

# DEBT ISSUANCE PROGRAMME PROSPECTUS

dated 19 June 2012



This document (the **Debt Issuance Programme Prospectus**) constitutes a base prospectus (the **Base Prospectus**) of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Commission Regulation (EC) No. 809/2004 of 29th April, 2004, as amended from time to time (the **Regulation**).

## SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH

**as Issuer**

**(acting in its own name but for the account of Société Générale)**

*(incorporated with limited liability under the laws of the Federal Republic of Germany)*

and

## SOCIÉTÉ GÉNÉRALE

**as Guarantor**

*(incorporated with limited liability under the laws of France)*

## € 30,000,000,000 Debt Issuance Programme

Under this € 30,000,000,000 Debt Issuance Programme (the **Programme**), Société Générale Effekten GmbH (the **Issuer**), acting in its own name but for the account of Société Générale, may, from time to time, issue notes (**Notes**) and or certificates (**Certificates**) denominated in any currency agreed by the Issuer, the Guarantor and the Dealer as defined below. Certificates may be issued pursuant to the Programme provided that all current references to "Notes" and "Noteholders" in the relevant sections of the Programme shall be deemed to be instead to "Certificates" and "Holders". When the Certificates qualify as securities (the **Securities**) to be offered in Italy, the term "Certificates" shall be deemed to be instead to "Italian Certificates" (the **Italian Certificates**, which expression shall include Italian Certificates to be listed for admission to trading on SeDeX and/or to be admitted to trading on other regulated or unregulated markets with similar listing requirements, the **Italian Listed Certificates**) in all applicable provisions.

Payments in respect of the Notes and/or the Certificates issued by the Issuer will be unconditionally and irrevocably guaranteed by Société Générale (in such capacity, the **Guarantor**).

Subject as set out herein, the Notes will not be subject to any minimum or maximum maturity. The maximum aggregate nominal amount of all Notes and/or the Certificates from time to time outstanding will not exceed € 30,000,000,000 (or its equivalent in other currencies) or such greater amount as is agreed between the parties to the programme agreement dated 19 June 2012 (the **Programme Agreement**, which expression includes the same as it may be updated or supplemented from time to time).

Pursuant to the German Securities Prospectus Act (Wertpapierprospektgesetz - WpPG) on prospectuses for securities, this document has been approved as a base prospectus by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the **BaFin**) in its capacity as competent authority (the **Competent Authority**). Approval means the positive act at the outcome of the scrutiny of the completeness of the prospectus by the BaFin including the consistency of the information given and its comprehensibility.

Application may be made to admission to trading on the Regulated Market (*Regulierter Markt*) of the Frankfurt Stock Exchange the Notes and/or the Certificates to be issued under the Programme from time to time (as further specified in the relevant Final Terms). The Programme provides, however, that Notes and/or Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, the Guarantor and the Dealer/Purchaser. The Issuer may also issue unlisted Notes and/or Certificates or Notes and/or Certificates not admitted to trading on any market.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), AND MAY BE SUBJECT TO CERTAIN REQUIREMENTS UNDER U.S. TAX LAW. APART FROM CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OF AMERICA OR TO ANY U.S. PERSON. (SEE "*SUBSCRIPTION AND SALE*").

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**ARRANGER**  
**Société Générale**

**DEALER**  
**Société Générale**

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## SUMMARY OF THE PROGRAMME

The following summary (the Summary) should be read as an introduction to the Base Prospectus and any decision to invest in the securities should be based on consideration of the Base Prospectus as a whole by the investor.

Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the European Economic Area signatory states, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability within the meaning of Sec. 5 (2) sentence 3 of the German Securities Prospectus Act (*Wertpapierprospektgesetz - WpPG*) attaches to the Issuer and the Guarantor (the **Responsible Persons**) who are responsible for the drawing up of the summary, including any translation thereof, or for the issuing of the Base Prospectus, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus.

### PART A – SUMMARY OF ISSUER AND GUARANTOR DESCRIPTION

#### 1. Description of the Issuer

The Issuer has its registered office in Frankfurt am Main and is entered in the commercial register of the local court of Frankfurt under no. HRB 32283. It came into existence after LT Industriebeteiligungs-Gesellschaft mbH, which was founded on 3rd March 1977, was renamed by resolution of the shareholders' meeting on 5th October 1990. The Issuer was founded as a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) under German law.

The business address of the Issuer is Société Générale Effekten GmbH, Neue Mainzer Str. 46 - 50, 60311 Frankfurt am Main and telephone number is +49 (0)69 71 74 0.

The business purpose of the Issuer, as stipulated in its articles of association, is the issue and sale of securities as well as related activities, with the exception of those requiring a license. The Issuer does not engage in banking business as defined by the German Banking Act (*Kreditwesengesetz - KWG*). The Issuer is a financial entity (*Finanzunternehmen*) as defined in Sec. 1 (3) Sentence 1 No. 5 KWG.

The Issuer is engaged in the issue and placement of securities, mainly warrants and certificates, as well as related activities. The securities are primarily issued on the German and Austrian capital market. The German capital market is one of the most important derivatives markets. The securities may also be sold publicly in certain other EU member states.

The Issuer is a wholly owned subsidiary of Société Générale, Paris. According to its own appraisal, Société Générale group (the **Group**) is one of the leading financial services groups in the Eurozone, structured into five core businesses, such as French Networks, International Retail Banking, Corporate and Investment Banking, Specialised Financial Services and Insurance as well as Global Investment Management and Services. Société Générale, the parent company of the Group, is listed on the Euronext Paris (Nyse-Euronext). The fully paid-in capital stock of the Issuer amounts to EUR 25,564.59. All shares in the Issuer are held by Société Générale, Paris.

The Issuer's auditor for the financial year 2010 has been Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main. The financial statements of the Issuer for the financial year ended 31st December, 2010 have been audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main, and an unqualified audit opinion was issued thereon.

The Issuer's auditor for the financial year 2011 has been Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main. The financial statements of the Issuer for the financial year ended 31st December, 2011 have been audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main, and an unqualified audit opinion was issued thereon.

**2. Selected Financial Information of the Issuer**

Annual financial statement as of 31 December 2011

Information on Results of Operations

Condensed income statements for the last two fiscal years are detailed below (audited). The items have been arranged according to operational criteria (rounded).

|  | 2011<br>EUR k | 2010<br>EUR k | +/-<br>EUR k | %                |
|--|---------------|---------------|--------------|------------------|
| Income from option contracts           | 11,212,754    | 7,372,359     | 3,840,395    | 52.1             |
| Income from the certificate business   | 11,977,163    | 5,065,945     | 6,911,218    | >100.0           |
| Expenses from option contracts         | 11,212,754    | 7,372,359     | 3,840,395    | 52.1             |
| Expenses from the certificate business | 11,977,163    | 5,065,945     | 6,911,218    | >100.0           |
| <b>Gross performance</b>               | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0.0</b>       |
| Other operating result                 | 354           | 318           | 36           | 11.3             |
| Personnel expenses                     | 195           | 174           | 21           | 12.1             |
| <b>Operating result</b>                | <b>159</b>    | <b>144</b>    | <b>15</b>    | <b>10.4</b>      |
| <b>Net financial income</b>            | <b>-9</b>     | <b>-4</b>     | <b>-5</b>    | <b>&gt;100.0</b> |
| <b>Result from ordinary activities</b> | <b>150</b>    | <b>140</b>    | <b>10</b>    | <b>7.1</b>       |
| Taxes on income                        | 47            | 46            | 1            | 2.2              |
| <b>Net income for the year</b>         | <b>103</b>    | <b>94</b>     | <b>9</b>     | <b>9.6</b>       |

Income and expenses from option contracts include income and expenses from warrants payable that have been issued and closed out. Income and expenses from certificate business include income and expenses from matured certificates. In the fiscal year 2011, the Company generated income and expenses of EUR 11,212,754k (prior year: EUR 7,372,359k) from exercised, maturing or settled warrants and the related hedges.

In the fiscal year 2011, the Company generated income and incurred expenses from maturing certificates and related hedges of EUR 11,977,163k (prior year: EUR 5,065,945k).

Income developed similar to expenses, because it represents costs reimbursed by Société Générale, Paris, in connection with the assumption of securities issues. The figures used in the table above are rounded figures.

The **Gross performance** results out of the balancing of each of the income from the option contracts and from the certificate business as well as of each of the expenses from the option contracts and from the certificate business.

The **Other operating result** is composed out of the balancing of the position Other operating income of EUR 3,698k (prior year: EUR 3,155k) and of the position Other operating expenses of EUR 3,344k (prior year: EUR 2,837k) of the income statement. Other operating income relates mainly to costs assumed by the shareholder. Other operating expenses comprise mainly issuing costs and legal and consulting expenses as well as costs associated with stock exchanges.

*Summary of the Programme*

The position **Personnel expenses** is composed out of the position Wages and salaries of EUR 154k (prior year: EUR 141k) and of the position Social security, post-employment and other employee benefit costs of EUR 41k (prior year: EUR 33k).

The **Operating result** is composed out of the balancing of the position Other operating result and Personnel expenses.

The **Net financial income** is composed out of the balancing of the position Other interest and similar income of EUR 7k (prior year: EUR 1k) and of the position Interest and similar expenses of EUR 16k (prior year: EUR 5k) of the income statement.

*Composition of Assets, Equity and Liabilities*

*Condensed balance sheets for the last two fiscal years are shown below (audited). The items have been arranged according to operational criteria (rounded).*

| <b>Assets</b>          | Dec. 31, 2011<br>EUR k | %            | Dec. 31, 2010<br>EUR k | %            | +/-<br>EUR k       |
|------------------------|------------------------|--------------|------------------------|--------------|--------------------|
| Receivables            | 28,261,518             | 65.5         | 49,360,225             | 70.8         | -21,098,707        |
| Other assets           | 9,004,117              | 20.9         | 9,518,218              | 13.6         | -514,101           |
| Current assets         | 37,265,635             | 86.3         | 58,878,443             | 84.4         | -21,612,808        |
| Deferred tax assets    | 4                      | 0.0          | 1                      | 0.0          | 3                  |
| Trust assets           | 5,892,970              | 13.7         | 10,882,287             | 15.6         | -4,989,317         |
|                        | <u>43,158,609</u>      | <u>100.0</u> | <u>69,760,731</u>      | <u>100.0</u> | <u>-26,602,122</u> |
| <b>Capital</b>         | EUR k                  | %            | EUR k                  | %            | EUR k              |
| <b>Equity</b>          | 617                    | 0.0          | 514                    | 0.0          | 103                |
| Provisions             | 312                    | 0.0          | 238                    | 0.0          | 74                 |
| Liabilities            | <u>37,264,710</u>      | <u>86.3</u>  | <u>58,877,692</u>      | <u>84.4</u>  | <u>-21,612,982</u> |
| <b>Outside capital</b> | <u>43,157,992</u>      | <u>86.3</u>  | <u>69,760,217</u>      | <u>84.4</u>  | <u>-26,602,225</u> |
| Trust liabilities      | <u>5,892,970</u>       | <u>13.7</u>  | <u>10,882,287</u>      | <u>15.6</u>  | <u>-4,989,317</u>  |
|                        | <u>43,158,609</u>      | <u>100.0</u> | <u>69,760,731</u>      | <u>100.0</u> | <u>-26,602,122</u> |

EUR 28,261,518k of the receivables are from hedges concluded with Société Générale, Paris, which, together with the certificates issued, are accounted for as a valuation unit. In addition, the issuer holds trust assets of EUR 5,892,970k.

The Other Assets of EUR 9,004,117k derive from premiums paid to hedge warrant issues.

The deferred tax assets of EUR 4k result out of differing valuation methods relating to commercial law valuation and tax law valuation of accruals for pension.

The position **Liabilities** comprises Liabilities under issued certificates of EUR 28,259,795k, Trade payables of EUR 55k, Liabilities to affiliated companies of EUR 743k and Other liabilities of EUR 9,004,117k.

The position **Outside capital** of EUR 43,157,992k is composed out of the positions Provisions, Liabilities and Trust liabilities.

Furthermore **Trust liabilities** to the shareholder of EUR 5,892,970k exist from the issue of certificates.

### 3. Description of the Guarantor

Société Générale is a public limited company (*société anonyme*) established under French law and has the status of a bank.

Société Générale was incorporated by deed approved by the Decree of 4 May 1864. The duration of Société Générale, previously fixed at 50 years with effect from 1 January 1899, was extended by 99 years with effect from 1 January 1949.

Under the legislative and regulatory provisions relating to credit institutions, notably the relevant articles of the French Monetary and Financial Code that apply to them, Société Générale is subject to the commercial laws of the French Commercial Code (in particular articles L. 210-1 *et seq.*), as well as its current by-laws.

Société Générale is registered in the *Registre du Commerce et des Sociétés* of Paris under number RCS 552 120 222.

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

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

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

Société Générale may also, on a regular basis, as defined in the conditions set by the French Financial and Banking Regulation Committee (*Comité de la réglementation bancaire et financière*), engage in all transactions other than those mentioned above, including in particular insurance brokerage.

Generally, Société Générale may carry out, on its own behalf, on behalf of a third-party or jointly, all financial, commercial, industrial, agricultural, security or property transactions, directly or indirectly related to the above-mentioned activities or likely to facilitate the accomplishment of such activities.

For the financial year ended 31 December 2010, the consolidated financial statements of Société Générale were audited, without qualification, and prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as of 31 December 2006, by Ernst & Young Audit (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr Philippe Peuch-Lestrade, 1/2, place des Saisons, 92400 Courbevoie - Paris-La Défense 1, France and Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by MM. Damien Leurent and Jean-Marc Mickeler, 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France.

For the financial year ended 31 December 2011, the consolidated financial statements of Société Générale were audited, without qualification, and prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as of 31 December 2006, by Ernst & Young Audit (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr Philippe Peuch-Lestrade, 1/2, place des Saisons, 92400 Courbevoie - Paris-La Défense 1, France and Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr. Jean-Marc Mickeler, 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France.

The auditors of Société Générale have no material interest in Société Générale.

Société Générale and its consolidated subsidiaries (*filiales consolidées*) taken as a whole are hereinafter referred to as the **Société Générale Group** or the **Group**.

According to its own appraisal, Société Générale is one of the leading financial services groups in the Europe. With its diversified universal banking model, the Group combines financial solidity and a sustainable growth strategy with the ambition of being the relationship focused bank, a leader in its markets, close to its customers, and recognised for the quality and the commitment of its teams. The Group has over 159,000 employees across 77 countries, who serve more than 33 million customers across the globe. Societe Generale's teams offer advisory and other services to individual customers, companies and institutions as part of three main business lines: Retail Banking in France, International Retail Banking, Corporate and Investment Banking. Société Générale is also a major player in the businesses of the Specialised Financial Services and Insurance, and Private Banking, Global Investment Management and Services.

(i) *French Networks*

The French Networks form the first pillar of the Group's universal banking strategy. The French Networks are organised around the two structures and brands Société Générale and Crédit du Nord with its seven regional banks (including *Société Marseillaise de Crédit* since September 30, 2010). They offer a large range of products and services covering the needs of a diversified customer base, composed of more than 10.7 million individual customers over 3,200 branches (*including Société Marseillaise de Crédit*).

(ii) *International Retail Banking*

Over the last ten years, the Group has worked to extend and diversify the regions where it operates, with the aim particularly of expanding its audience and increasing its business opportunities. The network, composed of 685 points of sale through 21 entities in 2000, now has 3,817 branches in 37 countries and 41 entities. International Retail Banking's 62,414 employees, representing numerous nationalities, offer a wealth of experience for the benefit of customers. With income of EUR 4,930 million in 2010, the division accounted for nearly 19% of the Group's income in 2010 compared with a little over 6% ten years earlier.

(iii) *Specialised Financial Services and Insurance*

This division covers (i) Specialised Financial Services (consumer finance, vendor and equipment finance, operational vehicle leasing and fleet management, IT asset leasing and management) and (ii) insurance which encompasses life and non-life insurance. The Specialised Financial Services and Insurance division manages and develops a portfolio of financing activities in France and abroad for individual customers and businesses. It operates in 45 countries and employs around 30,000 people.

(iv) *Private Banking - Global Investment Management and Services*

The Private Banking - Global Investment Management and Services (GIMS) division encompasses Private Banking with Société Générale Private Banking, Asset Management with Amundi (a partnership

with Crédit Agricole Asset Management in operation since January 1, 2010) and Trust Company of the West (TCW); Securities Services with Société Générale Securities Services and derivatives brokerage with Newedge. The Société Générale Group's private banking employs 2,800 people, working in 21 countries, and had EUR 84.5 billion assets under management at December 31, 2010. It offers a comprehensive range of financial services suited to the specific needs of business people and individual clients with a financial net worth of more than EUR 1 million.

(v) *Corporate and Investment Banking*

Société Générale's Corporate and Investment Banking (SG CIB), with around 12,000 employees in 33 countries, is present on the main financial markets in the regions where the Group operates, with extensive European coverage and operations in the Central and Eastern Europe, Middle East and Africa, Americas and Asia-Pacific zones. It offers its clients bespoke financial solutions combining innovation, advisory services and high execution quality in three areas of expertise: investment banking, financing and market activities.

