 covering Edmond de Rothschild (France) all its foreign subsidiaries and branches, and taking into account the reduction in the scope in 2016 and 2017 with the closure of sites in Chile, Beijing and Shanghai and the current winding-up of the Hong Kong site – the Sustainability Department, in agreement with the auditors of the sustainability information, also decided to reduce the scope of environmental and social reporting to the country of France, which accounts for more than 90% of the workforce. This reporting scope does not affect the analysis of information or the reliability of that information. The processes in place remain the same for this year's reporting scope, i.e. Edmond de Rothschild in France.

In sessions organised with auditors from PwC in September 2017, to analyse the results of the previous reporting round and the most important issues for the Edmond de Rothschild Group, the Sustainability Department, based on the auditors' recommendations, also decided to reduce the scope of environmental reporting. The reduction concerns indicators related to other indirect emissions (scope 3), because their impact is not regarded as material for the sector concerned:

- IT hardware acquired during the reporting year (excluding ink cartridges and toner)
- Purchases of goods and services
- Business travel and commuting
- Business travel by train, car, taxi and hire car

The environmental priorities defined by the Group after the 2014 materiality exercise are still:

1. Greenhouse gas emissions, primarily due to:
 - a. Direct energy consumption
 - b. Business travel (by plane, helicopter and private jet)
2. Paper consumption
3. Waste management

Since 2016, the workforce numbers used to calculate environmental ratios have excluded apprentices, interns, temp staff and service providers. To ensure the consistency of reporting practices used across

the Edmond de Rothschild Group, the decision was made to take into account only staff members included in workforce-related data..

3. Organisation, resources and monitoring

The Sustainability Department, which reports to the Human Resources function, co-ordinates CSR indicators in collaboration with the employees appointed by the appropriate subsidiaries and departments.

Specific tools and procedures, including the definition of each indicator and its calculation methodology, were used:

- Workforce-related indicators are collected via Human Resources departments. These indicators are then consolidated, carefully taking into account the specific features of each country's labour regulations.
- Environmental indicators were managed using the online tool FigBytes, which collected, consolidated and stored data.
- The Bank's annual carbon footprint was calculated in accordance with the methodology of the Association Bilan Carbone, taking into account direct and indirect emissions (scopes 1, 2 and 3), but excluding emissions related to any investments made.
- Data regarding the Bank's wider sustainability commitments was aggregated in three categories from information submitted by the appropriate entities. These categories were philanthropic activities, responsible investments and responsible purchasing strategies.

CSR indicators were monitored and validated on three levels: first at an operational level within the entity itself, then by the Sustainability Department and finally by the departments directly concerned by the various subjects. The purpose of this three-tier approach is to guarantee that reported information is genuine and consistent over time.

GENERAL RISK MANAGEMENT POLICY:

INTERNAL CONTROL

To meet the requirements of its regulators, the Bank has set up an internal control system that enables it to manage risk on a consolidated basis.

The components of this system are designed to provide the corporate bodies and the Audit Committee with an accurate view of the risks so that they can be managed appropriately.

The experience gained in this process by the internal control teams, and the close involvement of the corporate bodies, means that a consolidated view of risk can be established for the Bank itself, but also for its clients.

The internal control system is organised on three levels:

- *first level*: in addition to operational staff and their line managers, a network of controllers and compliance officers within departments and operating subsidiaries constitutes the first level of internal control;
- *second level*: the Compliance and Control Department oversees the proper implementation of internal control measures at the first level, and the Central Risk Department ensures the consolidated monitoring of financial risks in the Bank's activities;
- *third level*: the Internal Audit Department applies third-level controls to all of the Bank's structures. During specific or group-wide assignments, it reports on the quality of internal control, possible improvements and the security of processes. The maturity of the risk management system and controls performed by the second-level control entities give the Internal Audit Department a reliable foundation on which to base its investigations, on which it reports directly to the Audit Committee.

DESCRIPTION OF SECOND-LEVEL ENTITIES

The Compliance and Control Department and the Central Risk Department are second-level control entities that each work very closely with the first-level compliance officers of their respective business lines to set targets, continuously improve methods and tools and co-ordinate control activities.

More specifically:

- The Compliance and Control Department is tasked with implementing continuous monitoring mechanisms. It lies at the second level of the control system and oversees the implementation of first-level controls by the operational departments and provides assistance to the business lines. This entails informing and training employees to provide them with adequate knowledge of the regulations and the internal procedures governing their activities. It also ensures compliance with the ethics policies applicable to employees and in the context of efforts to combat money laundering and the financing of terrorism.
- The Central Risk Department (CRD), an essential link in the second-level internal control system, consists of three units tasked with monitoring:
 - A) risks relating to proprietary activities (Financial Control), including counterparty, liquidity and market risks;
 - B) risks relating to the management of assets for third parties and borne by asset managers within the Bank and its asset management subsidiaries;
 - C) operational risks relating to potential process and system failures and fraud. Alongside these monitoring tasks, the CRD implements and updates a risk map, which may give rise to action plans or alerts based on a formal escalation policy.

In addition to its own role in monitoring financial risk, the Central Risk Department is also responsible for leading the Group's risk management organisation, including setting up cross-functional committees that review the overall risks inherent in the Bank's activities.

The Compliance and Control Department ensures the operational compliance of this risk management organisation.

INTERNAL CONTROL CONSOLIDATION AT EdR GROUP LEVEL

Harmonised methods for assessing and calculating risk allow risks to be consolidated at the level of the Swiss holding company.

The consolidated risk management system that the Edmond de Rothschild Group intends to put in place will involve increased communication between teams and the adoption of continuously improved reporting mechanisms.

TAXATION

LUXEMBOURG – TAXATION

The statements herein regarding certain tax considerations effective in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and are subject to any changes in law.

The following information is of a general nature only, it is not intended to be, nor should it be construed to be, legal or tax advice, and does not purport to be a comprehensive description of all the Luxembourg tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. The information contained in within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject and as to their tax position as a result of the purchase, ownership and disposal of the Notes.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a similar tax refers to Luxembourg tax law and/or concepts only.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to Luxembourg resident individual holders of the Notes, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or upon repayment of principal in case of reimbursement, redemption or, repurchase of the Notes.