**4. Selected Financial Information of the Guarantor**

*Annual financial statements as of 31 December 2011*

*The following selected consolidated financial information of Société Générale has been derived from the annual consolidated financial statements of Société Générale for the financial years ended 31 December, 2010 and 31 December 2011 in accordance with IFRS.*

| <i>(In millions of euros)</i>   | <b>2011</b>   | <b>2010</b>   |
|---|---------------|---------------|
| <b>Net banking income</b>   | <b>25,636</b> | <b>26,418</b> |
| Personnel expenses  | (9,666)       | (9,559)       |
| Other operating expenses  | (6,449)       | (6,053)       |
| Amortisation, depreciation and impairment of tangible and intangible fixed assets | (921)         | (933)         |
| <b>Gross operating income</b>   | <b>8,600</b>  | <b>9,873</b>  |
| Cost of risk  | (4,330)       | (4,160)       |
| <b>Operating income</b>   | <b>4,270</b>  | <b>5,713</b>  |
| Net income from companies accounted for by the equity method                      | 94            | 119           |
| Net income/expense from other assets  | 12            | 11            |
| Impairment losses on goodwill   | (265)         | 1             |
| <b>Earnings before tax</b>  | <b>4,111</b>  | <b>5,844</b>  |
| Income tax  | (1,323)       | (1,542)       |

*Summary of the Programme*

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|  |              |              |
|--|--------------|--------------|
| <b>Consolidated net income</b>             | <b>2,788</b> | <b>4,302</b> |
| Non-controlling interests                  | 403          | 385          |
| <b>Net income, Group share</b>             | <b>2,385</b> | <b>3,917</b> |
| <b>Earnings per ordinary share</b>         | <b>3.20</b>  | <b>4.96</b>  |
| <b>Diluted earnings per ordinary share</b> | <b>3.18</b>  | <b>4.94</b>  |

## PART B – SUMMARY OF RISK FACTORS

*The purchase of the Notes issued under the Programme is associated with the principal risks summarised below. Investors should take into account their current financial situation and their investment objectives before deciding whether to invest in the Notes. In this context, investors should take into consideration the risks of an investment in the Notes as well as the other information contained in this Prospectus, any supplements and in the applicable Final Terms. Additional specific risks relating to an Underlying of a particular Tranche of Notes issued from time to time under the Programme may be set out in the respective Final Terms, provided that these risks are specific to this Underlying and can only be determined at the time of the individual issue. These risks must therefore always be included in the assessment of risks. Most of the following risks are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

**However, if one or more of the risks described below occur, this may result in material and sustained decreases in the price of the Notes or, in the worst case, in a total loss of the capital invested by the Investor.**

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

### 1. Risk Factors relating to the Issuer, the Guarantor and the Trust Structure

- There is a risk that the Issuer may not or only partially be able to fulfil its obligations arising from the Notes.
  - By acquiring Notes from the Issuer, investors are exposed to a considerably higher credit risk compared to an issuer with much greater capital resources.
  - The Issuer is not a member of a deposit guarantee fund or similar assurance system.
  - Investors are also exposed to the insolvency risk of the parties with whom the Issuer concludes derivative transactions to hedge its obligations from the issue of Notes. The Issuer is subject to a cluster risk, i.e. the credit risk ensuing from the limited range of potential contracting parties with whom various hedging transactions can be conducted.
- The main risk factors that may affect Group's ability to fulfil its obligations under the Notes to investors are the following:
  - credit and counterparty risk: risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. Credit risk includes the counterparty risk linked to market transactions, as well as securitisation activities.
  - market risk: the risk of a decline in the value of financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them.
  - operational risk: risk of losses or sanctions due in particular to inadequacies or failures in internal procedures or systems, human error or external events.
  - investment portfolio risk: risk of unfavourable changes in the value of the Group's investment portfolio
  - non-compliance risk: risk of legal, administrative or disciplinary sanction, material financial losses or reputational damage arising from failure to comply with the provisions governing the Group's activities;

- structural interest and exchange rate risk: risk of loss or of write-downs in the Group's assets arising from variations in interest or exchange rates.
  - liquidity risk: the risk of the Group not being able to meet its cash or collateral requirements as they arise and at reasonable cost.
  - strategic risk: risks tied to the choice of a given business strategy or resulting from the Group's inability to execute its strategy.
  - business risk: risk of losses if costs exceed revenues.
  - risks related to insurance activities: these include premium prices risk, mortality risk and structural risk of life and non-life insurance activities, including pandemics, accidents and catastrophic events (such as earthquakes, windstorms, industrial disasters, or acts of terrorism or war).
  - risk related to specialised finance activities: through its Specialised Financial Services division, mainly in its operational vehicle leasing subsidiary, the Group is exposed to residual value risk (when the net resale value of an asset at the end of the lease is less than estimated).
- Due to the fact that the Issuer issues the Notes on a fiduciary basis on the account of the Guarantor, the holders of the Notes (each a **Noteholder**) directly depend on the credit risk of the Guarantor rather than that of the issuer. Any payment obligations of the Issuer under the Notes are therefore limited to the funds received from the Guarantor under the Trust Agreement.
  - The Guarantee constitutes a general and unsecured contractual obligation of the Guarantor and no other person, any payments on the Notes are also dependent on the creditworthiness of the Guarantor.
  - As Société Générale as Guarantor is also the provider of hedging instruments to the Issuer, investors will be exposed to operational risks arising from the lack of independence of the Guarantor.
  - The Issuer and the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the underlying assets. Such activities and information may cause consequences adverse to Noteholders.
  - The Issuer and the Guarantor and any of their subsidiaries and affiliates may act in other capacities with regard to the Notes, such as market maker, calculation agent, selling agent, agent and/or index sponsor. Therefore, a potential conflict of interests may arise.
  - In connection with the offering of the Notes, the Issuer, the Guarantor and/or their affiliates may enter into one or more hedging transaction(s) with respect to the Reference Asset or related derivatives, which may affect the market price, liquidity or value of the Notes.
  - If investors purchase the Notes, they are relying upon the creditworthiness of the Guarantor and no other person and where the Notes relate to securities, they have no rights against the company that has issued such securities, and where the Notes relate to an index, they have no rights against the sponsor of such index and where the Notes relate to a fund, they have no rights against the manager of such fund. One or more independent credit rating agency(ies) may from time to time have assigned credit ratings to the Guarantor. These ratings may be subject to changes over time and they may not reflect all the factors which are relevant to determine the creditworthiness of the Guarantor. The change for the worse of the credit rating of the Guarantor has a negative effect on the value of the Notes.

## 2. General, Market and Other Risks

### *Risk related to Notes generally*

- The Notes are neither secured by the Deposit Protection Fund of the Association of German Banks nor by the German Deposit Guarantee and Investor Compensation Act. Furthermore, the Notes are also not covered by the Guarantee of the Federal Government.
- The Notes may not be a suitable investment for all investors. Each prospective Noteholder must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, if its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for him.
- The Terms and Conditions contain provisions in accordance with and subject to the German Bond Act 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 voted in a manner contrary to the majority. Such resolution might have negative impact on the financial situation of a single Noteholder.
- The Terms and Conditions provide provisions which allow the Issuer to declare a rescission (*Anfechtung*) in the case of obvious, evident or manifest errors included in the Terms and Conditions.
- 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:
  - 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;
  - 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;
  - 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 currency(ies), or where the currency for principal or interest payments is different from the potential investor's currency;
  - understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
  - be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks.

Some Notes which are complex financial instruments may be redeemable at an amount below par in which case investors may lose the value of part or their entire investment.

- Potential purchasers and sellers of the Notes 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.

- Neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of withholding tax imposed by the implementation of EU Savings Directive.
- No assurance can be given as to the impact of any possible judicial decision or change to the relevant laws or the official application or interpretation of such laws, or administrative practices after the date of this Base Prospectus..
- Each prospective investor should consult its own advisers as to legal, tax and related aspects about the risks entailed by an investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by the tax on that Noteholder of its investment in the Notes and the actual yield on the Notes may be reduced from the stated yield by transaction costs.
- Attention should be paid to the fact that the performance of the Notes during the lifetime may not represent exactly the performance of the Underlying(s) and may therefore deviate materially from the redemption scenario at maturity.
- Where an issue of Notes references a formula in the applicable Final Terms as the basis upon which the interest payable and/or the amount payable and/or assets deliverable on redemption is calculated potential investors should ensure that they understand the relevant formula and if necessary seek advice from their own financial adviser.
- As a consequence of transaction and other costs, the possible return on the Notes (if any) may be lower than expected. The ancillary costs incurred upon the purchase or sale of the Notes may significantly reduce or even exclude the profit potential of the Notes.
- Inducements may be granted in connection with the placement of the Notes. Therefore, a conflict of interests may arise as the granted inducements may have an impact on the placement activity of the entities that place the Notes.
- The regulations of trading centres may provide so called mistrade rules according to which trading participants may make a mistrade application in order to unwind transactions in traded Notes. This may have adverse economic consequences on the affected investor.
- In special market situations, where the Issuer and/or its affiliates are completely unable to conclude hedging transactions, or where such transactions are very difficult to conclude, the spread between the bid and offer prices which may be quoted by the Issuer and/or its affiliates may be temporarily expanded, in order to limit the economic risks to the Issuer.
- The Issuer may rely on information concerning the underlying(s) which are compiled by third parties and the accuracy of which is, in the case of doubt, not subject to the Calculation Agent's verifiability and it cannot be excluded that incorrect or incomplete information from these third parties will be perpetuated in these calculations and determinations of the Calculation Agent.

*Risks related to the 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.
- Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to certain of the Notes which may be issued hereunder and such lack may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes, any underlying or reference, or the assets of the Issuer and/or the Guarantor. The Issuer cannot predict whether

these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

- Although applications may be made for the Notes issued under the Programme to be listed and admitted to trading on any relevant stock exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop.
- 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 other than the Specified Currency, in particular if exchange rates change significantly.
- Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate.
- Credit ratings of the Notes may not reflect the potential impact of all risks related to structure, market, additional factors, and other factors that may affect the value of the Notes.
- The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities.
- The credit rating of the Guarantor is an assessment of its ability to pay its obligations, including those in connection with the Notes. Consequently, actual or anticipated declines in the credit ratings of the Guarantor may affect the market value of the relevant Notes.
- The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France and elsewhere, and the price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.
- The development of market prices of the Notes depends on various factors, such as creditworthiness of the Issuer respectively the Guarantor, changes of market interest rate levels, the policy of central banks, overall economic developments, inflation rates, deflation rates or the lack of or excess demand for the relevant type of the Note.
- Prospective investors in the Notes should be aware that the purchase price of a Note does not necessarily reflect its fair (mathematical) value.
- The prices provided by a market maker may deviate materially from the fair (mathematical) value respectively from the expected economic value of the Notes based on the above mentioned factors at the relevant time.
- Financial markets crises (e.g. US-subprime crises), in particular such which have negative effects beyond their origin and globally affect various market participants and sub market segments in different ways may have a significant influence on the Issuer's and/or Guarantor's and/or the Group's business activities and their assets and liabilities, financial position and profits and losses. The same applies with regard to the amounts to be paid under and the market value of the Notes.

### **3. Risks related to the structure of a particular issue of Notes**

- In the case of Open End Notes, the duration of the Notes is dependent on an optional redemption, if any, elected by the Issuer. If there is no secondary market, there might be no possibility for the investors to sell the Notes.

- The possibility of an optional redemption by the Issuer is likely to limit the market value of the Notes. Furthermore regarding the possibility of an optional redemption by the Issuer potential investors should consider reinvestment risk in light of other investments available at that time.
- The Notes may provide for an automatic early redemption linked to a specific event. Therefore, the Noteholder will not participate in any future performance of the underlying.
- Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) on Structured Notes are calculated by reference to certain underlyings, the return of the Notes is based on changes in the value of the underlying, which may fluctuate. Potential investors should be aware that these Notes may be volatile and that they may receive no interest and may lose all or a substantial portion of their principal. A holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which, if such changes result in losses, may affect the yield of the Notes.
- Failure to pay any subsequent part payments in respect of partly-paid Notes could result in an investor losing some or all of his investment.
- 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.
- Notes with variable interest rates can be volatile investments. This volatility may be further enhanced if they are structured to include multipliers or other leverage factors.
- Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.
- Structured Notes where the performance of an underlying is multiplied by a certain factor to determine the amounts payable by the Issuer are subject to increased volatility and risks including a total loss of the invested capital.
- Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par.
- Capital protected notes do not necessarily lead to a protection of the invested capital at any given time during the life of the Notes and an inability of the Issuer and/or the Guarantor to meet their obligations may cause a total loss of the capital invested by the investor.
- The interest rate or redemption amount of certain Notes may be linked to the occurrence or non-occurrence of certain events which are not connected with the Issuer or the Guarantor, such as credit, price levels, weather or sports events, the occurrence of which is beyond the control of the Issuer and the Guarantor and Noteholders are exposed to the risk of such event occurring or not, as the case may be.
- In the event of the Notes providing for a delivery of any underlying asset upon redemption investors shall be required to make certain notifications and take other actions (e. g. to opt for physical delivery and giving an irrevocable notice). The delivery of such underlying asset will be subject to all applicable laws, regulations and practices and the Issuer shall not incur any liability whatsoever if it is unable to deliver or procure the delivery of such underlying to the relevant holder of the Notes because of any such laws, regulations or practices. Each holder of a Note should be aware that if the Notes may be redeemed by physical delivery of the underlying, it shall be deemed to acknowledge its understanding and acceptance of this matter and to have made its own examination and assessment of its capacity and power to receive such underlying and not to have relied on any representation of the Issuer, the Paying Agents, Société Générale as Guarantor or as Calculation Agent under the Notes, or Société Générale's affiliates regarding this matter.

- The redemption of a Note, interest payments or the physical delivery under a Note may be subject to the occurrence of a Knock-In Event or a Knock-Out Event.
- The Terms and Conditions may include provisions under which upon the occurrence of certain market disruptions delays in the settlement of the Notes may be incurred or certain modifications be made to their terms. Furthermore, an early termination of the Notes by the Issuer may occur upon the occurrence of certain events.
- The Issuer and/or any of its affiliates may carry out activities that for risk reduction and/or hedging purposes or otherwise which might be deemed adverse to the interests of the Noteholders.

*Risk factors relating to Fund Linked Notes*

- The offering of the Notes does not constitute a recommendation by the Issuer or Société Générale and/or any of its affiliates with respect to an investment linked to such underlying funds.
- Funds' performances (especially hedge funds) may be highly volatile. The performance of the fund units over a given period will not necessarily be indicative of future performances.
- Market volatility may produce significant losses on the fund units.
- The use of leverage may increase the risk of loss in the value of the fund units.
- In addition to fixed management fees, performance fees are common to hedge funds and such fees may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of such fees.
- Fund managers do not have any obligations vis-a-vis the Noteholders and do not consider their interests.
- The underlying funds may invest in assets that involve further risks and such risks may not be fully disclosed at the time of investment by the Issuer.
- Fees and other expenses that apply regardless of the performance of the funds will reduce the value of the fund units and accordingly the final redemption amount payable to the Noteholders.
- The illiquidity of the underlying fund's investments may cause the payment of the Final or Early Redemption Amount and/or any Intermediary Amount to be reduced or delayed.
- If the underlying funds invest(s) through a master-feeder structure, the latter may have an adverse effect on the underlying funds and, therefore, the Notes. Master-feeder structure means a mutual fund or other fund that invests exclusively in another fund ; shares of the feeder fund represent shares in the second fund (called a master fund), which, in turn, represent shares in the underlying securities.
- The Issuer, in order to hedge its obligations under the Notes, may enter into a hedging transaction and as a result of hedging decisions by the hedging counterparty, transfers into or out of the fund by the hedging counterparty may affect the value of the fund units and, in turn, the payments under the Notes.
- Legal, tax and regulatory changes could occur during the term of the Notes that may adversely affect the underlying fund(s). The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the underlying fund(s).

*Risk factors relating to Structured Notes*

- Where payments on Structured Notes are calculated by reference to an index, or a basket of indices or a share or a basket of shares, the creditworthiness of any reference entity or reference obligation or a basket of reference entities or reference obligations, a commodity or a basket of commodities (or futures contracts on the same), the return of the Notes is based on changes in the value of the Reference Asset, which fluctuates and cannot be predicted. The historical performance of the Reference Asset should not be taken as an indication of future performance.
- The effective yield to maturity of the Notes may be less than that which would be payable on a conventional fixed rate or floating rate debt security.
- The Calculation Agent may, in certain circumstances, proceed to adjustments or substitutions, or even decide the early redemption of the Notes, in particular upon the occurrence of events affecting the underlying instrument(s). In the absence of manifest or proven error, these adjustments, substitutions or early redemption decisions will be binding upon the Issuer, the Guarantor, the Agent and the Noteholders. The Issuer may also have a discretionary right to redeem the Notes early. In all such cases, the early redemption of the Notes may result in the total or partial loss of the amount invested.

*Risk factors relating to Structured Notes based on indices*

- The payment of income (such as dividends for an index that has stocks as underlyings) may not be reflected as the index may be calculated by reference to the prices of underlyings comprising the index without taking into consideration the value of any income paid on those underlying assets.
- The policies applied by the sponsor of an index concerning the composition and calculation of the index assets may affect the value of the index. In addition, indices may be subject to fees as well as charges which can reduce the Final Redemption Amount payable to the Noteholders.
- The composition of, and the methodologies used in connection with, certain indices to which Notes are linked may be determined and selected by Société Générale or one of its affiliates. In selecting such methodologies, Société Générale or the relevant affiliate of Société Générale, can be expected to have regard to its own objectives and interests and/or those of the Group and there is no guarantee that the methodologies selected will not be less favourable to the interests of investors than methodologies used by other index sponsors in comparable circumstances.
- If the hedging activities of Société Générale or one of its affiliates in connection with a particular index are disrupted, Société Générale or the relevant affiliate may decide to terminate calculations in relation to such index sooner than another index sponsor would do so in comparable circumstances. Such a termination may trigger the early redemption of the Notes.

*Risk factors relating to Structured Notes based on baskets*

- In the case of a Note which refers to many underlyings (e.g. Notes based on a basket of a selection of shares) the risk may be exponentiated or accumulated in comparison to a single underlying as every component of these underlyings might be decisive for the performance of the Note.

*Risk factors relating to Structured Notes based on life insurance contracts*

- The performance of life insurance contracts is subject to a multitude of factors on which the Issuer has no influence. The value of the insurance contract is subject to information given by the insured parties and the actions taken by the relevant insurance company.

*Risk factors relating to Structured Notes based on dividends*

- The Final Redemption Amount of such Notes may not reflect the payment of the dividends on a one to one basis and therefore may not reflect the return of a direct investment in the relevant shares or other securities.

*Risk factors relating to Structured Notes based on unit linked features (accounting unit)*

- The performance of unit linked features is subject to a multitude of factors on which the Issuer has no influence and it should be noted that the past returns of unit linked feature(s) are not necessarily indicative of their future performance.

*Risk factors relating to Equity Linked Notes based on shares*

- A Noteholder will not be a beneficial owner of the underlying shares and therefore will not be entitled like such beneficial owner and therefore will not be entitled to receive any dividends or similar amounts paid on the underlying shares.
- The Calculation Agent may make adjustments to elements of the Notes. The Calculation Agent is not required to make an adjustment for every corporate event that may affect the underlying shares.
- The issuers of underlying shares have no obligation to consider the interests of any Noteholder and may take actions that will adversely affect the value of the Notes.

*Risk factors relating to Commodity Linked Notes*

- Commodity Linked Notes may be redeemed by the Issuer at their par value and/or by payment of an amount determined by reference to the value of the underlying asset(s). Accordingly, an investment in Commodity Linked Notes may bear similar market risks to a direct investment in the relevant commodities and investors should take advice accordingly.
- Due to the term structure of future prices of commodities, also included in a Commodity Future Index, the price of the Notes might be influenced in a positive or negative way for the Noteholders, depending on any difference between the price of the Future on Commodities to be substituted and the price of Future on Commodities following such substitution.

*Risk factors relating to Credit Linked Notes*

- In the event of the occurrence of certain circumstances in relation to a Reference Entity the obligation of the relevant Issuer to pay principal at maturity may be replaced by (i) an obligation to pay other amounts which are equal to either certain fixed amount(s) or amounts calculated by reference to the value of the underlying asset(s) (which may, in each case, be less than the par value of the Notes at the relevant time) and/or (ii) an obligation to deliver the underlying asset(s). In addition, interest-bearing Credit Linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances. Accordingly, Noteholders may be exposed as of the First Credit Event Occurrence Date to the full extent of their investment in the Credit Linked Notes to fluctuations in the creditworthiness of the Reference Entities.
- First-to-Default Notes or Tranche Notes create leveraged exposure to the credit risk of Reference Entities.
- The Calculation Agent will determine, in its sole and absolute discretion, the occurrence or not of a Credit Event in respect of any of the Reference Entities and whether to give notice or not that a Credit Event has occurred with respect to any Reference Entity. A Noteholder may disagree with Publicly Available Information contained in the Credit Event Notice delivered by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders' information, but will nevertheless be bound by that determination under the terms of the Notes.

- Under the terms of the Notes, where Société Générale acts as Calculation Agent, it may, for the purposes of determining the Cash Redemption Amount under the Quotation Dealers Method or the Physical Delivery Amount following one or more Credit Event(s), select obligations with the lowest price of any obligations which meet the relevant criteria.
- Under the Notes, the Final Value is one of the factors in the determination of the redemption amount of the Notes at their Maturity Date and investors should note that: (i) the Final Value as determined by reference to Transaction Auction Settlement Terms may differ from the Final Value determined otherwise and a lower Final Value will typically reduce the amount payable to Noteholders upon redemption of the Notes; and (ii) the Calculation Agent may have a conflict of interest to the extent that it participates in the establishment of the Transaction Auction Settlement Terms and potentially influences the pricing mechanism.
- If Transaction Auction Settlement Terms are not published within a certain period and if it is not possible to obtain quotations from Quotation Dealers for the Selected Obligations within a further period, the Final Value of the Selected Obligations will be deemed to be zero and therefore the Cash Redemption Amount will be equal to zero. This would lead to a total loss for the investor. In addition, the above-mentioned periods between Credit Event and valuation may amount to as many as 180 Business Days following the date on which the existence of a Credit Event is established, therefore, settlement, or as the case may be, notice that no amount is due under the Credit Linked Notes, may occur several months after the relevant Credit Event on a date which may be much later than the Scheduled Maturity Date of the Notes.
- The Noteholders are informed that each of the Issuer and the Dealer may from time to time hold Obligations of the Reference Entities. The rights and obligations of the Issuer under the Notes or any loss suffered by the Noteholders under the Notes are both irrespective of whether the Issuer has a credit exposure to a Reference Entity or has suffered any loss in relation to a Reference Entity.
- Société Générale and its affiliates may, at the date at any time, be in possession of information in relation to any Reference Entity or Reference Obligation that is or may be material in the context of the issue of the Notes and that may not be publicly available or known to the other. There is no obligation on Société Générale and its affiliates to disclose to the Noteholders or any other party any such relationship or information whether before or after the Issue Date.

*Risk factors relating to Currency Linked Notes*

- The performance of currencies is subject to a multitude of factors such as economic factors, speculations and potential interventions by central banks and government agencies (including exchange controls and restrictions).

*Risk factors relating to Bond Linked Notes*

- The market value of bonds is influenced in addition to other factors by the creditworthiness of the issuer of the relevant bond, by the general interest level, the remaining term until maturity as well as by the liquidity of the market. These factors may have a negative impact on the value of the Bond Linked Notes.

*Risks factors specific to Italian Listed Certificates*

- Certificates may embed an option and, therefore, have some features common to options. Transactions involving options imply high risks and it is advisable that investors who intend to trade in options have a certain degree of experience and knowledge of the functioning of options.
- The investment in options is characterised by a high degree of volatility and it is possible that the investor will lose the amount invested to purchase the option.

- Since the value of the options is intertwined with the underlying asset its performance depends on the value of the latter.

## **PART C – SUMMARY OF THE OFFERING OF THE NOTES**

### *Reasons for the Offering*

Under the Programme, the Issuer, acting in its own name but for the account of Société Générale, will from time to time issue fixed and floating rate Notes, instalment Notes, zero coupon Notes, partly paid Notes, dual currency Notes, physical delivery Notes, as well as Notes whose interest rate and/or redemption amount is determined or calculated by reference to an index and/or a formula based on or referring to changes in the prices of certain underlyings such as shares in companies, any other equity or non-equity securities, indices, currencies or currency exchange rates, interest rates, dividends, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities, bonds or futures contracts, unit linked features (accounting units) or the occurrence or not of events not linked to the Issuer or the Guarantor or a basket or combination of any of the foregoing, as indicated in the applicable Final Terms (collectively **Structured Notes**), each in bearer form and governed by German law (collectively, **Notes**), to the Dealer and any additional dealer appointed under the Programme by the Issuer and the Guarantor from time to time. The maximum aggregate nominal amount of the Notes outstanding under the Programme is limited up to € 30,000,000,000. The aggregate nominal amount of each Tranche of Notes under the Programme, as agreed between the Issuer, the Guarantor and the Dealer/Purchaser, will be set out in the applicable Final Terms.

Payments and/or physical delivery of any securities or assets in respect of Notes will be unconditionally and irrevocably guaranteed by the Guarantor.

### *Offering Statistics and Estimated Timetable*

During the validity of this Base Prospectus, the Issuer will continuously issue Notes within the framework of this Programme. The terms and conditions as well as the timeframe for each issue of Notes will be set forth in the applicable Final Terms within the meaning of Art. 26 No. 5 of the Commission Regulation (EC) No. 809/2004 dated 29th April, 2004.

### *Use of Proceeds*

Pursuant to a Trust Agreement dated 28th February, 2006 the Issuer is obliged to collect any proceeds resulting from the issuance of the Notes and to deliver such proceeds forthwith to the Guarantor. The net proceeds of each issuance of Notes will be applied by the Guarantor for general financing purposes of the Société Générale group in accordance with the Guarantor's corporate objects according to its Articles of Association.

### *Details Regarding the Programme*

|                    |   |
|--------------------|---|
| <b>Issuer</b>      | Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale)                     |
| <b>Guarantor</b>   | Société Générale  |
| <b>Description</b> | Debt Issuance Programme   |
| <b>Arranger</b>    | Société Générale  |
| <b>Dealer(s)</b>   | Société Générale<br>and any additional dealer(s) appointed in accordance with the terms of the Programme Agreement. |

|  |   |
|--|---|
| <b>Manager(s)</b>                          | The applicable Final Terms relating to each Tranche of Notes may specify any Manager(s).  |
| <b>Agent</b>                               | Société Générale  |
| <b>Paying Agents</b>                       | Société Générale, Paris<br>Société Générale, Frankfurt am Main branch<br>Société Générale Bank & Trust, Luxembourg<br>or any additional or successor paying agent.  |
| <b>Programme Size</b>                      | Up to € 30,000,000,000 (or its equivalent in other currencies) outstanding at any time.<br>The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.   |
| <b>Offer</b>                               | Notes and/or Italian Certificates may be offered by way of private or public placement and in each case on a syndicated or non-syndicated basis.  |
| <b>Currencies</b>                          | Notes and/or Italian Certificates may be denominated in euro and, subject to compliance with any applicable laws and exchange control regulations, in any other currency as may be agreed between the Issuer, the Guarantor and the relevant Dealer as indicated in the applicable Final Terms.   |
| <b>Redenomination and/or consolidation</b> | Notes issued in the currency of any Member State of the European Union which will participate in the single currency of the European Economic and Monetary Union may be redenominated in euro. In that case, the terms of the redenomination will be set out in full in the applicable Final Terms. Notes of one Series denominated in a currency that may be converted into euro may be subject to consolidation with other Notes of another Series denominated in euro.                               |
| <b>Maturities</b>                          | Any maturity as indicated in the applicable Final Terms subject to such minimum or maximum maturities 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 Issuer or the relevant Specified Currency. The Issuer may also issue Notes without a determined maturity (Open End notes).<br><br>For Italian Certificates, all references herein to "maturity" shall be deemed to be instead to "final exercise". |
| <b>Issue Price</b>                         | Notes may be issued on a fully-paid or a partly-paid basis and at an issue price (expressed either (i) as a percentage of the aggregate nominal amount or (ii) as an amount per Note of the relevant Specified Denomination) which is at par or at a discount to, or premium over, par (as specified in the applicable Final Terms).  |
| <b>Form of Notes</b>                       | The Notes of a particular Tranche or Series to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the <b>TEFRA D Rules</b> ) applies, as specified in the applicable Final Terms, will be initially represented by a temporary global note (each, a <b>Temporary Global Note</b> ) and subsequently, after expiry of 40 days after the relevant issue date and upon certification as to non-U.S. beneficial ownership, by a   |

permanent global note (each, a **Permanent Global Note**).

The Notes of a particular Tranche or Series to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the **TEFRA C Rules**) applies, as specified in the applicable Final Terms, will be represented by a Permanent Global Note.

The Notes of a particular Tranche or Series to which neither the TEFRA C Rules nor the TEFRA D Rules apply, as specified in the applicable Final Terms, will be represented by a Permanent Global Note.

Definitive Notes will not be issued.

In the case of Italian Certificates where Monte Titoli is the relevant Clearing System, their circulation will be made pursuant to Italian legislative decree and subsequent implementing provisions.

#### **Fixed Rate Notes**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer, the Guarantor and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such day count fraction as may be agreed between the Issuer and the relevant Dealer as indicated in the applicable Final Terms.

In the case of Italian Certificates:

Fixed amount will be payable on such date or dates as may be agreed between the Issuer, the Guarantor and the relevant Dealer as indicated in the applicable Final Terms.

#### **Floating Rate Notes**

Floating Rate Notes will bear interest at a rate determined (i) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or (ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement evidenced by a confirmation incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

The margin (if any) relating to such floating rate will be agreed between the Issuer, the Guarantor and the relevant Dealer for each issue of Floating Rate Notes and specified in the applicable Final Terms.

#### **Partly Paid Notes**

The Issuer may issue Notes which are not fully paid up at the time of their issue and which provide for the remaining principal amount to be paid up in one or more part payment(s) at one or more predetermined part payment date(s). If any Noteholder fails to pay any part payment amount due on any Partly Paid Notes within the time specified, the Issuer may have a right to redeem such Notes if so specified, and on the terms set out, in the applicable Final Terms.

#### **Structured Notes**

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Structured Notes

will be calculated by reference to such index and/or formula or to changes in the prices of certain underlyings. Such underlyings comprise shares in companies, any other equity or non-equity securities, indices, currencies or currency exchange rates, interest rates, dividends, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, bonds, unit linked features (accounting units), commodities or futures contracts on the same or any other instrument(s) or asset(s) or the occurrence or not of certain events not linked to the Issuer or the Guarantor or a basket or combination of any of the foregoing or any other factor(s) as the Issuer, the Guarantor and the relevant Dealer may agree and as indicated in the applicable Final Terms.

In the case of Italian Certificates:

Interim amount will be calculated by reference to such index and/or formula or to changes in the prices of certain underlyings. Such underlyings comprise shares in companies, any other equity or non-equity securities, indices, currencies or currency exchange rates, interest rates, dividends, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, bonds, unit linked features (accounting units), commodities or futures contracts on the same or any other instrument(s) or asset(s) or the occurrence or not of certain events not linked to the Issuer or the Guarantor or a basket or combination of any of the foregoing or any other factor(s) as the Issuer, the Guarantor and the relevant Dealer may agree and as indicated in the applicable Final Terms.

**Dual Currency Notes**

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currency or currencies, and based on such rate or rates of exchange, as the Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).

**Physical Delivery Notes**

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) and any delivery of any Underlying in respect of Physical Delivery Notes will be made in accordance with the terms of the applicable Final Terms.

**Zero Coupon Notes**

Zero Coupon Notes will not bear interest (other than in the case of late payment).

**Instalment Notes**

Payments (whether in respect of principal and/or interest) in respect of Instalment Notes will be made at certain instalment dates in certain instalment amounts, each as indicated in the applicable Final Terms.

**Redemption**

The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, for taxation reasons or following an Event of Default) or that such Notes (if Physical Delivery Notes) may be settled at maturity or otherwise by receipt by the Noteholder(s) of a cash amount and/or by delivery of the relevant Underlying or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving an irrevocable notice (subject to a notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated

maturity and at a price or prices and on such terms as may be agreed between the Issuer, the Guarantor and Dealer as indicated in the applicable Final Terms or that such Notes can be redeemed prior to their stated maturity in the case of an automatic early redemption (e.g. a certain level is triggered).

The redemption of Structured Notes may be subject to certain special restrictions and procedures, as set out in the applicable Final Terms.

In the case of Structured Notes linked to a certain reference asset, investors may receive less than their amount invested or, in extreme cases, suffer a total loss of their amount invested in such Notes. In certain circumstances, the degree in which a change in the reference asset affects the Structured Notes may be limited. The specific relation between the relevant reference asset and the Structured Notes as well as a potential limitation of the effect on the Structured Notes will be specified in the relevant Final Terms.

In the case of Italian Certificates, all references herein to “redemption” shall be deemed to be instead to “exercise”.

**Denomination**

Notes will be issued in such denomination as may be agreed between the Issuer and the relevant Dealer as indicated in the applicable Final Terms.

**Taxation**

All payments of principal and interest and, for Italian Certificates, of final exercise amount and any other amount in relation to the Notes will 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 the Federal Republic of Germany or France (as the case may be) or any political subdivision or any authority of the Federal Republic of Germany or France (as the case may be) that has power to tax. If such withholding or deduction is required by law, the Issuer or the Guarantor (as the case may be) will – subject to the exemptions set out in the Terms and Conditions – pay such additional amounts as a Noteholder would have received if no such withholding or deduction had been required.

The Issuer does not assume liability for the deduction of these taxes at the source.

**Status of the Notes**

The Notes constitute direct, unconditional and unsecured and unsubordinated limited recourse obligations of the Issuer and will rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) *pari passu* with all other direct, unconditional, unsecured and unsubordinated limited recourse obligations of the Issuer.

**Guarantee**

The due and punctual payment of any amounts due and payable and/or the due and punctual physical delivery of securities deliverable under or in respect of the Notes will be unconditionally and irrevocably guaranteed by the Guarantor.

**Rating**

The rating (if any) of the Notes to be issued under the Programme will be specified in the applicable Final Terms.

|   |  |
|---|--|
| <b>Listing</b>                            | <p>Application has been made to admission to trading the Notes to be issued under the Programme on the Regulated Market (<i>Regulierter Markt</i>) of the Frankfurt Stock Exchange. The Programme provides, however, that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer, the Guarantor and the relevant Dealer, as specified in the relevant Final Terms. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market, as specified in the relevant Final Terms.</p>   |
| <b>Terms and Conditions</b>               | <p>The Issuer, the Guarantor and the relevant Dealer will agree on the terms and conditions applicable to each particular Tranche of Notes and/or Italian Certificates. The terms and conditions of the Notes and/or Italian Certificates will be constituted by the "Terms and Conditions" which comprise the "Basic Terms" and the "Technical Annex", as completed by the provisions of the applicable Final Terms. If the relevant applicable Final Terms specify that consolidated Terms and Conditions shall apply to the Notes, such consolidated Terms and Conditions will be attached to the relevant applicable Final Terms.</p>  |
| <b>Governing Law</b>                      | <p>The Notes and/or the Italian Certificates and any non-contractual obligations arising out of or in connection with the Notes and/or the Italian Certificates will be governed by, and construed in accordance with, German law.</p> <p>The Guarantee and any non-contractual obligations arising out of or in connection with the Guarantee will be governed by, and construed in accordance with, French law.</p>  |
| <b>Selling Restrictions</b>               | <p>Each issue of Notes and/or Italian Certificates will be made in accordance with the laws, regulations and legal decrees and any restrictions applicable in the relevant jurisdiction.</p> <p>Any offer and sale of Notes is subject to the selling restrictions in particular in Austria, France, the Grand Duchy of Luxembourg, Italy, the United Kingdom and other member states to the Agreement on the European Economic Area (EEA), in the United States and other jurisdictions in connection with the offering and sale of a particular issue of Notes. Further restrictions applicable to any issue of Notes may be set out in the relevant Final Terms and must be observed, irrespective of the description in the Final Terms.</p> |
| <b>United States Selling Restrictions</b> | <p>Regulation S, Category 2, TEFRA C, TEFRA D or TEFRA not applicable, as specified in the applicable Final Terms.</p>   |
| <b>Clearing System</b>                    | <p>The Notes of a Tranche or Series (unless stated otherwise in the applicable Final Terms) will be represented by a Global Note, which will be held in custody by or on behalf of Clearstream Banking AG, Frankfurt or a depositary common to Clearstream, Luxembourg and Euroclear Bank S.A./N.V until all obligations of the Issuer under the Notes have been satisfied. Notes may be held through additional or alternative clearing systems (including, without limitation, Clearstream, Luxembourg and Euroclear Bank S.A./N.V or Euroclear France) in which case the appropriate</p>  |

information will be contained in the applicable Final Terms.