Non-resident holders of Notes

Under Luxembourg general tax laws currently in force there is no Luxembourg withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of the Notes held by non-resident holders of Notes.

Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the Luxembourg law of 23 December 2005, as amended (the **Relibi Law**), there is no Luxembourg withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. The withholding tax applied in accordance with the Relibi Law will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to withholding tax of 20 per cent.

Under the Relibi Law, an individual beneficial owner of interest or similar income who is a resident of Luxembourg and acts in the course of the management of his/her private wealth may opt in accordance with the Relibi Law for a final tax of 20 per cent when he receives or is deemed to receive such interest or similar income from a paying agent established in another EU Member State (other than Luxembourg) or in a Member State of the European Economic Area that is not an EU Member State. Such final tax of 20 per cent is however not collected by means of a withholding but the individual resident, who is the beneficial owner of interest, is responsible for the declaration and the payment of the 20 per cent final tax.

FRANCE – TAXATION

*The descriptions below are intended as a basic overview of certain withholding tax consequences in relation to the ownership of the Notes under current French tax law that may be relevant to Noteholders which (i) do not concurrently hold shares of the Issuer and (ii) are not otherwise affiliated with the Issuer within the meaning of Article 39, 12 of the French Code général des impôts (the French Tax Code – the **FTC**). This overview is based on the tax laws and regulations of France, as currently in force and applied by the French tax authorities, all of which are subject to change or to different interpretation with possible retroactive effect. This overview is for general information and does not purport to address all French tax considerations that may be relevant to specific Noteholders in light of their particular situation. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

Withholding tax

Notes which are not consolidated (assimilables for the purpose of French law) and do not form a single series with Notes issued before 1 March 2010

Payments of interest and other income made by the Issuer with respect to Notes issued on or after 1 March 2010 (other than Notes (as described below) which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the FTC) will not be subject to the withholding tax provided by Article 125 A, III of the FTC unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the FTC (a **Non-Cooperative State**). If such payments under the Notes are made outside France in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (regardless of the tax residence of the holders of the Notes and subject to exceptions, certain of which are set out below and to the provisions of any applicable double tax treaty) by virtue of Article 125 A, III of the FTC. The list of Non-Cooperative States is published by a ministerial executive order and is updated on an annual basis.

Furthermore, according to Article 238 A of the FTC, interest and other income on such Notes may not be deductible from the Issuer's taxable income, if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other income may be recharacterised as constructive dividends pursuant to Article 109 *et seq.* of the FTC, in which case such non-deductible interest and other income may be subject to the withholding tax provided by Article 119 *bis* 2 of the FTC, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the FTC for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents, or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State (subject to certain exceptions and the provisions of any applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax provided by Article 125 A, III of the FTC nor the Deductibility Exclusion will apply in respect of the Notes solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that (i) the main purpose and effect of the issue of Notes was not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the **Exception**) and (ii) in respect of the Deductibility Exclusion that (a) it benefits from the Exception, and (b) that the relevant interest or income relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the official guidelines issued by the French tax authorities (BOI-INT-DG-20-50-20140211, no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70 and 80, and BOI-IR-DOMIC-10-20-20-60-20150320, no. 10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (a) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the

registration or submission of an offer document by or with a foreign securities market authority; or

- (b) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (c) admitted, at the time of their issue, to the operations of a central depository or of a securities and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Notes which are consolidated (assimilables for the purpose of French law) and form a single series with Notes issued before 1 March 2010

Payments of interest and other income with respect to (i) such Notes issued (or deemed issued) outside France within the meaning of Article 131 *quater* of the FTC, before 1 March 2010 and (ii) such Notes which are consolidated (*assimilables* for the purpose of French law) and form a single series with such first mentioned Notes, will continue to be exempt from the withholding tax provided by Article 125 A, III of the FTC.

Pursuant to the official guidelines of the French tax authorities BOI-RPPM-RCM-30-10-30-30-20140211, no. 100, the exemption will also apply if the payments are made outside France in a Non-Cooperative State. Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law or *titres de créances négociables* within the meaning of the official guidelines issued by the French tax authorities (BOI-RPPM-RCM-30-10-30-30-20140211, n°50), or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside France for the purpose of Article 131 *quater* of the FTC, pursuant to the above-mentioned guidelines.

In addition, payments of interest and other income made by the Issuer on such Notes issued before 1 March 2010 (or such Notes issued on or after 1 March 2010 and which are consolidated (*assimilables* for the purpose of French law) and form a single series with such first mentioned Notes) will be subject neither to the withholding tax provided by Article 119 *bis* 2 of the FTC nor to the Deductibility Exclusion solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Payments made to French tax resident individuals

Pursuant to Article 125 A, I of the FTC, subject to certain exceptions, interest and assimilated income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 17.2 per cent. on interest and assimilated income paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

ITALY - TAXATION

The following is a general discussion of certain Italian tax consequences of the acquisition, holding and disposing of the Notes. The following summary, therefore, does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not consider any specific facts or circumstances that may apply to a particular investor.

This summary regarding taxation is based on the laws of Italy currently in force and as applied on the date of this Base Prospectus, which are subject to any changes in law occurring after such date, which

changes could be made on a retroactive basis. Prospective holders of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Notes.

TAXATION OF THE NOTES

- (1) Payments of interest and other proceeds on the Notes are subject to different tax treatments based on whether the Notes, based on their specific characteristics as set out in the Final Terms, qualify as:
 - (a) bonds or securities similar to bonds; or
 - (b) atypical securities.

A. Notes qualifying as bonds or securities similar to bonds

Legislative Decree No. 239 of 1 April 1996, as amended (the **Decree 239**), regulates the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as **Interest**) from notes issued, inter alia, by non-Italian resident entities, falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

For this purpose, securities similar to bonds are the Notes that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow any direct or indirect participation to the management of the issuer.

Resident Noteholders

Where an Italian resident Noteholder who is the beneficial owner of the Notes is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a de facto partnership not carrying out commercial activities or professional associations, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva* (either when the interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). The *imposta sostitutiva* may not be recovered by the Noteholder as a deduction from the income tax due.

The mentioned *imposta sostitutiva* is currently levied at a rate of 26 per cent.