In the case of Italian Certificates where Monte Titoli is the relevant Clearing System, their circulation will be made pursuant to Italian legislative decree and subsequent implementing provisions.

The appropriate ISIN code, Common code (if any) and any other relevant code for each Tranche of Notes and/or Italian Certificates will be contained in the applicable Final Terms.

## ZUSAMMENFASSUNG DES PROGRAMMS

Die nachfolgende Zusammenfassung (die „**Zusammenfassung**“) sollte als Einführung zum Basisprospekt verstanden werden und der Anleger sollte jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Basisprospekts stützen.

Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in dem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben. Die Emittentin und die Garantin (**Verantwortliche Personen**), die die Verantwortung gemäß § 5 Abs. 2 Satz 3 Wertpapierprospektgesetz (WpPG) für die Zusammenfassung einschließlich einer Übersetzung hiervon übernommen haben, oder von denen deren Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Basisprospekts gelesen wird.

### PART A – ZUSAMMENFASSUNG DER BESCHREIBUNG DER EMITTENTIN UND GARANTIN

#### 1. Beschreibung der Emittentin

Die Emittentin hat ihren Sitz in Frankfurt am Main und ist eingetragen im Handelsregister des Amtsgerichts Frankfurt unter HRB 32283. Sie ist entstanden mit Gesellschafterbeschluss vom 5. Oktober 1990 durch Umfirmierung der am 3. März 1977 gegründeten LT Industriebeteiligungs-Gesellschaft mbH. Die Emittentin wurde als Gesellschaft mit beschränkter Haftung (GmbH) nach deutschem Recht gegründet.

Die Geschäftsadresse der Emittentin ist: Société Générale Effekten GmbH, Neue Mainzer Str. 46 - 50, 60311 Frankfurt am Main. Die Telefonnummer lautet + 49 (0)69 71 74 0.

Der Unternehmensgegenstand der Emittentin ist gemäß ihrer Satzung die Begebung und der Verkauf von Wertpapieren sowie damit zusammenhängende Tätigkeiten, mit Ausnahme erlaubnispflichtiger Tätigkeiten. Bankgeschäfte im Sinne des Kreditwesengesetzes (KWG) gehören nicht zum Unternehmensgegenstand. Die Emittentin ist ein Finanzunternehmen im Sinne von § 1 Abs. 3 Satz 1 Nr. 5 KWG.

Die Geschäftstätigkeit der Emittentin umfasst die Emission und Platzierung von Wertpapieren, überwiegend Optionsscheinen und Zertifikate, und damit zusammenhängende Tätigkeiten. Die Begebung von Wertpapieren durch die Emittentin erfolgt vornehmlich auf dem deutschen und dem österreichischen Kapitalmarkt. Der deutsche Kapitalmarkt ist einer der wichtigsten Märkte für den derivativen Bereich. Die von der Emittentin begebenen Wertpapiere werden darüber hinaus ggf. auch in weiteren EU-Mitgliedstaaten öffentlich angeboten.

Die Emittentin ist eine 100%ige Tochtergesellschaft der Société Générale, Paris. Der Société Générale-Konzern (der „**Konzern**“) stellt, nach seiner eigenen Einschätzung, eine der führenden Finanzdienstleistungsgruppen der Euro-Zone dar, strukturiert in fünf Kerngeschäftsfelder, wie die Französischen Netzwerke, das Internationale Privatkundengeschäft, das Firmenkundengeschäft und Investment Banking, Spezialisierte Finanzdienstleistungen und Versicherung sowie Globales Investment Management und Dienstleistungen. Die Konzernmutter Société Générale ist an der Euronext Paris (Nyse-Euronext) notiert.

Das voll eingezahlte Stammkapital der Emittentin beträgt EUR 25.564,59. Alle Anteile der Emittentin werden von der Société Générale, Paris gehalten.

Abschlussprüfer der Emittentin war für das Finanzjahr 2010 die Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main. Für das Geschäftsjahr zum 31. Dezember 2010 wurde der Abschluss der Emittentin durch die Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main, geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.

Abschlussprüfer der Emittentin für das Finanzjahr 2011 war die Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main. Für das Geschäftsjahr 2011 wurde der Abschluss der Emittentin zum 31. Dezember 2011 von der Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.

## 2. Ausgewählte Finanzangaben betreffend die Emittentin

*Jahresfinanzzahlen zum 31. Dezember 2011*

*Ertragslage*

*Aus den Gewinn- und Verlustrechnungen der beiden letzten Geschäftsjahre ergibt sich nach Zusammenfassungen und Verrechnungen, die nach betriebswirtschaftlichen Gesichtspunkten vorgenommen wurden, die nachfolgende Ertragsübersicht. Dabei handelt es sich um geprüfte Zahlen (gerundet).*

|   | 2011<br>TEUR      | 2010<br>TEUR     | +/-<br>TEUR      | %      |
|---|-------------------|------------------|------------------|--------|
| Erträge aus Optionsgeschäften                       | 11.212.754        | 7.372.359        | 3.840.395        | 52,1   |
| Erträge aus dem Zertifikatesgeschäft                | 11.977.163        | 5.065.945        | 6.911.218        | >100,0 |
| Aufwendungen aus Optionsgeschäften                  | 11.212.754        | 7.372.359        | 3.840.395        | 52,1   |
| Aufwendungen aus dem Zertifikatesgeschäft           | <u>11.977.163</u> | <u>5.065.945</u> | <u>6.911.218</u> | >100,0 |
| <b>Betriebsleistung</b>                             | <u>0</u>          | <u>0</u>         | <u>0</u>         | 0,0    |
| Sonstiges betriebliches Ergebnis                    | 354               | 318              | 36               | 11,3   |
| Personalaufwand                                     | <u>195</u>        | <u>174</u>       | <u>21</u>        | 12,1   |
| <b>Betriebsergebnis</b>                             | <u>159</u>        | <u>144</u>       | <u>15</u>        | 10,4   |
| <b>Finanzergebnis</b>                               | -9                | -4               | -5               | >100,0 |
| <b>Ergebnis der gewöhnlichen Geschäftstätigkeit</b> | <u>150</u>        | <u>140</u>       | <u>10</u>        | 7,1    |
| Steuern vom Einkommen und Ertrag                    | <u>47</u>         | <u>46</u>        | <u>1</u>         | 2,2    |
| <b>Jahresüberschuss</b>                             | <u><u>103</u></u> | <u><u>94</u></u> | <u><u>9</u></u>  | 9,6    |

Die Erträge und Aufwendungen aus Optionsgeschäften beinhalten die Erträge und Aufwendungen aus fälligen, ausgeübten und glattgestellten Optionsscheinen. Die Erträge und Aufwendungen aus Zertifikatesgeschäften beinhalten die Erträge und Aufwendungen aus fälligen Zertifikaten. Im Jahr 2011 erzielte die Gesellschaft aus ausgeübten, fälligen oder glattgestellten Optionsscheinen und aus zugehörigen Deckungsgeschäften Erträge und Aufwendungen in Höhe von jeweils TEUR 11.212.754 (im Vorjahr TEUR 7.372.359).

Aus fälligen Zertifikaten und zugehörigen Deckungsgeschäften erzielte die Gesellschaft im Berichtsjahr für die Zeit vom 1. Januar 2011 bis zum 31. Dezember 2011 Erträge und Aufwendungen in Höhe von jeweils TEUR 11.977.163 (im Vorjahr TEUR 5.065.945).

Die Erträge entwickelten sich analog zu den Aufwendungen, da diese die Kostenerstattungen durch die Société Générale, Paris, im Zusammenhang mit der Übernahme der Emissionen von Wertpapieren darstellen. Bei denen in der oben dargestellten Tabelle verwendeten Zahlen handelt es sich um gerundete Zahlen.

Die **Betriebsleistung** ergibt sich aus der Saldierung der jeweiligen Erträgen aus dem Zertifikatengeschäft und aus Optionsgeschäften sowie der jeweiligen Aufwendungen aus dem Zertifikatengeschäft und aus Optionsgeschäften.

Das **sonstige betriebliche Ergebnis** setzt sich aus einer Saldierung der Positionen Sonstige betriebliche Erträge in Höhe von TEUR 3.698 (im Vorjahr TEUR 3.155) und Sonstige betriebliche Aufwendungen in Höhe von TEUR 3.344 (im Vorjahr TEUR 2.837) der Gewinn- und Verlustrechnung zusammen. Die sonstigen betrieblichen Erträge betreffen im Wesentlichen Kostenübernahmen der Gesellschafterin. Die sonstigen betrieblichen Aufwendungen bestehen im Wesentlichen aus Emissionskosten, Rechts- und Beratungskosten sowie Börsenkosten.

Die Position **Personalaufwand** setzt sich zusammen aus der Position Löhne und Gehälter in Höhe von TEUR 154 (im Vorjahr TEUR 141) sowie aus der Position Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung in Höhe von TEUR 41 (im Vorjahr TEUR 33).

Das **Betriebsergebnis** ergibt sich aus der Saldierung der Position Sonstiges betriebliches Ergebnis und der Position Personalaufwand.

Das **Finanzergebnis** setzt sich seinerseits aus einer Saldierung der Position Sonstige Zinsen und ähnliche Erträge in Höhe von TEUR 7 (im Vorjahr TEUR 1) und der Position Zinsen und ähnliche Aufwendungen in Höhe von TEUR 16 (im Vorjahr TEUR 5) der Gewinn- und Verlustrechnung zusammen.

#### *Vermögens- und Kapitalstruktur*

*Die nachfolgende Übersicht ergibt sich nach Zusammenfassungen und Saldierungen, die nach betriebswirtschaftlichen Gesichtspunkten vorgenommen wurden, aus den Bilanzen der beiden letzten Geschäftsjahre. Dabei handelt es sich um geprüfte Zahlen (gerundet).*

|                               | 31.12.2011        |            | 31.12.2010        |            | +/-<br>TEUR        |
|-------------------------------|-------------------|------------|-------------------|------------|--------------------|
|                               | TEUR              | %          | TEUR              | %          |                    |
| <b>Vermögen</b>               |                   |            |                   |            |                    |
| Forderungen                   | 28.261.518        | 65,5       | 49.360.225        | 70,8       | -21.098.707        |
| Sonstige Vermögensgegenstände | 9.004.117         | 20,9       | 9.518.218         | 13,6       | -514.101           |
| <b>Umlaufvermögen</b>         | 37.265.635        | 86,3       | 58.878.443        | 84,4       | -21.612.808        |
| Aktive latente Steuern        | 4                 | 0,0        | 1                 | 0,0        | 3                  |
| Treuhandvermögen              | 5.892.970         | 13,7       | 10.882.287        | 15,6       | -4.989.317         |
|                               | <b>43.158.609</b> | <b>100</b> | <b>69.760.731</b> | <b>100</b> | <b>-26.602.122</b> |
| <b>Kapital</b>                |                   |            |                   |            |                    |
|                               | TEUR              | %          | TEUR              | %          | TEUR               |
| <b>Eigenkapital</b>           | 617               | 0,0        | 514               | 0,0        | 103                |
| Rückstellungen                | 312               | 0,0        | 238               | 0,0        | 74                 |
| Verbindlichkeiten             | 37.264.710        | 86,3       | 58.877.692        | 84,4       | -21.612.982        |
| <b>Fremdkapital</b>           | 43.157.992        | 86,3       | 69.760.217        | 84,4       | -26.602.225        |

|                           |                   |              |                   |              |                    |
|---------------------------|-------------------|--------------|-------------------|--------------|--------------------|
| Treuhandverbindlichkeiten | 5.892.970         | 13,7         | 10.882.287        | 15,6         | -4.989.317         |
|                           | <u>43.158.609</u> | <u>100,0</u> | <u>69.760.731</u> | <u>100,0</u> | <u>-26.602.122</u> |

Die Forderungen resultieren in Höhe von TEUR 28.261.518 aus mit der Société Générale, Paris, abgeschlossenen Sicherungsgeschäften, welche zusammen mit den emittierten Zertifikaten eine Bewertungseinheit bilden. Darüber hinaus hält die Emittentin Treuhandvermögen in Höhe von TEUR 5.892.970.

Die sonstigen Vermögensgegenstände in Höhe von TEUR 9.004.117 resultieren aus gezahlten Prämien zur Absicherung entsprechender Emissionen von Optionsscheinen.

Die Aktiven latenten Steuern in Höhe von TEUR 4 resultieren aus unterschiedlichen Bewertungsansätzen zwischen der handels- und steuerrechtlichen Bewertung der Pensionsrückstellungen.

Die Position **Verbindlichkeiten** beinhaltet Verbindlichkeiten aus emittierten Zertifikaten in Höhe von TEUR 28.259.795, Verbindlichkeiten aus Lieferungen und Leistungen in Höhe von TEUR 55, Verbindlichkeiten gegenüber verbundenen Unternehmen in Höhe von TEUR 743 sowie Sonstige Verbindlichkeiten in Höhe von TEUR 9.004.117.

Die Position **Fremdkapital** in Höhe von TEUR 43.157.992 setzt sich aus den Positionen Verbindlichkeiten, Rückstellungen sowie Treuhandverbindlichkeiten zusammen.

Des Weiteren bestehen **Treuhandverbindlichkeiten** gegenüber der Gesellschafterin aus der Emission von Zertifikaten in Höhe von TEUR 5.892.970.3. **Beschreibung der Garantin**

Die Société Générale ist eine Kapitalgesellschaft mit beschränkter Haftung (*société anonyme*) nach französischem Recht und hat den Status einer Bank.

Die Société Générale wurde mit Urkunde genehmigt durch Dekret vom 4. Mai 1864 gegründet. Die Dauer der Gesellschaft wurde zunächst festgelegt auf 50 Jahre ab dem 1. Januar 1899 und dann um weitere 99 Jahre ab dem 1. Januar 1949 verlängert.

Nach den gesetzlichen und regulatorischen Bestimmungen für Kreditinstitute, insbesondere den entsprechenden Artikeln des französischen *Währungs- und Finanzgesetzbuches*, die sich auf diese beziehen, unterliegt die Société Générale den Wirtschaftsgesetzen des französischen *Handelsgesetzbuches* (insbesondere den Artikeln L. 210-1 ff.) und ihrer jeweiligen Satzung.

Die Société Générale ist im Handelsregister (Registre du Commerce et des Sociétés) von Paris unter der Nummer RCS 552 120 222 eingetragen.

Die Geschäftsadresse der Société Générale ist: 29, boulevard Haussmann, 75009 Paris, Frankreich.

Gemäß der gegenwärtigen gesetzlichen und behördlichen Regelungen, kann sie an einen anderen Ort verlagert werden.

Nach Maßgabe der für Kreditinstitute geltenden Gesetze und Vorschriften ist Geschäftszweck der Société Générale:

- das Betreiben von sämtlichen Bankgeschäften;

- sämtlichen Transaktionen im Zusammenhang mit Bankgeschäften, insbesondere Dienstleistungen im Zusammenhang mit Kapitalanlagen und artverwandten Dienstleistungen im Sinne der Artikel L. 321-1 und L. 321-2 des französischen *Währungs- und Finanzgesetzbuches*;
- der Erwerb von Beteiligungen an anderen Unternehmen; jeweils mit natürlichen oder juristischen Personen, in Frankreich oder im Ausland.

Die Société Générale kann regelmäßig, wie in den Bestimmungen des französischen Ausschusses für die Regulierung des Finanz- und Bankwesens (*Comité de la réglementation bancaire et financière*) festgelegt, auch an allen anderen als den vorgenannten Transaktionen beteiligt sein, insbesondere im Versicherungsvermittlungsgeschäft.

Grundsätzlich kann die Société Générale im eigenen Namen, im Namen eines Dritten oder mit diesen gemeinsam alle finanz-, handels-, gewerblichen- oder landwirtschaftlichen Geschäfte bezogen auf Wertpapier- oder Eigentumstransaktionen durchführen, die direkt oder indirekt mit den zuvor genannten Aktivitäten in Zusammenhang stehen oder ihrer Durchführung dienen.

Für das am 31. Dezember 2010 endende Finanzjahr wurden der konsolidierte Jahresabschluss der Société Générale von Ernst & Young Wirtschaftsprüfungsgesellschaft (Mitglied der Französischen *Compagnie nationale des commissaires aux comptes*) vertreten durch Herrn Philippe Peuch-Lestrade, 1/2, place des Saisons, 92400 Courbevoie – Paris-La Défense 1, Frankreich und von Deloitte & Associés (früher Deloitte Touche Tohmatsu) (Mitglied der Französischen *Compagnie nationale des commissaires aux comptes*), vertreten durch MM. Damien Laurent und Jean-Marc Mickeler, 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, Frankreich ohne Vorbehalt geprüft und gemäß den Internationalen Rechnungslegungsstandards (IFRS), wie von der Europäischen Union zum 31. Dezember 2006 gebilligt, erstellt.

Für das am 31. Dezember 2011 endende Finanzjahr wurden der konsolidierte Jahresabschluss der Société Générale von Ernst & Young Wirtschaftsprüfungsgesellschaft (Mitglied der Französischen *Compagnie nationale des commissaires aux comptes*) vertreten durch Herrn Philippe Peuch-Lestrade, 1/2, place des Saisons, 92400 Courbevoie – Paris-La Défense 1, Frankreich und von Deloitte & Associés (früher Deloitte Touche Tohmatsu) (Mitglied der Französischen *Compagnie nationale des commissaires aux comptes*), vertreten durch Herrn Jean-Marc Mickeler, 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, Frankreich ohne Vorbehalt geprüft und gemäß den Internationalen Rechnungslegungsstandards (IFRS), wie von der Europäischen Union zum 31. Dezember 2006 gebilligt, erstellt.

Die Abschlussprüfer der Société Générale haben kein materielles Interesse an der Société Générale.

Auf die Société Générale und ihre konsolidierten Tochtergesellschaften (*filiales consolidées*) insgesamt wird nachstehend als die Société Générale Gruppe oder die Gruppe Bezug genommen.

Nach ihrer eigenen Einschätzung ist die Société Générale eine der führenden Konzerne im Bereich Finanzdienstleistungen in Europa. Mit ihrem diversifizierten Universalbankenmodell kombiniert die Gruppe finanzielle Solidität und eine nachhaltige Wachstumsstrategie mit dem Anspruch eine fokussierte Hausbank, eine Führerin in ihren Märkten, engverbunden mit ihren Kunden und für die Qualität und das Engagement seiner Teams anerkannt zu sein. Die Gruppe hat über 159.000 Angestellte in 77 Ländern, die mehr als 33 Millionen Kunden weltweit betreuen. Die Teams der Société Générale bieten ihren Kunden, Unternehmen und Institutionen Beratung und andere Dienstleistungen als Teil der drei Geschäftssparten, Privatkundengeschäft in Frankreich, Internationales Privatkundengeschäft sowie das Firmenkundengeschäft und Investmentbanking, an. Société Générale ist darüber hinaus ein bedeutender Akteur in den Geschäftsfeldern Spezialisierte Finanzdienstleistungen und Versicherung sowie Private Banking, Globales Investment Management und Dienstleistungen.

(i) *Französische Netzwerke*

Die Französischen Netzwerke bilden den ersten Pfeiler der universellen Bankstrategie der Gruppe. Die Französischen Netzwerke sind um die beiden Strukturen und Marken Société Générale und Crédit du Nord mit ihren sieben Regionalbanken (seit 30. September 2010 einschliesslich der *Société Marseillaise de Crédit*) organisiert. Sie bieten eine große Produkt- und Servicevielfalt an, die den Bedarf einer breit gefächerten Kundschaft abdeckt, bestehend aus mehr als 10,7 Millionen Einzelkunden (*einschliesslich der Société Marseillaise de Crédit*) in 3.200 Zweigstellen.

(ii) *Internationales Privatkundengeschäft*

In den letzten zehn Jahren hat die Gruppe daran gearbeitet, die Gebiete, in denen sie tätig ist, auszuweiten und zu diversifizieren, mit dem Ziel speziell ihre Zielgruppe zu vergrößern und ihre Geschäftschancen zu steigern. Das Netzwerk, bestehend aus 685 Verkaufsstellen durch 21 Einheiten in 2000, hat jetzt 3.817 Zweigniederlassungen in 37 Ländern und 41 Einheiten. Die Angestellten des Internationalen Privatkundengeschäfts (beinahe 62.414), durch zahlreiche Nationalitäten repräsentiert, bieten eine Fülle an Erfahrung zum Nutzen der Kunden an. Mit einem Ertrag von 4.930 Millionen in 2010, wies der Bereich ungefähr 19% der Einnahmen der Gruppe aus, im Vergleich zu etwas über 6% vor zehn Jahren.

(iii) *Spezialisierte Finanzdienstleistungen und Versicherung*

Dieser Bereich umfasst (i) spezialisierte Finanzdienstleistungen (Konsumentenkredit, Verkäufer- und Ausstattungsfiananzierung, operationelles Vehikelleasing und Fuhrparkmanagement sowie IT Geräte Leasing und Management) und (ii) Versicherungen die Lebens- und Nicht-Lebensversicherung beinhalten. Der spezialisierte Finanzdienstleistungs- und Versicherungsbereich leitet und entwickelt ein Portfolio an Finanzaktivitäten in Frankreich und im Ausland für Einzelkunden und Unternehmen. Er agiert in 45 Ländern und beschäftigt ungefähr 30.000 Angestellte.

(iv) *Private Banking – Globales Investment Management und Dienstleistungen*

Der Bereich Private Banking - Globales Investment Management und Dienstleistungen (GIMD) umfasst das Privatkundengeschäft mit Société Générale Private Banking, die Vermögensverwaltung mit Amundi (einer Partnerschaft mit Crédit Agricole Asset Management in Betrieb seit dem 01. Januar 2010) und Trust Company of the West (TCW); das Wertpapierdienstleistungsgeschäft mit Société Générale Securities Services und das derivatives Vermittlungsgeschäft mit Newedge. Das Private Banking der Société Générale Gruppe beschäftigt 2.800 Angestellte in 21 Ländern und verwaltete zum 31. Dezember 2010 ein Anlagevermögen von 84,5 Milliarden Euro. Es bietet eine umfassende Vielfalt an Finanzdienstleistungen passend zu den speziellen Bedürfnissen von Geschäftsleuten und Einzelkunden mit einem finanziellen Eigenkapital von über 1 Million Euro an.

(v) *Firmenkundengeschäft und Investment Banking*

Société Générale's Firmenkundengeschäfts- und Investment Banking (SG CIB) mit ca. 12.000 Angestellten in 33 Ländern, ist präsent an den Hauptfinanzmärkten in den Regionen, in denen die Gruppe tätig ist, mit extensiver europäischer Abdeckung und Tätigkeiten in Zentral- und Osteuropa, Mittlerer Osten und Afrika, Amerika und dem asiatisch-pazifischen Raum. Es bietet seinen Kunden maßgeschneiderte Finanzlösungen kombiniert aus Innovation, Beratungsdienstleistungen und hoher Ausführungsqualität in drei Fachgebieten an: Investment Banking, Finanz- und Marktaktivitäten.

**4. Ausgewählte Finanzangaben betreffend die Garantin**

Jahresfinanzzahlen zum 31. Dezember 2011

Die nachfolgenden ausgewählten Finanzdaten der Société Générale wurden den Konzernabschlüssen der Société Générale für die Geschäftsjahre zum 31. Dezember 2010 und 31. Dezember 2011 nach IFRS entnommen.

| <i>In Euro Mio.</i>  | <b>2011</b>   | <b>2010</b>   |
|--|---------------|---------------|
| <b>Nettoertrag aus Bankgeschäften</b>  | <b>25.636</b> | <b>26.418</b> |
| Personalaufwand  | (9.666)       | (9.559)       |
| Sonstiger Betriebsaufwand  | (6.449)       | (6.053)       |
| Amortisation, Abschreibung und Wertminderung von materiellen und immateriellen Wirtschaftsgütern | (921)         | (933)         |
| <b>Brutto-Betriebsergebnis</b>   | <b>8.600</b>  | <b>9.873</b>  |
| Risikokosten   | (4.330)       | (4.160)       |
| <b>Betriebsergebnis</b>  | <b>4.270</b>  | <b>5.713</b>  |
| Nettoergebnis von Gesellschaften, die nach der Equitymethode einbezogen wurden                   | 94            | 119           |
| Nettoertrag/-aufwand aus sonstigen Vermögensgegenständen   | 12            | 11            |
| Abschreibungen auf den Goodwill  | (265)         | 1             |
| <b>Ergebnis vor Steuern</b>  | <b>4.111</b>  | <b>5.844</b>  |
| Ertragsteuern  | (1.323)       | (1.542)       |
| <b>Konsolidierter Jahresüberschuss</b>   | <b>2.788</b>  | <b>4.302</b>  |
| Minderheitsbeteiligungen   | 403           | 385           |
| <b>Nettoergebnis, Anteil der Gruppe</b>  | <b>2.385</b>  | <b>3.917</b>  |
| <b>Gewinn je Stammaktie</b>  | <b>3,20</b>   | <b>4,96</b>   |
| <b>Gewinn je Aktie inklusive aller Umtauschrechte</b>  | <b>3,18</b>   | <b>4,94</b>   |

**PART B – ZUSAMMENFASSUNG der Risikofaktoren**

Der Erwerb von Schuldverschreibungen, die im Rahmen dieses Programms begeben werden, ist mit den nachfolgend dargestellten wesentlichen Risiken verbunden. Anleger sollten ihre gegenwärtige

finanzielle Situation und ihr Anlageziel überprüfen, bevor sie sich für eine Anlage in die Schuldverschreibungen entscheiden. In diesem Zusammenhang sollten Anleger die Risiken sowie die sonstigen im Prospekt, in möglichen Nachträgen und in den maßgeblichen Endgültigen Bedingungen enthaltenen Informationen berücksichtigen. Zusätzliche besondere Risiken in Bezug auf einen Basiswert einer bestimmten Tranche von Schuldverschreibungen, die von Zeit zu Zeit unter diesem Programm begeben werden, können in den jeweiligen Endgültigen Bedingungen enthalten sein, vorausgesetzt dass diese Risiken für diesen Basiswert spezifisch sind und erst zum Zeitpunkt der jeweiligen Emission bestimmt werden können. Diese Risiken müssen bei der Risikoabwägung stets mit einbezogen werden. Viele der nachfolgend dargestellten Risiken stellen lediglich Eventualitäten dar, die eintreten können, aber auch nicht eintreten können. Weder die Emittentin noch die Garantin sind in der Lage, die Wahrscheinlichkeit eines Eintritts vorauszusagen.

**Das Eintreten eines oder mehrerer der unten beschriebenen Risiken kann zu einem erheblichen und nachhaltigen Verlust des Wertes der Schuldverschreibungen führen - bis hin zu einem Totalverlust des angelegten Kapitals.**

Die Reihenfolge, in der die folgenden Risiken dargestellt werden, ist kein Indikator ihrer Eintrittswahrscheinlichkeit.

### 1. Mit der Emittentin, der Garantin und der Treuhandkonstruktion verbundene Risiken

- Es besteht das Risiko, dass die Emittentin ihre Verpflichtungen aus den Schuldverschreibungen nicht oder nur teilweise erfüllen kann.
  - Durch den Kauf von Schuldverschreibungen von der Emittentin sind die Anleger im Vergleich zu einem Emittenten mit bedeutend mehr Eigenkapital einem deutlich höheren Kreditrisiko ausgesetzt.
  - Die Emittentin ist nicht Mitglied eines Einlagensicherungsfonds oder eines ähnlichen Sicherungssystems.
  - Anleger sind auch dem Risiko der Insolvenz der Parteien ausgesetzt, mit denen die Emittentin derivative Transaktionen abschließt, um ihre Verpflichtungen unter den Schuldverschreibungen abzusichern. Die Emittentin unterliegt einem Klumpenrisiko, d.h. dem Kreditrisiko basierend auf der begrenzten Anzahl von potentiellen Vertragsparteien, mit denen die unterschiedlichen Absicherungsgeschäfte durchgeführt werden können.
- Die wesentlichen Risikofaktoren, welche die Fähigkeit des Konzerns beeinträchtigen können, seinen Verpflichtungen aus den Schuldverschreibungen gegenüber den Anlegern nachzukommen sind die Folgenden:
  - Kredit- und Adressenausfallrisiko: Verlustrisiko, das sich aus dem Unvermögen der Kunden der Gruppe, Emittenten oder anderer Vertragspartner, ihren finanziellen Verbindlichkeiten nachzukommen, ergibt. Kreditrisiko beinhaltet das Adressenausfallrisiko im Zusammenhang mit Börsengeschäften sowie aus Verbriefungsgeschäften.
  - Marktrisiko: das Risiko einer Verschlechterung in dem Wert der Finanzinstrumente hervorgerufen durch Veränderungen der Marktparameter, der Volatilität dieser Parameter und Wechselwirkungen zwischen diesen.
  - Operationelle Risiken: Verlustrisiko oder Risiko von Sanktionen insbesondere verursacht durch ungeeignete oder fehlerhafte interne Verfahrensweisen oder Systeme, menschliches Versagen oder externe Ereignisse.
  - Investment Portfolio Risiko: Risiko nachteiliger Veränderungen in dem Wert des Investmentportfolios der Gruppe.

- Risiko infolge mangelnder Compliance: Risiko von rechtlichen, administrativen oder disziplinarischer Sanktionen, wesentlicher finanzieller Verluste oder Rufschädigungen, die aufgrund des Nichteinhaltens der Bestimmungen, welche die Aktivitäten der Gruppe regulieren, entstehen.
  - Strukturelles Zins- und Währungsrisiko: Verlust- oder Abschreibungsrisiko in den Aktivposten der Gruppe, welche von Schwankungen der Zins- oder Wechselkurse stammen.
  - Liquiditätsrisiko: Risiko der Gruppe, dass ihre Bargeld- oder Sicherheitsanforderungen nicht zu angemessenen Kosten eingehalten werden können, wenn diese auftreten.
  - Strategisches Risiko: Risiken, welche gebunden an die Wahl einer Business Strategie oder aus dem Unvermögen der Gruppe ihre Strategie umzusetzen, resultieren.
  - Geschäftsrisiko: Verlustrisiko, wenn die Kosten die Einnahmen überschreiten.
  - Risiko in Bezug auf Versicherungsaktivitäten: diese beinhalten ein Preisprämienrisiko, ein Mortalitätsrisiko und ein strukturelles Risiko der Lebens- und Nicht-Lebensversicherungsgeschäfte, inklusive Pandemien, Unfälle und Katastropheneignisse (wie z.B. Erdbeben, Windstürme, industrielle Unglücksfälle sowie Terrorakte oder Kriegsakte).
  - Risiko in Bezug auf spezialisierte Finanzdienstleistungen: Durch ihre spezialisierte Finanzdienstleistungsdivision, hauptsächlich ihrer operationellen Vehikel in Form einer Leasing Tochtergesellschaft, ist die Gruppe einem Restwertrisiko ausgesetzt (wenn der Nettowiederverkaufswert eines Vermögensgegenstands am Ende des Leasings geringer ist als erwartet).
- Da die Emittentin die Schuldverschreibungen treuhänderisch auf Rechnung der Garantin begibt, sind die Inhaber der Schuldverschreibungen (jeder ein „**Schuldverschreibungsinhaber**“) unmittelbar abhängig vom Kreditrisiko der Garantin, und nicht vom Kreditrisiko der Emittentin. Jede Zahlungsverpflichtung der Emittentin unter diesen Schuldverschreibungen ist begrenzt auf die finanziellen Mittel, die von der Garantin aufgrund des Treuhandvertrags gewährt werden.
  - Die Garantie begründet eine generelle ungesicherte vertragliche Verpflichtung der Garantin und keiner anderen Person; Zahlungen auf die Schuldverschreibungen sind von der Bonität der Garantin abhängig.
  - Da die Société Générale neben ihrer Funktion als Garantin der Emittentin gleichzeitig auch Hedging Instrumente zur Verfügung stellt, sind die Anleger dem operativen Risiko ausgesetzt, das sich aus der fehlenden Unabhängigkeit der Garantin ergibt.
  - Die Emittentin und die Garantin und jede ihrer Tochtergesellschaften und verbundenen Unternehmen können im Zusammenhang mit anderen Geschäftsaktivitäten über wesentliche Informationen über einen Basiswert verfügen oder diese erhalten. Derartige Geschäftsaktivitäten und Informationen können nachteilige Konsequenzen für den Schuldverschreibungsinhaber zur Folge haben.
  - Die Emittentin und die Garantin und jede ihrer Tochtergesellschaften und verbundenen Unternehmen können bezüglich der Schuldverschreibungen andere Funktionen wahrnehmen, z.B. als Market Maker, Berechnungsstelle, Verkaufsstelle, Agent und/oder Indexsponsor. Hierdurch kann ein potentieller Interessenkonflikt entstehen.
  - Im Zusammenhang mit dem Angebot der Schuldverschreibungen können die Emittentin, die Garantin und ihre verbundenen Unternehmen Hedging-Transaktionen in Bezug auf einen Basiswert oder zugehörige Derivate eingehen, welche den Marktpreis, die Liquidität oder den Wert der Schuldverschreibungen beeinträchtigen können.

- Wenn Anleger Schuldverschreibungen erwerben, vertrauen sie ausschließlich auf die Kreditwürdigkeit der Garantin und nicht auf die Kreditwürdigkeit einer anderen Person, und in den Fällen, in denen sich die Schuldverschreibungen auf Wertpapiere beziehen, stehen den Anlegern gegenüber dem Unternehmen, das die Wertpapiere begeben hat, keine Rechte zu und in Fällen, in denen sich die Schuldverschreibungen auf einen Index beziehen, haben sie keine Rechte gegenüber dem Sponsor dieses Index und in den Fällen, in denen sich die Schuldverschreibungen auf einen Fond beziehen, stehen ihnen keine Rechte gegenüber dem Manager dieses Fonds zu. Eine oder mehrere unabhängige Ratingagentur(en) für die Bewertung der Bonität können von Zeit zu Zeit der Garantin Bonitätseinstufungen zugewiesen haben. Diese Einstufungen können im Laufe der Zeit Änderungen unterworfen sein und diese müssen nicht alle Faktoren widerspiegeln, die erforderlich sind, um die Kreditwürdigkeit der Garantin zu bestimmen. Eine Verschlechterung der Bonitätseinstufung der Garantin hat eine negative Wirkung auf den Wert der Schuldverschreibungen.