In case the Notes are held by a Noteholder engaged in a business activity and are effectively connected with same business activity, the interest will be subject to the *imposta sostitutiva* and will be included in the relevant income tax return. As a consequence, the interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare (SIMs)*, fiduciary companies, *società di gestione del risparmio (SGRs)* stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Finance (the "Intermediaries").

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying Interest to a Noteholder.

The *imposta sostitutiva* does not apply, inter alia, to the following subjects, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

- (a) Corporate Noteholders – Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), interest accrued on the Notes must be included in: (i) the relevant Noteholder's yearly taxable income for corporate income tax purposes (**IRES**), applying at a rate equal to 24 per cent.; and (ii) in certain circumstances, depending on the "status" of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities (**IRAP**). Such interest is therefore subject to general Italian corporate taxation according to the ordinary rules;
- (b) Italian investment funds (which includes *Fondi Comuni d'Investimento*, or open-end investment company (*società di investimento a capitale variabile* – SICAV) or an close-ended investment company, other than a real estate investment company (*società di investimento a capital fisso* – SICAF), as well as Luxembourg investment funds regulated by article 11-bis of Law Decree No. 512 of 30 September 1983 - collectively, **Funds**) are not subject to income tax. A withholding tax, currently in the amount of 26 per cent., is levied in certain circumstances on distributions made by the Fund in favour of certain categories of investors in the Funds and it is applicable both on the proceeds distributed during the life of the fund, and on the amount due in case of closure or redemption of the funds (including in both cases the Interest on the Notes);
- (c) Pension funds – Pension funds (subject to the tax regime set forth by article 17 of the Legislative Decree No. 252 of 5 December 2005, the **Pension Funds**) are subject to substitutive tax, currently levied at 20 per cent., on their annual net accrued result. Interest on the Notes is included in the calculation of said annual net accrued result; and
- (d) Real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of 24 February 1998 or a close-ended real estate investment company (i.e. the real estate SICAF) (a **REIT**) – Italian REITs are not subject to any *imposta sostitutiva* at the fund level and any Interest accrued on Notes held by a REIT is not taxable in the hands of the same REIT. However a 26 per cent. withholding tax may be applied on distributions made by the REIT, directly on the investors depending on the nature of the relevant investor.

Furthermore, subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine* - PIR) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232 of 11 December 2016 (**Law No. 232**).

Non-Resident Noteholders

Interest payments relating to Notes received by non-resident beneficial owners (not having a permanent establishment in Italy to which the Notes are effectively connected) are generally not subject to tax in Italy.

B. Notes qualifying as atypical the Notes

Interest payments relating to securities that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) are subject to a withholding tax currently levied at the rate of 26 per cent. For this purpose, debentures similar

to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value. The mentioned withholding tax applies to an Italian resident Noteholder which is: (i) an individual not engaged in a business activity to which the Notes are effectively connected; (ii) a non-commercial partnership; (iii) a non-commercial private or public institution; (iv) an investor exempt from Italian corporate income tax; (v) a Pension Fund; and (vi) a Fund.

Interest payments on Notes made to Italian resident Noteholders which are (i) companies or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), and (ii) commercial partnerships, are not subject to the aforementioned withholding tax, but the Interest shall also be included in their aggregate income subject to IRES. The withholding tax may be recovered as a deduction from the income tax due. In certain cases, such Interest may also be included in the taxable net value of production for IRAP purpose.

Interest payments relating to Notes received by *non-Italian resident Noteholders* (not having a permanent establishment in Italy to which the Notes are effectively connected) are generally not subject to withholding tax.

(2) **Capital gains arising from the sale or transfer of the Notes are subject to different tax regimes based on the residence status of their Holders.**

Resident Noteholders

Pursuant to Legislative Decree No. 461 of 21 November 1997, as amended, a capital gains tax (the **CGT**) is applicable to capital gains realised on any sale or transfer of the Notes for consideration or on redemption thereof by Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), regardless of whether the Notes are held outside of Italy. Said CGT currently applies at a rate of 26 per cent.

For the purposes of determining the taxable capital gain, any interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

Should the Notes qualify as atypical securities, the relevant capital gain realised upon sale or transfer of the same should in principle be subject to CGT, however, based on a very restrictive interpretation, the aforesaid capital gains could be subject to the above mentioned final withholding tax.

Taxpayers can opt for certain alternative regimes in order to pay the CGT.

In addition, please note the following:

- (a) Corporate investors (including banks and insurance companies): capital gains realised on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of such entities for IRAP purposes.
- (b) Funds – Capital gains realised by the Funds on the Notes are currently subject to a 26 per cent. withholding tax levied by the managing company. Such withholding shall be levied on a distribution basis and no longer on an accrual basis and it is applicable both on the proceeds distributed during the life of the fund, and on the amount due in case of closure or redemption of the funds (including in both cases, any capital gains on the Notes).
- (c) Pension Funds – Capital gains realised by Pension Funds on the Notes contribute to determining the annual net accrued result of the same Pension Funds, which is subject to a 20 per cent. substitutive tax.

- (d) REITs – Capital gains realised by Italian REITs on the Notes are generally not taxable at the level of the REIT. However, a 26 per cent. withholding tax may be applied on distributions made by the REIT, directly on the investors, depending on the nature of the relevant investor.

Non-Resident Noteholders

Capital gains realised by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the Notes are generally not subject to tax in Italy.

STAMP DUTY

Pursuant to Article 13 paragraph 2-ter of the Tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed €14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

WEALTH TAX ON FINANCIAL ASSETS DEPOSITED ABROAD

According to Article 19 of Law Decree No. 201 of 6 December 2011, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year or – if no market value figure is available – on the nominal value or redemption value, or in the case the nominal or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held outside of the Italian territory. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The Italian tax authority clarified (Circular No. 28/E of 2 July 2012) that financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries.

TAX MONITORING

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, individuals resident in Italy who are the effective beneficial owners of foreign (i.e. non-Italian) investments or financial activities must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

TRANSFER TAXES

Transfer of the Notes is subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of EUR 200; (ii) private deeds are subject to registration tax only if a case of use occurs or in case of voluntary registration.