## 2. Allgemeine, Marktbezogene und andere Risiken

### *Allgemeine, mit den Schuldverschreibungen verbundene Risiken*

- Die Schuldverschreibungen sind weder gesichert durch den Einlagensicherungsfonds des Bundesverbandes Deutscher Banken, noch vom Einlagensicherungs- und Anlegerentschädigungsgesetz. Außerdem sind sie nicht von der Garantieerklärung der Bundesregierung erfasst.
- Die Schuldverschreibungen mögen nicht für alle Anleger geeignet sein. Jeder zukünftige Schuldverschreibungsinhaber muss auf der Grundlage seiner eigenen unabhängigen Beurteilungen und, soweit er es unter Berücksichtigung der Sachlage für erforderlich hält, unter Hinzuziehung professioneller Beratung, darüber entscheiden, ob der Kauf der Schuldverschreibungen in voller Übereinstimmung mit seinen finanziellen Bedürfnissen, Zielen und Bedingungen und mit allen anwendbaren Anlagegrundsätzen, Richtlinien und Beschränkungen steht und für ihn eine geeignete, sachgerechte und angemessene Anlage darstellt.
- Die Schuldverschreibungsbedingungen enthalten Regelungen in Übereinstimmung mit und bezugnehmend auf das Schuldverschreibungsgesetz zur Einberufung von Gläubigerversammlungen, um Angelegenheiten zu regeln, die ihre Interessen grundsätzlich berühren. Diese Regelungen erlauben es einer definierten Mehrheit, alle Schuldverschreibungsinhaber zu binden, einschließlich der Schuldverschreibungsinhaber, die an der Versammlung nicht teilnehmen und abstimmen und der Schuldverschreibungsinhaber, die entgegengesetzt stimmen. Ein entsprechender Beschluss kann einen negativen Einfluss auf die finanzielle Situation eines einzelnen Schuldverschreibungsinhabers haben.
- Die Bedingungen der Schuldverschreibungen beinhalten Regelungen, welche der Emittentin im Falle von offensichtlichen, evidenten oder augenscheinlichen Fehlern in den Bedingungen der Schuldverschreibungen die Erklärung einer Anfechtung erlauben.
- Jeder potenzielle Anleger in Schuldverschreibungen muss anhand seiner eigenen Umstände die Eignung des Investments beurteilen. Im Besonderen sollte jeder Anleger:
  - ausreichende Kenntnis und Erfahrung haben, um eine aussagekräftige Beurteilung der Schuldverschreibungen, der Leistungen und Risiken bei der Investition in die Schuldverschreibungen und der Informationen, die in diesem Basisprospekt oder jeglichen anwendbaren Nachtrags enthalten oder per Verweis einbezogenen sind, vorzunehmen,
  - Zugang zu und Kenntnisse über die angemessenen analytischen Hilfsmittel haben, um im Zusammenhang mit seiner jeweiligen finanziellen Situation, eine Investition in die Schuldverschreibungen beurteilen zu können und zu beurteilen, welche Auswirkung die Schuldverschreibungen auf sein gesamtes Investmentportfolio hat,

- über ausreichende finanzielle Mittel und Liquidität verfügen, um alle Risiken einer Investition in die Schuldverschreibungen zu tragen, inklusive der Schuldverschreibungen mit Kapitalbetrag oder Zinsen auszahlbar in einer oder mehrerer Währung(en) oder bei denen die Währung des Kapitalbetrags oder der Zinszahlungen von der Währung des potenziellen Investors abweicht,
  - die Bedingungen der Schuldverschreibungen vollständig verstehen und mit der Entwicklung jeder maßgeblichen Indizes und der Finanzmärkte vertraut sein und
  - im Stande sein (entweder allein oder mit der Hilfe eines Finanzberaters) die möglichen Szenarien für die wirtschaftlichen Faktoren, die Zinssätze und anderen Faktoren, welche seine Investition beeinflussen können sowie seine Fähigkeit die maßgeblichen Risiken zu tragen, beurteilen zu können.
- Einige Schuldverschreibungen, bei denen es sich um komplexe Finanzinstrumente handelt, können zudem zu einem Betrag unter Par getilgt werden, wobei der Anleger einen Teil oder sein gesamtes Investment verlieren kann.
  - Potenziellen Käufern und Verkäufern der Schuldverschreibungen sollte bewusst sein, dass sie verpflichtet sein können, Steuern, andere Dokumentgebühren oder Abgaben in Übereinstimmung mit den Gesetzen und Verfahren des Staates, wohin die Schuldverschreibungen übertragen werden, oder anderen Rechtskreisen zu zahlen.
  - Weder die Emittentin noch die Zahlstelle noch eine andere Person ist verpflichtet, als Ergebnis der Erhebung von Quellensteuer, die durch die Umsetzung der EU Zinsbesteuerungsrichtlinie eingeführt wurde, zusätzliche Beträge hinsichtlich einer Schuldverschreibung zu zahlen.
  - Es kann keine Zusicherung hinsichtlich der Auswirkungen einer möglichen gerichtlichen Entscheidung oder einer Änderung der maßgeblichen Gesetze, der offiziellen Anwendung oder Auslegung dieser Gesetze oder der Verwaltungspraktiken gegeben werden, die nach dem Datum dieses Basisprospekts Anwendung finden.
  - Jeder potenzielle Anleger sollte bezogen auf gesetzliche, steuerliche und verwandte Aspekte bezüglich der Risiken, die sich aus einer Investition in die Schuldverschreibungen ergeben seinen eigenen Berater konsultieren. Die effektive Rendite des Anlegers kann aufgrund des Steuersatzes, der auf den Anleger Anwendung findet, abnehmen und die tatsächliche Rendite der Schuldverschreibungen kann sich durch Transaktionskosten gegenüber der angegebenen Rendite reduzieren.
  - Es ist grundsätzlich zu beachten, dass die Wertentwicklung der Schuldverschreibungen während der Laufzeit nicht exakt die Wertentwicklung des Basiswerts (der Basiswerte) abbildet und von daher erheblich vom Auszahlungsprofil bei Fälligkeit abweichen kann.
  - Wo eine Emission von Schuldverschreibungen Bezug nimmt auf eine Formel in den anwendbaren Endgültigen Angebotsbedingungen auf Basis welcher die zahlbaren Zinsen und/oder der zahlbare Betrag und/oder die lieferbaren Vermögenswerte bei Rückzahlung berechnet werden, sollten potentielle Anleger sichergehen, dass sie die relevante Formel verstehen und, falls notwendig, von ihrem eigenem Finanzberater Rat einholen.
  - Aufgrund von Transaktions- und anderen Kosten, kann ein möglicher Gewinn aus den Schuldverschreibungen geringer ausfallen als erwartet. Zusätzliche Kosten beim Kauf- und Verkauf der Schuldverschreibungen können das Gewinnpotential wesentlich verringern oder sogar ausschließen.
  - Im Zusammenhang mit der Platzierung der Schuldverschreibungen können Zuwendungen gewährt werden. Hierdurch kann es zu einem Interessenkonflikt kommen, da die gewährten Zuwendungen einen Einfluss auf das Platzierungsgeschäft der Einheiten, die die Schuldverschreibungen platzieren, haben können.

- Die Regelwerke von Handelsplätzen sehen unter Umständen so genannte Mistrade-Regeln vor, nach denen ein Handelsteilnehmer einen Mistrade-Antrag stellen kann, um Geschäfte in einer gehandelten Schuldverschreibung aufzuheben. Dies kann unter Umständen nachteilige wirtschaftliche Folgen für den betroffenen Anleger haben.
- In speziellen Marktsituationen, bei denen die Emittentin und/oder mit ihr verbundene Unternehmen komplett nicht in der Lage sind, Hedgingtransaktionen abzuschließen, oder falls solche Transaktionen sehr schwierig abzuschließen sind, kann die Kursspanne zwischen Geld- und Briefkurs, der von der Emittentin oder einem mit ihr verbundenen Unternehmen gestellt werden kann, zeitweise ausgeweitet werden, um die wirtschaftlichen Risiken der Emittentin zu begrenzen.
- Die Emittentin kann sich unter Umständen auf Informationen betreffend den Basiswert bzw. die Basiswerte verlassen, welche von dritten Personen erstellt werden und deren Richtigkeit im Zweifel einer Nachprüfbarkeit durch die Berechnungsstelle entzogen ist und es kann nicht ausgeschlossen werden, dass sich fehlerhafte und unvollständige Angaben dieser dritten Personen in den Berechnungen und Festlegungen der Berechnungsstelle fortsetzen.

#### *Allgemeine Marktrisiken*

- Für die Schuldverschreibungen besteht möglicherweise im Zeitpunkt ihrer Ausgabe kein Markt, und ein solcher Markt oder Handel entwickelt sich möglicherweise niemals. Wenn sich ein solcher Markt entwickelt, ist er möglicherweise nicht sehr liquide. Daher sind Anleger möglicherweise nicht in der Lage, ihre Schuldverschreibungen ohne weiteres zu verkaufen oder zu Preisen zu verkaufen, durch die sie eine Rendite erzielen, die mit Wertpapiere vergleichbar ist, für die ein entwickelter Sekundärmarkt besteht.
- Anleger sollten Kenntnis über die vorherrschenden und verbreitet berichteten globalen Kreditmarktbedingungen (welche zum Zeitpunkt des Basisprospekts fortbestehen) haben, wobei ein allgemeiner Mangel an Liquidität im Sekundärmarkt für Instrumente, ähnlich zu einigen Schuldverschreibungen, die hierunter emittiert werden dürfen, besteht und dieser Mangel kann bei einem Anleger beim Weiterverkauf im Sekundärmarkt zu Verlusten führen, selbst wenn die Performance der Schuldverschreibung, des Basiswerts oder Referenz bzw. der Aktiva der Emittentin oder der Garantin nicht sinken. Die Emittentin kann nicht vorhersehen, wie sich die Umstände verändern werden und falls sie sich ändern, ob es dann für die Schuldverschreibungen bzw. diesen ähnelnden Instrumenten einen liquideren Markt geben wird.
- Obwohl für die unter diesem Programm begebenen Schuldverschreibungen Anträge zum Listing und zur Zulassung zum Handel an einer maßgeblichen Börse vorgenommen werden können, besteht keine Zusicherung, dass dieser Antrag anerkannt, eine bestimmte Tranche der Schuldverschreibungen zugelassen oder sich ein aktiver Handelsmarkt entwickeln wird.
- Die Emittentin wird das Kapital und Zinsen auf die Schuldverschreibungen in der jeweils festgelegten Währung zahlen. Hieraus ergeben sich Risiken im Hinblick auf die Währungsumrechnung, wenn die finanziellen Aktivitäten eines Anlegers im Wesentlichen auf eine Währung oder Währungseinheit gerichtet sind, die nicht die jeweils festgelegte Währung der Schuldverschreibungen ist. Dies gilt insbesondere im Falle einer erheblichen Veränderung der Wechselkurse.
- Regierungen und Währungsbehörden können (wie es einige in der Vergangenheit gemacht haben) Währungskontrollen auferlegen, die einen anwendbaren Währungskurs negativ beeinflussen können.
- Credit Ratings der Schuldverschreibungen geben unter Umständen nicht die potentielle Auswirkung aller Risiken hinsichtlich Struktur, Markt, oben angegebener zusätzlicher Faktoren und anderen Faktoren, die den Wert der Schuldverschreibungen beeinflussen können, wieder.

- Die Anlageaktivitäten bestimmter Investoren unterliegen gesetzlichen Anlagebestimmungen und Verordnungen oder der Prüfung oder Aufsicht bestimmter Behörden.
- Die Bonitätseinstufung (Credit Rating) der Garantin ist eine Einschätzung dahingehend, ob sie in der Lage ist bzw. sein wird, ihre finanziellen Verpflichtungen zu erfüllen, einschließlich derjenigen in Verbindung mit den Schuldverschreibungen. Dementsprechend beeinflusst die tatsächliche oder zu erwartende Herabstufung des Credit Ratings der Garantin möglicherweise den Kurs der jeweiligen Schuldverschreibungen.
- Der Wert der Schuldverschreibungen ist von einer Anzahl zusammenhängender Faktoren abhängig, inklusive der ökonomischen, finanziellen und politischen Ereignisse in Frankreich und anderswo, sowie vom Preis, zu welchem der Anleger die Schuldverschreibungen vor Fälligkeit mit einem Abschlag verkaufen kann. Der Abschlag kann erheblich sein im Vergleich zum Ausgabepreis oder zum Ankaufspreis, der von diesem Anleger bezahlt worden ist.
- Die Entwicklung der Marktpreise der Schuldverschreibungen hängt von einer Vielzahl von Faktoren ab, wie z.B. die Kreditwürdigkeit der Emittentin bzw. der Garantin, die Veränderung des Marktniveaus von Zinssätzen, der Politik der Zentralbanken, allgemeinen wirtschaftlichen Entwicklungen, Inflationsraten, Deflationsraten, dem Mangel oder Überangebot an Nachfrage für die maßgebliche Art der Schuldverschreibung.
- Angehende Investoren dieser Schuldverschreibungen sollten wissen, dass der Anschaffungspreis einer Schuldverschreibung nicht zwangsläufig ihren fairen (mathematischen) Wert reflektiert.
- Die Preise, angeboten von einem Market Maker, können materiell von dem fairen (mathematischen) Marktwert bzw. von dem erwarteten wirtschaftlichen Wert der Schuldverschreibungen abweichen, basierend auf den oben genannten Faktoren zu der maßgeblichen Zeit.
- Finanzmarktkrisen (z.B. US-Subprime Krise), insbesondere solche, die über ihren „Ursprung“ hinaus negative Wirkungen entfalten und verschiedene Marktteilnehmer und Teilmärkte global in unterschiedlicher Weise beeinflussen, könnten einen wesentlichen Einfluss auf die Geschäftstätigkeit sowie die Vermögens-, Finanz- und Ertragslage der Emittentin und/oder der Garantin und/oder des Konzerns haben. Das gleiche gilt für die auf die Schuldverschreibungen zu zahlenden Beträge und den Marktwert der Instrumente.

### **3. Risiken hinsichtlich der Struktur einer einzelnen Emission von Schuldverschreibungen**

- Bei Schuldverschreibungen ohne feste Laufzeit ist die Laufzeit der Schuldverschreibungen von der durch die Emittentin gewählten optionalen Einlösung (sofern eine solche überhaupt erfolgt) abhängig. Falls es keinen Sekundärmarkt gibt, kann die Möglichkeit bestehen, dass der Anleger seine Schuldverschreibungen nicht wieder veräußern kann.
- Die Möglichkeit zur Rückzahlung nach Wahl der Emittentin schränkt wahrscheinlich den Marktwert solcher Schuldverschreibungen ein. Potentielle Anleger sollten zudem das Risiko der Möglichkeit einer Wiederanlage in andere zum Zeitpunkt einer vorzeitigen Kündigung zur Verfügung stehende Anlagemöglichkeiten berücksichtigen.
- Die Schuldverschreibungen können eine automatische vorzeitige Rückzahlung gekoppelt an ein spezielles Ereignis vorsehen. In diesem Fall partizipiert der Schuldverschreibungsinhaber nicht an einer zukünftigen Wertentwicklung des Basiswerts.
- Zahlungen (sei es im Hinblick auf den Nennbetrag oder Zinsen, entweder bei Fälligkeit oder zu einem anderen Zeitpunkt) auf strukturierte Schuldverschreibungen (wie unten definiert) errechnen sich nach bestimmten Basiswerten. Der Ertrag dieser Schuldverschreibungen basiert auf der Veränderung des Basiswertes, welcher steigen und fallen kann. Mögliche Anleger sollten beachten, dass der Marktpreis solcher Schuldverschreibungen volatil sein kann,

sie möglicherweise keine Zinsen erhalten und sie möglicherweise den gesamten Kapitalbetrag oder einen wesentlichen Teil des Kapitalbetrages verlieren können. Schuldverschreibungsinhaber von Doppelwährungs-Schuldverschreibungen sind dem Risiko von Schwankungen der Umtauschkurse ausgesetzt, welche den Ertrag der Schuldverschreibungen beeinflussen können, wenn Währungsverluste eintreten.

- Das Versäumnis einer Zahlung von mehreren Teilzahlungen kann bei Teileingezahlten Schuldverschreibungen dazu führen, dass der Anleger einen Teil seiner oder seine gesamte Anlage verliert.
- Die Anlage in festverzinslichen Schuldverschreibungen beinhaltet das Risiko, dass nachfolgende Änderungen der Marktzinssätze den Wert der festverzinslichen Schuldverschreibungen nachteilig beeinflussen können.
- Schuldverschreibungen mit variabler Verzinsung können volatile Anlagen sein. Die Volatilität kann noch erhöht sein, sofern die Schuldverschreibungen so strukturiert sind, dass sie Multiplikatoren oder andere Hebel-Faktoren enthalten.
- Invers-variabel verzinsliche Schuldverschreibungen sind besonders volatil, da eine Erhöhung des Referenzsatzes nicht nur den Zinssatz der Schuldverschreibungen verringert, sondern auch eine Erhöhung der aktuellen Marktzinssätze widerspiegeln kann, was darüber hinaus den Marktwert dieser Schuldverschreibungen nachteilig beeinflussen kann.
- Strukturierte Schuldverschreibungen bei denen der Basiswert mit einem bestimmten Faktor multipliziert wird, um den zu zahlenden Betrag zu bestimmen, unterliegen einer erhöhten Volatilität und erhöhten Risiken, einschließlich des Totalverlustes des eingesetzten Kapitals.
- Änderungen des Marktzinssatzes haben einen wesentlich stärkeren Einfluss auf den Preis der Null-Kupon Schuldverschreibungen als auf den Preis von einfachen Schuldverschreibungen, weil deren diskontierter Ausgabepreis wesentlich unter Par liegt.
- Schuldverschreibungen mit Kapitalschutz führen nicht notwendigerweise jederzeit während der Laufzeit der Schuldverschreibungen zu einem Schutz des angelegten Kapitals und ein Unvermögen der Emittentin und/oder der Garantin, ihren Verpflichtungen nachzukommen, kann zu einem Totalverlust des durch den Anleger angelegten Kapitals führen.
- Der Zinssatz bzw. der Rückzahlungsbetrag von bestimmten Schuldverschreibungen kann auf den Eintritt oder nicht Eintritt bestimmter Ereignisse bezogen sein, die unabhängig von der Emittentin bzw. der Garantin sind, wie z. B. Kreditereignisse, Kurslevel, Wetter- oder Sportereignisse, deren Eintritt außerhalb der Kontrolle der Emittentin und der Garantin liegt, und die Schuldverschreibungsinhaber sind in diesem Fall dem Risiko ausgesetzt, dass das Ereignis eintritt oder nicht.
- Für den Fall, dass die Schuldverschreibungen eine Lieferung eines Basiswerts bei Rückzahlung vorsehen, müssen die Anleger bestimmte Benachrichtigungen vornehmen und bestimmte andere Maßnahmen ergreifen (beispielsweise für physische Lieferung zu optieren und eine unwiderrufliche Mitteilung abzugeben). Die Lieferung eines solchen Basiswerts unterliegt allen anwendbaren Gesetzen, Regularien und Methoden und die Emittentin übernimmt keine Verpflichtung falls sie aufgrund dieser Gesetze, Regularien oder Methoden außerstande ist den Basiswert zu liefern oder die Lieferung eines solchen Basiswerts an den Anleger der Schuldverschreibungen herbeizuführen. Jedem Anleger einer Schuldverschreibung sollte bewusst sein, dass wenn die Schuldverschreibungen durch physische Lieferung des Basiswerts zurückgezahlt werden, soll dies als Bestätigung seines Verständnisses und seiner Anerkennung bezüglich dieser Sache angesehen werden, dass er seine eigene Überprüfung und Bewertung seiner Fähigkeit und Berechtigung diese Basiswerte zu erhalten gemacht und er diesbezüglich nicht auf die Darstellung der Emittentin, der Zahlstelle, der Société Générale als Garantin oder Berechnungsstelle der Schuldverschreibungen oder den Töchterunternehmen der Société Générale vertraut hat.

- Die Einlösung einer Schuldverschreibung, Zinszahlungen oder die physische Lieferung unter einer Schuldverschreibung können von dem Eintritt eines Knock-In-Ereignisses oder eines Knock-Out-Ereignisses abhängig sein.
- Die Bedingungen können Regelungen enthalten, nach denen bei bestimmten Marktunterbrechungen Verzögerungen in der Abwicklung der Schuldverschreibungen hinzunehmen sind oder bestimmte Änderungen der Bedingungen der Schuldverschreibungen vorgenommen werden können. Darüber hinaus könnte eine vorzeitige Kündigung der Schuldverschreibungen durch den Emittenten erfolgen.
- Die Emittentin und/oder mit ihr verbundene Unternehmen können Geschäfte zu Risikominimierungs- und/oder Hedge- oder anderen Zwecken vornehmen, die als den Interessen der Schuldverschreibungsinhaber entgegenstehend betrachtet werden können.

*Risikofaktoren im Hinblick auf Fondsbezogene Schuldverschreibungen*

- Das Angebot der Schuldverschreibungen stellt keine Anlageempfehlung der Emittentin oder der Société Générale oder ihrer verbundenen Unternehmen für eine Anlage in einen der zugrunde liegenden Fonds dar.
- Die Performance von Fonds, insbesondere Hedge Fonds, kann sehr volatil sein. Die Performance der Fondanteile über einen bestimmten Zeitraum ist nicht notwendiger Weise ein Indikator für die zukünftige Performance.
- Die Volatilität des Marktes kann zu erheblichen Verlusten in den Fondsanteilen führen.
- Die Verwendung eines Hebels kann das Risiko eines Verlustes des Wertes der Fondsanteile erhöhen.
- Zusätzlich zu festen Managementgebühren sind Performance-Gebühren bei Hedge Fonds üblich, die einen Anreiz schaffen können, in Anlagen zu investieren, die riskanter und spekulativer sind als solche, in die möglicherweise ohne die Existenz derartiger Gebühren angelegt werden würde.
- Die Fondsmanager unterliegen keinerlei Verpflichtungen gegenüber den Schuldverschreibungsinhabern und berücksichtigen nicht deren Interessen.
- Die zugrunde liegenden Fonds können in Anlagegegenstände investieren, die weitere Risiken beinhalten und diese Risiken können von der Emittentin zum Anlagezeitpunkt nicht vollständig offengelegt werden.
- Gebühren und andere Kosten, die ungeachtet der Performance des Fonds anfallen, verringern den Wert der Fondsanteile und dementsprechend auch den Rückzahlungsbetrag, der an die Schuldverschreibungsinhaber zu zahlen ist.
- Die Illiquidität der zugrundeliegenden Fondsinvestments kann die Zahlung des Rückzahlungsbetrages oder vorzeitigen Rückzahlungsbetrags und/oder eines Zwischenbetrags reduzieren oder verzögern.
- Falls der zugrundeliegende Fonds durch eine Master Feeder Struktur investiert, kann letztere einen nachteiligen Einfluss auf den zugrundeliegenden Fonds haben und folglich auf die Schuldverschreibungen. (Master Feeder Struktur: Ein Investmentfonds oder anderer Fonds, der ausschließlich in einen anderen Fonds investiert. Anteile des Feeder Fonds repräsentieren Anteile in dem zweiten Fonds (der sog. Master Fonds), welcher im Gegenzug, Anteile in den zugrundeliegenden Wertpapieren repräsentiert.)
- Um ihre Verpflichtungen aus den Schuldverschreibungen abzusichern, kann die Emittentin Absicherungsgeschäfte abschließen und die Absicherungsentscheidungen des sich

absichernden Kontrahenten können dazu führen, dass Übertragungen, die von dem sich absichernden Kontrahenten in den Fonds hinein oder aus dem Fonds heraus erfolgen, den Wert der Fondsanteile und wiederum die Zahlungen unter den Schuldverschreibungen beeinflussen können.

- Rechtliche, steuerliche und regulatorische Änderungen, die den Wert des zugrunde liegenden Fonds nachteilig beeinflussen, können während der Laufzeit der Schuldverschreibungen eintreten. Das regulatorische Umfeld für Hedge Fonds entwickelt sich und Veränderungen in der Regulierung der Hedge Fonds können den Wert der Investitionen, die von dem zugrunde liegenden Fonds gehalten werden, nachteilig beeinflussen.

#### *Risikofaktoren im Hinblick auf Strukturierte Schuldverschreibungen*

- Wenn Zahlungen unter den Strukturierten Schuldverschreibungen durch Bezugnahme auf einen Index oder einen Korb von Indizes oder eine Aktie oder einen Korb von Aktien, die Kreditwürdigkeit einer Referenzeinheit oder einer Referenzverpflichtung oder einen Korb aus Referenzeinheiten oder Referenzverpflichtungen, einen Rohstoff oder einen Korb von Rohstoffen (oder auf diese bezogene Terminkontrakte) berechnet werden, basiert die Rendite der Schuldverschreibungen auf Änderungen des Wertes des Referenzvermögenswertes, der Schwankungen unterliegt und nicht vorhergesagt werden kann. Die historische Wertentwicklung des Referenzvermögenswertes sollte nicht als Indikator für die zukünftige Wertentwicklung verwendet werden.
- Die effektive Einlösungsrendite der Schuldverschreibungen kann geringer ausfallen als die, die bei einem konventionellen Schuldtitel mit festem oder variablem Zins zu zahlen wäre.
- Die Berechnungsstelle kann, unter bestimmten Umständen, Anpassungen oder Ersetzungen durchführen oder kann sich sogar zu einer vorzeitigen Rückzahlung entscheiden, insbesondere aufgrund des Eintritts von Ereignissen, die die zugrunde liegenden Basiswerte beeinflussen. Beim Fehlen eines offensichtlichen oder nachgewiesenen Fehlers sind diese Entscheidungen bezogen auf Anpassungen, Ersetzungen oder die vorzeitige Rückzahlung für die Emittentin, die Garantin, den Agent und die Anleger bindend. Der Emittentin kann auch ein Recht zustehen, die Schuldverschreibungen nach eigenem Ermessen vorzeitig einzulösen. In allen diesen Fällen kann die vorzeitige Rückzahlung der Schuldverschreibungen in einem Totalverlust oder in einem partiellen Verlust des investierten Kapitals resultieren.

#### *Risikofaktoren im Hinblick auf Index-gebundene Strukturierte Schuldverschreibungen*

- Zahlungen von Einkünften (wie beispielsweise Dividenden bei einem Index, in dem Aktien als Basiswerte enthalten sind) werden möglicherweise nicht widerspiegelt, da der Index gegebenenfalls durch Bezugnahme auf die Kurse der in dem Index enthaltenen Basiswerte berechnet wird, während der Wert irgendwelcher auf die Basiswerte gezahlter Erträge keine Berücksichtigung findet.
- Die von einem Sponsor eines Index angewendeten Regeln betreffend die Zusammensetzung und die Berechnung der Indexvermögenswerte können den Wert des Index beeinflussen. Zusätzlich können Indizes Gebühren sowie Kosten unterliegen, die den an die Schuldverschreibungsinhaber zu zahlenden endgültigen Rückzahlungsbetrag reduzieren können.
- Die Zusammensetzung und die Methodologien, die im Zusammenhang mit bestimmten Indizes benutzt werden, auf die sich die Schuldverschreibungen beziehen, können von der Société Générale oder einer ihrer Tochtergesellschaften bestimmt und ausgewählt werden. Bei der Auswahl solcher Methodologien durch die Société Générale oder durch die maßgebliche Tochtergesellschaft der Société Générale kann davon ausgegangen werden, dass diese die eigenen Ziele und Interessen und/oder diejenigen der Gruppe berücksichtigt hat und dass es keine Garantie dafür gibt, dass die ausgewählten Methodologien nicht weniger vorteilhaft bezüglich der Interessen der Anleger sein werden, als Methodologien, die von anderen Indexsponsoren in vergleichbaren Umständen genutzt werden.

- Wenn die Hedging-Aktivitäten der Société Générale oder ihrer verbundenen Unternehmen in Verbindung mit einem einzelnen Index unterbrochen sind, kann die Société Générale oder das einschlägig verbundene Unternehmen entscheiden die Berechnung in Bezug auf diesen Index früher zu beenden als ein anderer Indexsponsor unter vergleichbaren Umständen. Solch eine Beendigung kann die vorzeitige Rückzahlung der Schuldverschreibung auslösen.

*Spezifische Risiken bei Schuldverschreibungen, die auf Körbe bezogen sind*

- Im Fall einer Schuldverschreibung, die sich auf eine Vielzahl von Basiswerten bezieht (beispielsweise Schuldverschreibungen bezogen auf einen Korb mit einer Auswahl von Aktien) kann das Risiko potenziert oder akkumuliert im Vergleich zu einem einzelnen Basiswert sein, da jede Komponente dieser Vielzahl an Basiswerten entscheidend für die Performance der Schuldverschreibung sein kann.

*Spezifische Risiken bei auf Lebensversicherungsverträge bezogenen Strukturierten Schuldverschreibungen*

- Die Wertentwicklung von Lebensversicherungsverträgen ist von einer Vielzahl von Faktoren abhängig, auf die die Emittentin keinen Einfluss hat. Der Wert eines Lebensversicherungsvertrages ist abhängig von Informationen des Versicherten und den Handlungen des jeweiligen Versicherungsunternehmens.

*Spezifische Risiken bei auf Dividenden bezogenen Strukturierten Schuldverschreibungen*

- Der endgültige Zahlungsbetrag von auf Dividenden bezogenen Schuldverschreibungen gibt möglicherweise nicht die tatsächlichen Auszahlungen an Dividenden auf einer eins-zu-eins Basis wieder und entspricht möglicherweise nicht dem Wert eines unmittelbaren Investments in die jeweiligen Aktien oder sonstigen Wertpapiere.

*Spezifische Risiken bei auf Rechnungseinheiten bezogenen Strukturierten Schuldverschreibungen*

- Die Wertentwicklung einer Rechnungseinheit ist von einer Vielzahl von Faktoren abhängig, auf die die Emittentin keinen Einfluss hat und es sollte berücksichtigt werden, dass vergangene Erträge der Rechnungseinheit nicht notwendigerweise indikativ für die zukünftige Wertentwicklung sind.

*Spezifische Risiken bei auf Aktien bezogenen Strukturierten Schuldverschreibungen*

- Ein Schuldverschreibungsinhaber wird kein wirtschaftlicher Eigentümer der zu Grunde liegenden Aktien und dementsprechend ist er nicht wie ein solcher wirtschaftlicher Eigentümer berechtigt und entsprechend steht ihm kein Anspruch auf etwaige Dividenden oder vergleichbare, auf die zu Grunde liegenden Aktien gezahlten Beträge zu.
- Die Berechnungsstelle kann bestimmte Elemente der Schuldverschreibungen anpassen. Die Berechnungsstelle ist jedoch nicht verpflichtet, bei jedem gesellschaftsrechtlichen Ereignis, welches die zugrunde liegenden Aktien beeinflussen könnte, eine solche Anpassung vorzunehmen.
- Die Emittenten der zugrunde liegenden Aktien haben keine Verpflichtung, die Interessen der Schuldverschreibungsinhaber zu berücksichtigen und können Maßnahmen ergreifen, die den Wert der Schuldverschreibungen nachteilig beeinflussen.

*Spezifische Risiken bei auf Rohstoffen bezogenen Strukturierten Schuldverschreibungen (Commodity Linked Notes)*

- Auf Rohstoffe bezogene Strukturierte Schuldverschreibungen können vom Emittenten zum Nominalwert und/oder durch Lieferung der zugrunde liegenden Vermögensgegenstände(n) und/oder durch Zahlung eines Betrages, der unter Bezugnahme auf den Wert der zugrunde

liegenden Vermögensgegenständen bestimmt wird, zurückgezahlt werden. Dementsprechend kann die Anlage in Strukturierten Schuldverschreibungen, die auf Rohstoffe bezogen sind, mit ähnlichen Risiken behaftet sein, wie ein Direktinvestment in die jeweiligen Rohstoffe, so dass sich Anleger dahingehend beraten lassen sollten.

- Aufgrund der Laufzeitstruktur von zukünftigen Preisen auf Rohstoffe, die auch in einem Rohstoff Future Index enthalten sind, kann der Kurs der Schuldverschreibungen für den Schuldverschreibungsinhaber in einer positiven oder negativen Art und Weise beeinflusst werden, abhängig von dem jeweiligen Unterschied zwischen dem zu ersetzenden Kurs des Futures bezogen auf Rohstoffe und dem Kurs des Futures bezogen auf Rohstoffe nach einer solchen Ersetzung.

*Spezifische Risiken bei Schuldverschreibungen, die auf Kreditrisiken bezogen sind (Credit Linked Notes)*

- Im Falle des Auftretens von bestimmten Umständen in Bezug auf die Referenzeinheit kann die Verpflichtung des maßgeblichen Emittenten zur Rückzahlung des Nominalbetrags bei Fälligkeit durch (i) die Verpflichtung andere Beträge, die entweder bestimmten festen Werten entsprechen oder die unter Bezugnahme auf den Wert der bzw. des Basiswerte(s) ermittelt werden (welcher in jedem Fall geringer sein kann als der Nominalwert der Schuldverschreibung zu diesem Zeitpunkt) und/oder (ii) durch eine Verpflichtung den Basiswert zu liefern, ersetzt werden. Zudem können verzinst auf Kreditrisiken bezogene Schuldverschreibungen vor oder an dem Tag, an dem solche Umstände eintreten, nicht mehr verzinst werden. Demgemäß können Schuldverschreibungsinhaber vom Ersten Kreditereigniseintrittstag in vollem Umfang ihres Investments in die Schuldverschreibungen bezogen auf Kreditrisiken Schwankungen der Kreditwürdigkeit der Referenzeinheit ausgesetzt sein.
- Ausfallschuldverschreibungen (First-to-Default-Schuldverschreibungen) oder Serienschuldverschreibungen (Tranche-Schuldverschreibungen) begründen eine gehebelte Gefährdung zu dem Kreditrisiko der Referenzeinheiten.
- Die Berechnungsstelle wird, in ihrem alleinigen und uneingeschränktem Ermessen, den Eintritt oder Nichteintritt eines Kreditereignisses in Bezug auf jegliche Referenzeinheit bestimmen und ob sie darüber, dass ein Kreditereignis in Bezug auf eine Referenzeinheit eingetreten ist, benachrichtigt oder nicht. Ein Schuldverschreibungsinhaber kann anderer Meinung bezüglich der in der Nachricht des Kreditereignisses enthaltenen öffentlich erhältlichen Informationen, die von oder in Namen der Emittentin an das maßgebliche Clearing System für die Information der Schuldverschreibungsinhaber geliefert werden, sein. Nichtsdestotrotz ist der Schuldverschreibungsinhaber an die Feststellung gemäß den Bedingungen der Schuldverschreibungen gebunden.
- Entsprechend den Bestimmungen der Schuldverschreibungen bei denen die Société Générale als Berechnungsstelle auftritt, kann sie, zum Zwecke der Bestimmung des Barauszahlungsbetrags gemäß der Quotierungshändlermethode (Quotation Dealer Method) oder des Betrags für die physische Lieferung in Folge eines oder mehrerer Kreditereignisse(s), die Verpflichtungen mit dem geringsten Preis aller Verpflichtungen auswählen, die die einschlägigen Voraussetzungen erfüllt.
- Gemäß den Schuldverschreibungen ist der Endwert (Final Value) einer der Faktoren bei der Bestimmung des Auszahlungsbetrags der Schuldverschreibungen an ihrem Fälligkeitstag. Investoren sollten beachten, dass (i) der Endwert der gemäß der Transaktion Auktions Erfüllungsbedingungen bestimmt wird von dem Endwert, der auf andere Weise bestimmt wird, abweichen kann und ein niedrigerer Endwert typischerweise den Betrag, der an die Schuldverschreibungsinhaber bei Rückzahlung der Schuldverschreibungen zu zahlen ist, reduzieren wird, und (ii) die Berechnungsstelle einem Interessenkonflikt dergestalt unterliegen kann, dass sie bei der Etablierung der Transaktion Auktions Erfüllungsbedingungen mitwirkt und möglicherweise den Mechanismus zur Preisermittlung beeinflusst.

- Wenn die Transaktion Auktion Abrechnungsbedingungen nicht innerhalb eines bestimmten Zeitabschnitts veröffentlicht werden und falls es nicht möglich ist Quotierungen von der Quotierungsanbieterin für die ausgewählte Verpflichtung innerhalb eines weiteren Zeitabschnitts zu erhalten, wird der Schlusswert der ausgewählten Verpflichtung für Null erachtet und deshalb wird der Barabrechnungswert gleich Null sein. Das führt für den Inhaber zu einem Totalverlust. Darüber hinaus können die oben bezeichneten Zeiträume zwischen dem Kreditereignis and der Bewertung bis zu 180 Geschäftstage nach dem Tag an dem der Eintritt eines Kreditereignisses festgestellt wird, betragen. Von daher kann die Erfüllung oder, sofern anwendbar, die Mitteilung, dass kein Betrag unter den Schuldverschreibungen bezogen auf Kreditereignisse fällig ist, erst mehrere Monate nach dem maßgeblichen Kreditereignis eintreten, welcher deutlich an einem Tag nach dem vorgesehenen Fälligkeitstag der Schuldverschreibungen liegt.
- Die Schuldverschreibungsinhaber sind darüber informiert, dass sowohl die Emittentin als auch der Dealer von Zeit zu Zeit Verpflichtungen der Referenzeinheiten halten kann. Die Rechte und Verpflichtungen der Emittentin unter den Schuldverschreibungen oder jeglicher Verlust, den die Schuldverschreibungsinhaber unter den Schuldverschreibungen erleiden, sind beide unabhängig davon, ob die Emittentin über ein Kreditexposure in Bezug auf die Referenzeinheit verfügt oder jeglichen Verlust in Bezug auf die Referenzeinheit erlitten hat.
- Société Générale und ihre Tochtergesellschaften können, zu jeder Zeit, im Besitz von Informationen in Bezug auf jede Referenzeinheit oder Referenzverpflichtung sein, die wesentlich im Rahmen der Emission von Schuldverschreibungen sein kann und die öffentlich nicht verfügbar oder einem anderen nicht bekannt sind. Es besteht keine Verpflichtung seitens Société Générale und ihren Tochtergesellschaften den Schuldverschreibungsinhabern oder einer anderen Partei jegliche Beziehung oder Information, ob bevor oder nach dem Emissionstag, offenzulegen.