INHERITANCE AND GIFT TAXES

Pursuant to Law Decree No. 262 of 3 October 2006, (**Decree No. 262**), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including the Notes) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value of the entire inheritance or gift exceeding EUR1,500,000.00 for each beneficiary.

SPAIN – TAXATION

The following general overview does not consider all aspects of income taxation in Spain that may be relevant to a holder of the Notes in the light of the holder's particular circumstances and income tax situation. This overview applies to holders of the Notes, who are solely tax resident in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice. It is based on Spanish tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

Prospective holders are urged to consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Spain.

(1) **Spanish resident individuals**

Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Personal income tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish holders of the Notes may receive under the Notes will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the assignment of own capital to third parties), regardless of whether is in kind or in cash, pursuant to Article 25 of Personal Income Tax (**PIT**) Law 35/2006, of November 28, and therefore should be included in the so called savings income tax base (*renta del ahorro*) of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Notes will be calculated as the difference between: (a) their disposal, redemption or reimbursement value; and (b) their acquisition or subscription value. Costs and expenses effectively borne by the holder on the acquisition and transfer of the Notes may be taken into account for calculating the relevant taxable income, provided that they can be duly justified. Likewise, expenses relating to the management and deposit of the Notes, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

The savings income tax base is subject to PIT at the following tax rates: 19% on the first €6,000, 21% on the amount exceeding €6,000 up to €50,000, and 23% on the amount exceeding €50,000.

As a general rule, under Spanish tax law, the Issuer should not be obliged to deduct withholdings on account of Spanish income taxes since it is not a Spanish tax resident entity and does not have a permanent establishment in Spain to which the issue of the Notes is connected.

However, where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Notes or intervenes as collection agent of any payments derived from the Notes, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Notes. To this effect income deriving from the Notes includes not only interest payments but also income arising from the disposal, redemption or reimbursement of the Notes, if any. The withholding tax rate in Spain is 19%.

Spanish resident individuals holders of the Notes can benefit from a withholding tax exemption in respect of the income arising from the transfer or redemption of the Notes if the Notes are represented in book-entry form and admitted to trading in a Spanish secondary stock exchange. However, under certain circumstances, when a transfer of the Notes has occurred within the 30-day period immediately preceding any relevant interest payment date, the withholding tax exemption may not be applicable.

In any event, Spanish resident individuals holders of the Notes may credit the 19% withholding against their final PIT liability for the relevant fiscal year.

Losses that may derive from the transfer of the Notes cannot be offset if the Noteholder acquires homogeneous securities within the two-month period prior or subsequent to the transfer of the Notes, until the Noteholder transfers such homogeneous securities.

Net Wealth Tax (Impuesto sobre el Patrimonio)

The draft Spanish Budget Act for 2018, which is expected to be approved in the next months, extends the effects of Wealth Tax for tax period 2018.

Spanish tax resident individuals are subject to an annual Wealth Tax on the net worth of their individual's assets and rights, regardless of where are located, to the extent that their net worth exceeds €700,000 (we note that a different tax exempt amount may be approved the relevant Spanish Autonomous Region). Therefore, Spanish holders of the Notes must take into account the value of the Notes which they hold as at 31 December each year when calculating their Wealth Tax liabilities.

The marginal rates range between 0.2% and 2.5% and some reductions could apply. However, Spanish tax resident holders should take into account the specific tax regulations approved by their respective Spanish Autonomous Region, as some of them provides a full relief for Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates range between 7.65% and 81.6%, depending on relevant factors. This is nevertheless subject to the specific rules approved by the relevant Spanish Autonomous Regions with respect to this tax.

(2) Legal entities with tax residence in Spain

Corporate Income Tax (CIT) (Impuesto sobre Sociedades)

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes obtained by entities which are resident for tax purposes in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for Spanish Corporate Income Tax (CIT) taxpayers is 25%. However, newly incorporated entities that carry on economic activities are taxed at a 15% tax rate in the first taxable

year in which their taxable base is positive and in the next one. Also, special rates apply in respect of certain types of entities.

As stated above, as a general rule under Spanish tax law the Issuer should not be obliged to deduct withholdings on account of Spanish income taxes since it is not a Spanish tax resident entity and does not have a permanent establishment in Spain to which the issue of the Notes is connected.

However, where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depository of the Notes or intervenes as collection agent of any payments derived from the Notes, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Notes. To this effect income deriving from the Notes includes not only interest payments but also income arising from the disposal, redemption or reimbursement of the Notes, if any. The withholding tax rate in Spain is 19%.

However, holders of the Notes and who are CIT taxpayers can benefit from a withholding tax exemption when the Notes are (i) traded in an OECD official stock exchange, or (ii) represented in book-entry form and admitted to trading in a Spanish secondary stock exchange or in the Alternative Fixed Income Securities Market (MARF).

In any event, amounts withheld, if any, may be credited by the relevant Noteholder against its final CIT liability for the relevant fiscal year.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes, which acquire ownership or other rights over the Notes by inheritance, gift or legacy, are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the acquired Notes in their taxable income for Spanish CIT purposes.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Legal entities are not subject to Net Wealth Tax.

(3) Non-resident investors with a permanent establishment in Spain

A non-resident holder of the Notes who has a permanent establishment in Spain to which the Notes are effectively connected with, will be subject to Spanish Non-Resident's Income Tax (NRIT) on any income under the Notes, including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes. In general terms, the tax rules applicable to non-resident investors acting through a permanent establishment in Spain are the same as those applicable to Spanish Corporate Income Tax taxpayers (explained above).

(4) Payments made by the Guarantor

With respect to payments made by a non-Spanish Guarantor (if applicable) to Spanish resident Noteholders or non-resident Noteholders with a permanent establishment in Spain to which the Notes are effectively connected, our understanding of Spanish tax law is that such payments should be treated as a payment made by the Issuer, and thus should be subject to the Spanish tax regime described in the previous paragraphs.

(5) Indirect taxation

No Transfer Tax, Stamp Duty or Value Added Tax shall be payable in Spain in connection with the acquisition, transfer, redemption, reimbursement and exchange of the Notes.

(6) Reporting obligations to the Spanish Tax Authorities

Spanish resident Noteholders or non-resident Noteholders with a permanent establishment in Spain to which the Notes are effectively connected should seek advice from their tax advisor as to whether they should include the Notes in the annual reporting (Form 720) to the Spanish Tax Authorities declaring the assets and rights held outside Spain.

MONACO – TAXATION

There is no income tax in Monaco in respect of civil activities. Should the Noteholder be a Monegasque resident, and to the extent that the Notes are not subscribed in connection with the performance of a commercial or industrial activity subject to the Monegasque business income tax, he/she/it would not be subject to income tax in Monaco in respect of the Notes and would not be required to report any profit resulting from the Notes to the Monegasque tax authorities. Please however note that, depending on their nationality, Monegasque resident individuals may be subject to income tax in the jurisdiction of their citizenship (*e.g.* French and United States citizens).

The Issuer will have no obligation to withhold any Monegasque taxes and there is no tax reporting obligation in connection with any amounts in Monaco.

SWITZERLAND – TAXATION

The following is a generic overview only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of the Notes issued under this Base Prospectus. Because this overview does not address all tax considerations under Swiss law and as the specific tax situation of an investor cannot be considered in this context, potential investors are recommended to consult their personal tax advisors as to the tax consequences of the purchase, ownership, sale or redemption of and the income derived from the Notes issued under this Base Prospectus including, in particular, the effect of tax laws of any other jurisdiction.

The Swiss Federal Tax Administration has issued Circular Letter No. 15 on 3 October 2017 regarding Notes and Derivative Financial Instruments subject to Income Tax, Withholding Tax and Stamp Tax. The Notes issued under this Base Prospectus will be taxed in accordance with this Circular Letter No. 15 and its appendices. Depending on the qualification of the relevant Note by the competent Swiss tax authorities the taxation of each Note may be different.

The taxation depends on the set-up of each single Note for which reason the following remarks are again only of generic nature.

INCOME TAX

Notes that are held as private assets (Privatvermögen) by investors resident in Switzerland

Pursuant to the principles of Swiss income taxation, capital gains are in principle Swiss personal income tax exempt for direct federal and cantonal/municipal personal income tax if realised upon a disposal or exchange of movable and immovable (only for direct federal income tax) private assets whereas investment income (such as, in particular but not limited to, interest, dividends etc.) deriving from private assets is subject to Swiss personal income tax. However, any capital losses sustained in relation to private assets are not tax deductible. Hence, (i) capital gains realised upon a sale or redemption of the Note or (ii) income derived from the Note stemming from capital gains are in principle Swiss personal income tax exempt for an investor resident in Switzerland holding the Notes as private assets whereas investment income deriving from the Notes is in principle subject to Swiss personal income tax.

If the yield-to-maturity of the Note predominantly derives from a one-time interest-payment such as an original issue discount or a repayment premium, and not from periodic interest payments, then any periodic interest payments at sale or redemption of the Note as well as the difference between the value of the Note at sale or redemption and its value at issuance or purchase, as applicable, converted, in each case, into Swiss francs at the rate of exchange prevailing at the time of sale, redemption, issuance or purchase constitutes taxable income. A value decrease on the Note realised on the sale or redemption of the Note may be offset against any gains (including periodic interest payments) realised within the same taxation period from all financial instruments with a predominant one-time interest payment.

Notes that are held as business assets (Geschäftsvermögen) by investors resident in Switzerland

Pursuant to the principles of Swiss income taxation, capital gains realised upon disposal, exchange or re-evaluation of business assets are in general subject to (i) either Swiss personal income tax with respect to individuals or (ii) to Swiss corporate income tax with respect to corporations in the same manner as any other commercial or investment income. This applies to both, i.e. movable and immovable, assets. However, as capital gains in relation to business assets are in principle fully taxable, it follows that capital loss in relation to business assets is tax deductible. Hence, (i) capital gains realised upon a sale, exchange, redemption or re-evaluation of the Notes or (ii) income derived from the Notes, irrespective of whether such income stems from investment income or capital gains, are in principle subject to either Swiss personal income tax with respect to an individual investor resident in Switzerland holding the Notes as business assets or subject to Swiss corporate income tax with respect to a corporate investor resident in Switzerland.

The same taxation treatment also applies to Swiss-resident individuals who, for Swiss income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings, or leveraged transactions, in securities.

WITHHOLDING TAX

The Swiss federal withholding tax is in principle levied on income (such as, but not limited to, interest, pensions, profit distributions etc.) from, amongst others, bonds and other similar negotiable debt instruments issued by a Swiss tax resident (*Inländer*), distributions from Swiss tax resident corporations, interest on deposits with Swiss banks as well as distributions of or in connection with Swiss tax resident collective investment schemes. For Swiss federal withholding tax purposes, an individual or corporation qualifies as a Swiss tax resident (*Inländer*) being subject to withholding taxation if it (i) is resident in Switzerland, (ii) has its permanent abode in Switzerland, (iii) is a company incorporated under Swiss law having its statutory seat in Switzerland, (iv) is a company incorporated under foreign law but with a registered office in Switzerland, or (v) is a company incorporated under foreign law but is managed and conducts business activities in Switzerland. Hence, as long as the Notes are not issued by an issuer qualifying as a Swiss tax resident for the purposes of the Swiss withholding tax, income derived from the Notes is in principle not subject to Swiss withholding tax.

The holder of the Notes residing in Switzerland who, at the time the payment of interest is due, is the beneficial owner of the payment of interest and duly reports the gross payment of interest in his or her tax return and, as the case may be, income statement, is entitled to a full refund or a full tax credit for the Swiss federal withholding tax. A holder who is not resident in Switzerland may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the provisions of an applicable double taxation treaty.

STAMP DUTY

Swiss stamp duty is, amongst other, levied as Swiss securities transfer tax. Swiss securities transfer tax is levied on the transfer of ownership (primary and secondary market transactions) against consideration of certain taxable securities (including, but not limited to, bonds or derivatives and collective investment schemes) if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is involved in the transaction and no exemption applies. Therefore, secondary market transactions in the Notes are subject to Swiss securities transfer tax of 0.3% on the consideration paid only if the Notes are qualified as taxable securities, a Swiss securities dealer is involved in the transaction and no exemption applies.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The Issuer will not investigate and will not have access to information that would permit it to ascertain, whether any company which has issued equity or other instruments to which Notes relate are passive foreign investment companies for U.S. tax purposes.

A U.S. taxpayer that holds Notes may be subject to a variety of U.S. tax consequences depending on the subject and the terms of the Notes. U.S. taxpayers should consult their own advisers about the tax consequences of purchasing Notes, particularly whether the Notes being acquired could be treated for U.S. tax purposes as debt instruments or as ownership interests in the assets referenced by the Notes.

SUBSCRIPTION AND SALE

The Dealers, in an amended and restated programme agreement (the **Programme Agreement**, which expression shall include such agreement as it may be amended, supplemented or restated from time to time) dated 11 July 2018, have agreed with the Issuer upon a basis which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed, *inter alia*, to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and any issue of Notes under the Programme and to indemnify them against certain liabilities.

The following selling restrictions may be modified by the Issuer and the relevant Dealers, including following a change in the relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the Tranche to which it is related or in a supplement to this Base Prospectus.

European Economic Area

Please note that in relation to European Economic Area States, additional selling restrictions may apply in respect of any specific EEA State, including those set out below in relation to France, Luxembourg, Spain and Italy.

If the Final Terms (or pricing supplement, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms (or pricing supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area (the **EEA**).

If the Final Terms (or pricing supplement, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors Without KID", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms (or pricing supplement, as the case may be) in relation thereto to any retail investor in the EEA without an updated key information document required by Regulation (EU) No. 1286/2014 for offering or selling the Notes or otherwise making them available to retail investors in the EEA.

For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU as amended (**MiFID II**); or
 - (ii) a customer within the meaning of Directive 2002/92/EC of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Unless the Final Terms (or pricing supplement, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors Without KID", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that (i) the Issuer has given its written consent and (ii) any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor under the Prospectus Directive;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (d) above shall require the Issuer or Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

France

In the period beginning on the date of notification of the approval of this Base Prospectus by the CSSF to the *Autorité des marchés financiers* (the **AMF**) for the purposes of the Prospectus Directive, and ending at the latest on the date which is 12 months after the date of such approval, each Dealer of an issue of Notes may make an offer of Notes:

- (a) to the public in France, as defined in Article L.411-1 of the French *Code monétaire et financier* and in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the provisions of the *Règlement général* of the AMF; and/or

- (b) in circumstances that do not constitute an offer to the public in France pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF.

Pursuant to Articles L.411-2 and D.411-1 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF, (in each case as may be amended from time to time), the circumstances in which an offer of Notes shall not constitute an offer to the public in France include, but are not limited to, an offer of Notes:

- (i) addressed solely to qualified investors (*investisseurs qualifiés*) other than individuals, acting for their own account; and/or
- (ii) addressed solely to a limited number of investors (*cercle restreint d'investisseurs*) acting for their own account; and/or
- (iii) addressed solely to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or
- (iv) addressed to investors who acquire Notes for a total consideration of at least euro 100,000 (or its equivalent in another currency) per investor, for each separate offer; and/or
- (v) whose notional amount, nominal amount or equivalent amounts to at least euro 100,000 (or its equivalent in another currency); and/or
- (vi) with a total consideration in France of less than euro 100,000 (or its equivalent in another currency), which limit shall be calculated over a period of 12 months; and/or
- (vii) the total consideration for the offer in the European Union is between euro 100,000 and euro 5,000,000 (or its equivalent in another currency) in any 12-month period and represents less than 50% of the Issuer's share capital.

Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) pursuant to Italian securities legislation. Accordingly, each Dealer has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy except:

- (a) to Qualified Investors (*Investitori Qualificati*) as defined pursuant to article 100, paragraph 1(a), of the Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the "Italian Financial Services Act"), and article 34-ter, paragraph 1(b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**CONSOB Regulation No. 11971**); or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to article 100 of the Italian Financial Services Act, article 34-ter of CONSOB Regulation No. 11971 and any other applicable laws and regulations.

In any event, any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in Italy must be:

- (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Italian Financial Services Act, the Italian Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the "Italian Consolidated Banking Act") and CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and any other applicable laws and regulations; and

- (ii) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB, the Bank of Italy or other Italian authority (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the relevant implementing guidelines of the Bank of Italy, as amended from time to time).

Investors should also note that, in accordance with Article 100-bis of the Italian Financial Services Act, if any of the Notes have been initially placed pursuant to an exemption from the rules on public offerings under paragraphs (a) and (b) above, the subsequent distribution of such Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and CONSOB Regulation No. 11971, if no exemption under paragraphs (a) and (b) above applies. In particular, if any of the Notes are initially offered and placed in Italy or abroad to Qualified Investors only but in the following 12 months are then systematically (*sistematicamente*) resold on the secondary market in Italy to non-qualified investors, if no exemption under paragraph (b) above apply, such resale becomes subject to the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and CONSOB Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary selling the Notes for any damages suffered by such non-qualified investors.

Luxembourg

In relation to the Grand Duchy of Luxembourg (**Luxembourg**), which has implemented the Prospectus Directive by the Luxembourg act dated 10 July 2005 relating to prospectuses for securities, as amended (the **Prospectus Act 2005**), each Dealer represents and agrees, and each further Dealer appointed under the Programme and each other Dealer will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms to the public in Luxembourg, except that it may make an offer of such Notes to the public in Luxembourg:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to article 5(2) of the Prospectus Act 2005 or article 30(2) of the Prospectus Act 2005 as applicable, in Luxembourg (a **Non-exempt Offer**), following the date of publication of the Base Prospectus in relation to such Notes which has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority in Luxembourg or, where appropriate, approved in another Member State of the European Economic Area which has implemented the Prospectus Directive and notified to the CSSF, provided that the Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Act 2005, in the period beginning and ending on the dates specified in the Base Prospectus or the Final Terms, as applicable;
- (b) at any time, to persons or entities which are qualified investors as defined in the Prospectus Act 2005;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Act 2005) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer, or
- (d) at any time, in any other circumstances falling within article 5(2) of the Prospectus Act 2005, or article 30 (2) of the Prospectus Act 2005, in case article 5 of the Prospectus Act 2005 would not apply,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to article 5 of the Prospectus Act 2005 or article 30 of the Prospectus Act 2005 or supplement a prospectus pursuant to article 13 of the Prospectus Act 2005 or article 39 of the Prospectus Act 2005.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in the Grand Duchy of Luxembourg means the communication in any form by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to these Notes.

Spain

Neither this Base Prospectus nor the offer of the Notes have been verified or registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Therefore, the Notes may not be sold, offered or distributed in Spain, nor may any subsequent resale of the Notes may be carried out in Spain, except in accordance with all legal and regulatory requirements of Royal Decree Law 4/2015, of 23 October, which approves the consolidated text of the Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the **Spanish Securities Law**) and Royal Decree 1310/2005 of 4 November, on admission to listing and on issues and public offers of securities (*Real Decreto 1310/2005 de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, de Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) (**Royal Decree 1310/2005**), each as amended from time to time. Accordingly, no Notes may be sold, offered or distributed in Spain except:

- (a) in circumstances which do not constitute a public offering in Spain as per Article 35.2 of the Spanish Securities Market Law and Article 38.1 of Royal Decree 1310/2005, each as amended from time to time, which as of the date of this Base Prospectus include:
 - (i) an offer of the Notes addressed solely to qualified investors (as they are defined under Article 39.1 of Royal Decree 1310/2005);
 - (ii) an offer of the Notes addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors;
 - (iii) an offer of the Notes addressed to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer;
 - (iv) an offer of securities whose denomination per unit amounts to at least EUR 100,000; and
 - (v) an offer of securities with a total consideration of less than EUR 5,000,000, which limit shall be calculated over a period of 12 months, or
- (b) if the Base Prospectus and the relevant Final Terms are pass-ported into Spain as per Article 39 of the Spanish Securities Market Law (by reference made by Article 34.2 of the Spanish Securities Market Law) and Article 30 of Royal Decree 1310/2005 (by reference made by Article 40 of Royal Decree 1310/2005) and supplemental rules enacted thereunder or in substitution thereof from time to time.

Monaco

The Notes may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco duly authorised intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Notes. Consequently, this Base Prospectus may only be communicated to banks duly licensed by the *Autorité de Contrôle Prudentiel et de Résolution* and fully licensed portfolio management companies by virtue of Law n° 1.144 of July 26, 1991 and Law n° 1.338 of September 7, 2007 duly licensed by the *Commission de Contrôle des Activités Financières*.

Such institutional investor is perfectly fluent in English and waives the right to a French version of this Private Placement Memorandum (*les destinataires du présent document reconnaissent être à même d'en prendre connaissance en langue anglaise et renonce expressément à une traduction française*).

Switzerland

The Notes in or from Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations (the **CO**) or the Swiss Collective Investment Schemes Act (the **CISA**) may not be publicly offered, sold or advertised, directly or indirectly. Neither this Base Prospectus nor any documents related to the Notes constitute a prospectus within the meaning of art. 652a or art. 1156 CO or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

The Issuer has not applied for a listing of the Notes on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this Base Prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange.

In addition, the Notes do not constitute a participation in a collective investment scheme in the meaning of CISA and they are neither subject to approval nor subject to supervision by the Swiss Financial Markets Supervisory Authority FINMA (**FINMA**). Therefore, investors in the Notes do not benefit from protection under CISA or supervision by FINMA or any other regulatory authority in Switzerland.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, provided, in each case, that offer or sale will also be in compliance with applicable United States Treasury regulations.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and United States Treasury regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it has not offered, sold or delivered and will not offer, sell or deliver any Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of commencement of the offering of the Notes or the date of issue of the Notes (the Restricted Period) and accordingly, neither such Dealer nor the Issuer, its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as such term is used in Regulation S) with respect to the Notes and it and its affiliates and any person acting on its or their behalf has complied with and will comply with the offering restriction requirements of Regulation S under the Securities Act to the extent applicable. Each Dealer has also agreed that it will have sent to each dealer to which it sells Notes during the Restricted Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offer of the Notes of any Tranche, an offer or sale of such Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless made pursuant to an exemption from registration thereunder.

In respect of Notes offered in accordance with Treas. Reg. Section 1.1635(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 201220 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the D Rules), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) except to the extent permitted under Section 163(f)(2)(B) and the accompanying regulations (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 201220 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010), (a) it has not offered or sold, and during the restricted period it will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (b) it has not delivered and will not deliver within the United States or its possessions Definitive Notes that are sold during the restricted period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents that are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted in the D Rules;
- (c) if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and if it retains Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. 1.1635(c)(2)(i)(D)(6) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 201220 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010); and
- (d) with respect to each distributor that acquires Notes for the purposes of offering and selling such Notes during the restricted period, it repeats the representations and agreements in clauses (a), (b) and (c) on its behalf.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In respect of Notes issued in accordance with Treas. Reg. 1.1635(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 201220 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the C Rules), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that in connection with the original issuance of the Notes:

- (a) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Notes within the United States or its possessions in connection with their original issuance;
- (b) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if it or such purchaser is within the United States or its possessions, and it has not involved and will not involve its employees, agents or offices within the United States or its possessions in the offer and sale of the Notes;
- (c) with respect to each distributor, that acquires Notes for the purposes of offering and selling such Notes, it repeats the representations and agreements in clauses (a) and (b) on its behalf.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each issue of Rate Linked Notes, Index Linked Notes, Inflation Linked Notes, Share Linked Notes and Fund Linked Notes will be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer or Dealers shall agree as a term of the issue and purchase of such Notes, which

additional selling restrictions shall be set out in the applicable Final Terms. Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The update of the Programme was duly authorised by a resolution of the *Conseil de Surveillance* (**Supervisory Board**) of the Issuer dated 16 May 2018.

Approval of the Base Prospectus, listing of Notes and admission to trading on the Luxembourg Stock Exchange

Application has been made to the *Commission de Surveillance du Secteur Financier* to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Regulated Market of the Luxembourg Stock Exchange. The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU (as amended).

Documents Available

As long as listed Notes are outstanding or Notes are capable of being issued under the Programme, copies of the following documents will be available without charge and may be inspected by physical means, when published, from the registered office of the Issuer, from the specified office in Luxembourg of the Agent and from the specified office in Luxembourg of the Listing Agent:

- (a) the by-laws (*statuts*) of the Issuer;
- (b) the audited consolidated annual financial statements of the Issuer as at 31 December 2017 and 31 December 2016 and the most recently published audited non-consolidated annual financial statements of the Issuer;
- (c) the Programme Agreement, the Agency Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Receipts, the Coupons, the Talons and the Deed of Covenant;
- (d) the Base Prospectus;
- (e) any future prospectuses, offering circulars, information memoranda and supplements and any other documents incorporated by reference herein or therein;
- (f) any applicable Final Terms (save that Final Terms relating to an unlisted Note will be available for inspection only by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to the identity of such holder); and
- (g) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

The Base Prospectus, any supplement to the Base Prospectus, any applicable Final Terms relating to Notes listed on the Official List or admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and any documents incorporated by reference in the Base Prospectus can also be found on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Investors should consult the Issuer should they require a copy of the 2000 ISDA Definitions or the 2006 ISDA Definitions.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and International Securities Identifying Number (ISIN) for each Tranche allocated by Euroclear and Clearstream will be specified in the relevant Final Terms. If the Notes are to clear

through an additional or alternative clearing system (including Euroclear France) the appropriate information will be specified in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

Auditors

Cabinet Didier Kling & Associés and PricewaterhouseCoopers Audit SA are the Statutory Auditors of the Issuer.

M. Boris Etienne (*Commissaire aux Comptes, Membre de la Compagnie Régionale de Paris*) and Mme. Dominique Mahias (*Commissaire aux Comptes, Membre de la Compagnie Régionale de Paris*) are the Alternate Auditors of the Issuer.

Cabinet Didier Kling & Associés and PricewaterhouseCoopers Audit SA have given their written consent to the insertion hereby of their report relating to the consolidated financial accounts of the Issuer, for the years ended 31 December 2016 and 31 December 2017.

The auditors are subject to the regulation of the following professional association *La Compagnie Nationale des Commissaires aux Comptes*.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Purchaser at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Fixed Rate Notes, an indication of yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Material Change and Significant Change

There has been no material adverse change in the prospects of the Issuer or its consolidated subsidiaries nor significant change in the Issuer's financial or trading position which is material in the context of the Programme or the issue of the Notes thereunder, since 31 December 2017, the date as at which the most recent audited financial statements of the Issuer were prepared.

Auditing of historical financial information

For the financial years ended on 31 December 2016 and 31 December 2017, the accounts were audited, without qualification.

Litigation

None of the Issuer and any of its subsidiaries (whether as defendant or otherwise) is, or has been during the period of 12 months immediately preceding the date of this Base Prospectus, engaged in any governmental, legal, arbitration, administrative or other proceedings, the results of which might have or have had a significant effect on the financial position, the profitability or the operation of the Issuer in the context of the issue of the Notes nor is the Issuer aware of any such proceedings pending or being threatened.

Financial Services and Markets Act 2000 (Regulated Activities) Order 2001

The Issuer is not an authorised institution or a European authorised institution (as such terms are defined in the Financial Services and Markets Act 2000) and repayment of the principal and payment of the interest or premium in connection with such Notes will not be guaranteed.

Derivatives

In respect of derivatives securities as defined in Article 15.2 of Commission Regulation No. 809/2004, as amended, the Final Terms will indicate whether or not the Issuer intends to provide post-issuance information concerning the underlying. If the Issuer intends to report such information, the Final Terms will specify what information will be reported and where such information can be obtained.

Benchmarks Regulations

Amounts payable under the Notes or assets deliverable under the Notes may be calculated or otherwise determined by reference to one or more "benchmarks" for the purposes of Regulation (EU) No. 2016/1011 of the European parliament and of the Council of 8 June 2016 (the **Benchmark Regulation**). In this case, a statement will be included in the applicable Final terms as to whether or not the relevant administrator of the "benchmark" is included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation.

In particular:

CSI 300 INDEX and SHANGHAI SE COMPOSITE are provided by China Securities Index Co., LTD (CSI). At the date of the Base Prospectus, CSI does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

CAC Large 60 Eq Wgt ER is provided by Euronext. At the date of the Base Prospectus, Euronext does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

FTSE MIB INDEX and FTSE 100 INDEX are provided by FTSE. At the date of the Base Prospectus, FTSE appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

HANG SENG INDEX is provided by Hang Seng Bank Ltd. At the date of the Base Prospectus, Hang Seng Bank Ltd does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

IBEX 35 INDEX is provided by Madrid Stock Exchange. At the date of the Base Prospectus, Madrid Stock Exchange does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

NASDAQ 100 STOCK INDX is provided by NASDAQ Global Market. At the date of the Base Prospectus, NASDAQ Global Market does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

NIKKEI 225 is provided by Nikkei. At the date of the Base Prospectus, Nikkei does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

CAC 40 INDEX is provided by NYSE Euronext Paris. At the date of the Base Prospectus, NYSE Euronext Paris does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

SWISS MARKET INDEX is provided by Six Swiss Exchange. At the date of the Base Prospectus, Six Swiss Exchange does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

S&P 500 INDEX is provided by Standard & Poors. At the date of the Base Prospectus, Standard & Poors does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

Euro Stoxx 50 Pr, ESTX Banks € Pr, ESTX Utilities € Pr, ESTX Auto&Parts € Pr, ESTX Healthcare € Pr, ESTX Insurance € Pr, ESTX Telecomm € Pr and ESTX Technology € Pr are provided by STOXX. At the date of the Base Prospectus, STOXX does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

TOPIX INDEX (TOKYO) is provided by Tokyo Stock Exchange. At the date of the Base Prospectus, Tokyo Stock Exchange does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

Euribor 1M, Euribor 3M, Euribor 6M, Euribor 12M, Euribor ICE Swap rate 2 years, Euribor ICE Swap rate 5 years, Euribor ICE Swap rate 10 years, US Libor 1M, US Libor 3M, US Libor 6M, US Libor 12M, GBP Libor 1M, GBP Libor 3M, GBP Libor 6M, GBP Libor 12M, USD ICE Swap rate 2 years, USD ICE Swap rate 5 years, USD ICE Swap rate 10 years are provided by ICE Benchmark Administration Limited (**ICE**). At the date of the Base Prospectus, ICE appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulations.

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