*Spezifische Risiken bei Schuldverschreibungen, die auf Währungen bezogen sind*

- Die Wertentwicklung von Währungen ist von einer Vielzahl von Faktoren abhängig, wie z.B. volkswirtschaftlichen Faktoren, Spekulationen und möglichen Eingriffen durch Zentralbanken und staatliche Stellen (einschließlich von Devisenkontrollen und Devisenbeschränkungen).

*Spezifische Risiken bei Schuldverschreibungen, die auf Anleihen bezogen sind*

- Der Marktwert von Anleihen wird neben anderen Faktoren von der Kreditwürdigkeit der Emittentin der jeweiligen Anleihe, vom allgemeinen Zinsniveau, von der verbleibenden Laufzeit bis zur Fälligkeit sowie von der Liquidität des jeweiligen Markts beeinflusst. Diese Faktoren können einen negativen Einfluss auf die Schuldverschreibung haben, die auf Anleihen bezogen sind.

*Spezifische Risiken bei Italienischen Zertifikaten*

- Zertifikate können eine Option enthalten und deswegen einige Merkmale haben, die für Optionen üblich sind. Geschäfte mit Optionen beinhalten hohe Risiken und es ist ratsam, dass Anleger, die beabsichtigen mit Optionen zu handeln einen bestimmten Grad an Erfahrung mitbringen und Wissen über die Funktionsweise von Optionen haben.
- Die Anlage in Optionen ist durch einen hohen Grad an Volatilität gekennzeichnet und es ist möglich, dass Anleger den Betrag verlieren werden, der für den Kauf der Option aufgewendet wurde.
- Da der Wert einer Option mit dem zugrunde liegenden Vermögenswert verflochten ist, hängt ihre Entwicklung von dem Wert des Letzteren ab.

## PART C – ZUSAMMENFASSUNG DES ANGEBOTS UND DER SCHULDVERSCHREIBUNGEN

### *Gründe für das Angebot*

Die Emittentin begibt unter dem Angebotsprogramm im eigenen Namen aber für Rechnung der Société Générale fortlaufend festverzinsliche und variabel verzinsliche Schuldverschreibungen, Ratenzahlungs-Schuldverschreibungen, Nullkupon-Schuldverschreibungen, teileingezahlte Schuldverschreibungen, Doppelwährungs- Schuldverschreibungen, Schuldverschreibungen mit physischer Lieferung sowie Schuldverschreibungen, deren Verzinsung oder Rückzahlungsbetrag sich bestimmt oder errechnet durch Bezugnahme auf einen Index und/oder eine Formel, die wiederum auf Veränderungen in den Kursen oder Preisen von bestimmten Basiswerten beruht; Basiswerte umfassen Aktien, andere Dividenden- oder Nicht-Dividendenpapiere, Indizes, Währungen oder Wechselkurse, Zinssätze, Dividenden, Kreditrisiken, Fondsanteile, Anteile an Investmentgesellschaften, Sichteinlagen von Banken, Lebensversicherungsverträge, Darlehen, Rohstoffe, Anleihen oder Future Kontrakte, Rechnungseinheiten oder der Eintritt oder Nichteintritt von Ereignissen, die nicht auf die Emittentin oder die Garantin bezogen sind, oder ein Korb oder eine Kombination der vorgenannten Basiswerte, wie in den maßgeblichen Endgültigen Bedingungen angegeben (zusammen "**Strukturierte Schuldverschreibungen**"), jeweils in Form einer Inhaber-Schuldverschreibung und jeweils dem Deutschen Recht unterliegend (zusammengefasst die "**Schuldverschreibungen**"). Die Schuldverschreibungen werden an den Dealer (Société Générale) oder an zusätzliche Dealer, die unter dem Programm von der Emittentin und der Garantin benannt werden können, ausgegeben. Der unter diesem Programm ausstehende Gesamtnennbetrag der Schuldverschreibungen ist auf bis zu € 30.000.000.000 begrenzt. Der Gesamtnennbetrag einer jeweiligen Tranche von Schuldverschreibungen unter diesem Programm wird, wie zwischen der Emittentin, der Garantin und dem Dealer, Käufer vereinbart, in den maßgeblichen Endgültigen Bedingungen festgelegt.

Zahlungen und/oder physische Lieferung von Wertpapieren oder Vermögensgegenständen hinsichtlich der Schuldverschreibungen werden durch die Garantin bedingungslos und unwiderruflich garantiert.

### *Angebotsstatistik und geschätzter Zeitplan*

Die Emittentin wird während der Gültigkeit dieses Basisprospektes fortlaufend Schuldverschreibungen im Rahmen des Emissionsprogramms begeben. Die Bedingungen der Schuldverschreibungen sowie der Zeitrahmen für jede Emission von Schuldverschreibungen werden in den maßgeblichen Endgültigen Bedingungen entsprechend Art. 26 No. 5 der Verordnung (EG) No. 809/2004 vom 29. April 2004 festgelegt.

### *Verwendung der Emissionserlöse*

Die Emittentin ist gemäß einem Treuhandvertrag vom 28. Februar 2006 verpflichtet, sämtliche Erlöse aus der Begebung der Schuldverschreibungen zu vereinnahmen und diese an die Garantin weiterzuleiten. Die Netto-Erlöse jeder Emission von Schuldverschreibungen werden von der Garantin für allgemeine Finanzierungszwecke des Société Générale-Konzerns verwandt, jeweils in Übereinstimmung mit dem Gesellschaftszweck der Garantin, entsprechend dem Gesellschaftsvertrag.

### *Einzelheiten bezüglich des Programms*

|                     |   |
|---------------------|---|
| <b>Emittentin</b>   | Société Générale Effekten GmbH (handelnd in eigenem Namen aber für Rechnung der Société Générale) |
| <b>Garantin</b>     | Société Générale  |
| <b>Beschreibung</b> | Angebotsprogramm für Schuldverschreibungen  |
| <b>Arranger</b>     | Société Générale  |
| <b>Dealer</b>       | Société Générale  |

|  |  |
|--|--|
|  | <p>und jeder zusätzliche Dealer, der in Übereinstimmung mit den Bestimmungen des Programme Agreements bestellt wird.</p>   |
| <b>Manager</b>                                 | <p>Die maßgeblichen Endgültigen Bedingungen in Bezug auf eine Tranche von Schuldverschreibungen können (einen) Manager vorsehen.</p>   |
| <b>Agent</b>                                   | <p>Société Générale</p>  |
| <b>Zahlstellen</b>                             | <p>Société Générale, Paris<br/>Société Générale, Zweigniederlassung Frankfurt am Main,<br/>Société Générale Bank &amp; Trust, Luxemburg<br/>oder jede zusätzliche oder nachfolgende Zahlstelle.</p>  |
| <b>Volumen des Programms</b>                   | <p>Bis zu € 30.000.000.000 (oder sein Equivalent in anderen Währungen, berechnet am Tag der Vereinbarung (Agreement Date) wie im Programme Agreement bestimmt) zu jeder Zeit ausstehend.<br/>Die Emittentin und die Garantin können das Volumen des Angebotsprogramms in Übereinstimmung mit den Bestimmungen des Programme Agreements erhöhen.</p>  |
| <b>Angebot</b>                                 | <p>Schuldverschreibungen und/oder Italienische Zertifikate können im Wege einer privaten oder öffentlichen Plazierung und jeweils auf syndizierter oder nicht-syndizierter Basis angeboten werden.</p>   |
| <b>Währungen</b>                               | <p>Schuldverschreibungen und/oder Italienische Zertifikate können in Euro denominieren und sofern in Übereinstimmung mit jeglichen anwendbaren Gesetzen und devisenrechtlichen Bestimmungen auch in jeder anderen Währung wie zwischen der Emittentin, der Garantin und dem maßgeblichen Dealer vereinbart und jeweils in den maßgeblichen Endgültigen Bedingungen angegeben.</p>  |
| <b>Redenomination und/ oder Konsolidierung</b> | <p>Schuldverschreibungen emittiert in der Währung eines Mitgliedsstaates der Europäischen Währungsunion, die partizipieren an einer einzelnen Währung der Europäischen Wirtschafts- und Währungsunion können in Euro redominiert werden. In diesem Fall werden die Bestimmungen der Redenominierung in Gänze in den anwendbaren Endgültigen Bedingungen aufgeführt. Schuldverschreibungen einer einzelnen Serie, die in einer Währung denominieren, die in Euro umgetauscht wird, können vorbehaltlich einer Konsolidierung mit anderen Schuldverschreibungen anderer Serien in Euro denominieren.</p>   |
| <b>Laufzeiten</b>                              | <p>Jede Laufzeit, wie in den maßgeblichen Endgültigen Bedingungen angegeben, ist unter Berücksichtigung von Mindest- und Maximallaufzeiten, die von der maßgeblichen Zentralbank (oder einer entsprechenden Institution) oder nach den für die jeweils gewählte Währung oder die jeweilige Emittentin geltenden gesetzlichen Bestimmungen gestattet oder vorgeschrieben werden, festgelegt. Die Emittentin kann auch Schuldverschreibungen mit unbegrenzter Laufzeit begeben (Open End Schuldverschreibungen).</p> <p>Für Italienische Zertifikate sollen alle Bezugnahmen auf "Fälligkeit" statt dessen als Bezugnahmen auf "Endgültige Ausübung" gelten.</p> |
| <b>Ausgabepreis</b>                            | <p>Schuldverschreibungen werden entweder als voll oder teileingezahlte Schuldverschreibungen zu einem Ausgabepreis ausgegeben (ausgedrückt entweder (i) als Prozentsatz des</p>  |

gesamten Nominalbetrags oder (ii) als Betrag je Schuldverschreibung bezogen auf den Nennbetrag) welcher dem Nennbetrag entspricht oder einen Abschlag oder Zuschlag gegenüber dem Nennbetrag aufweist (wie in den maßgeblichen Endgültigen Bedingungen festgelegt).

**Form der  
Schuldverschreibungen**

Die Schuldverschreibungen einer bestimmten Tranche oder Serie, auf welche U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (die "**TEFRA D Regeln**") Anwendung findet, wie in den Endgültigen Bedingungen spezifiziert, werden zunächst durch eine vorläufige Globalurkunde (jeweils eine "**Vorläufige Globalurkunde**") und anschließend, nach Ablauf von 40 Tagen nach dem relevanten Emissionstag und nach Bescheinung über das Nichtvorliegen von wirtschaftlichem U.S.-Eigentum, durch eine Dauerglobalurkunde (jeweils eine "**Dauerglobalurkunde**") repräsentiert. Die Schuldverschreibungen einer bestimmten Tranche oder Serie, auf welche U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (die "**TEFRA C Regeln**") Anwendung findet, wie jeweils in den Endgültigen Bedingungen spezifiziert, werden durch eine Dauerglobalurkunde repräsentiert.

Schuldverschreibungen einer bestimmten Tranche oder Serie auf die weder die TEFRA C Regeln noch die TEFRA D Regeln anwendbar sind, wie jeweils in anwendbaren Endgültigen Bedingungen definiert, werden durch eine Dauerglobalurkunde repräsentiert.

Einzelurkunden werden nicht begeben.

Im Fall von Italienischen Zertifikaten bei denen Monte Titoli die maßgebliche Clearing-Stelle ist, erfolgt ihr Umlauf gemäß italienischem Legislativerlass und einschließlich aller danach ergangenen Umsetzungsregelungen.

**Schuldverschreibungen mit  
festem Zinssatz**

Feste Zinsen werden an dem Termin bzw. den Terminen, die zwischen der Emittentin und dem maßgeblichen Dealer vereinbart werden (wie in den maßgeblichen Endgültigen Bedingungen festgelegt), sowie bei Rückzahlung fällig und werden auf Grundlage des zwischen der Emittentin und dem maßgeblichen Dealer in den maßgeblichen Endgültigen Bedingungen vereinbarten Zinstagequotienten berechnet.

Im Fall von Italienischen Zertifikaten:

Ein Fixbetrag ist zahlbar an einem solchen Tag oder Tagen wie zwischen der Emittentin, der Garantin und dem relevanten Dealer wie in den anwendbaren endgültigen Bedingungen festgelegt.

**Schuldverschreibungen mit  
variablem Zinssatz**

Schuldverschreibungen mit variabler Verzinsung werden mit einem Zinssatz verzinst, der entweder (i) auf Basis eines Referenzzinssatzes, der auf einer festgelegten Bildschirmseite eines kommerziellen Kursdienstes angezeigt wird, oder (ii) auf derselben Grundlage wie der variable Zinssatz einer angenommenen Zinssatzwaptransaktion in der entsprechenden Währung nach Maßgabe einer durch Abschlussbestätigung belegten Vereinbarung, die die "2006 ISDA-Definitionen" (wie von der International Swaps and Derivatives Association, Inc. veröffentlicht und in der geänderten und aktualisierten Fassung des Ausgabetales der ersten Tranche von Schuldverschreibungen der jeweiligen Serie) einbezieht, oder (iii) auf einer anderen zwischen der Emittentin und dem maßgeblichen Dealer vereinbarten Grundlage festgelegt wird (wie in

den maßgeblichen Endgültigen Bedingungen angegeben).

Eine etwaige Marge im Hinblick auf den variablen Zinssatz wird ggf. für jede Emission von Schuldverschreibungen mit variablem Zinssatz zwischen der Emittentin, der Garantin und dem maßgeblichen Dealer gesondert vereinbart und in den maßgeblichen Endgültigen Bedingungen festgelegt.

**Teileingezahlte  
Schuldverschreibungen**

Die Emittentin kann Schuldverschreibungen begeben, die zum Zeitpunkt ihrer Begebung nicht voll eingezahlt sind und deren Bedingungen vorsehen, dass der verbleibende einzuzahlende Nennbetrag in einer oder mehreren Teilzahlungen, an einem oder mehreren vorher festgelegten Teilzahlungstermin(en) eingezahlt wird. Wenn ein Schuldverschreibungsinhaber eine Teilzahlung nicht innerhalb der angegebenen Zeit zahlt, die für eine Teileingezahlte Schuldverschreibung fällig ist, hat die Emittentin das Recht diese Schuldverschreibung einzulösen, falls so angegeben, und wie in den Bedingungen der maßgeblichen Endgültigen Bedingungen angegeben.

**Strukturierte  
Schuldverschreibungen**

Zahlungen (sei es im Hinblick auf die Rückzahlung des Nennbetrages als auch im Hinblick auf Zinszahlungen, bei Fälligkeit oder zu einem anderen Zeitpunkt) auf Strukturierte Schuldverschreibungen berechnen sich auf der Grundlage eines Index und/oder einer Formel, die auf der Veränderungen des Preises eines bestimmten Basiswertes beruht. Basiswerte umfassen Aktien, sonstigen Dividenden- oder Nicht-Dividendenpapiere, Indizes, Währungen oder Wechselkurse, Zinssätze, Dividenden, Kreditrisiken, Fondsanteile, Anteile an Investmentgesellschaften, Geldanlagen, Lebensversicherungsverträge, Darlehen, Anleihen, fondsgebundene Features (Abrechnungseinheiten), Rohstoffe oder darauf bezogene Future Kontrakte oder sonstige Instrumente oder Vermögensgegenstände oder der Eintritt oder Nichteintritt von Ereignissen, die nicht auf die Emittentin oder die Garantin oder auf einen Korb oder auf eine Kombination aus dem Vorgenannten bezogen sind, oder andere Faktoren, die ggf. zwischen der Emittentin, der Garantin und dem maßgeblichen Dealer vereinbart und in den maßgeblichen Endgültigen Bedingungen festgelegt werden.

Im Fall von Italienischen Zertifikaten:

Der Zwischenbetrag („*Interim Amount*“) wird bezogen auf den Index und/oder der Formel bzw. aufgrund von Änderungen des Kurses bestimmter Basiswerte berechnet. Solche Basiswerte beinhalten Aktien, sonstigen Dividenden- oder Nicht-Dividendenpapiere, Indizes, Währungen oder Wechselkurse, Zinssätze, Dividenden, Kreditrisiken, Fondsanteile, Anteile an Investmentgesellschaften, Geldanlagen, Lebensversicherungsverträge, Darlehen, Anleihen, fondsgebundene Features (Abrechnungseinheiten), Rohstoffe oder darauf bezogene Future Kontrakte oder sonstige Instrumente oder Vermögensgegenstände oder der Eintritt oder Nichteintritt von Ereignissen, die nicht auf die Emittentin oder die Garantin oder auf einen Korb oder auf eine Kombination aus dem Vorgenannten bezogen sind, oder andere Faktoren, die ggf. zwischen der Emittentin, der Garantin und dem maßgeblichen Dealer vereinbart und in den maßgeblichen Endgültigen Bedingungen festgelegt

werden.

**Doppelwährungs-  
Schuldverschreibungen**

Zahlungen (sei es im Hinblick auf die Rückzahlung des Nennbetrages als auch im Hinblick auf Zinszahlungen, bei Fälligkeit oder zu einem anderen Zeitpunkt) betreffend Doppelwährungs-Schuldverschreibungen erfolgen in derjenigen Währung bzw. denjenigen Währungen und zu demjenigen Umrechnungskurs bzw. denjenigen Umrechnungskursen, die zwischen der Emittentin und dem maßgeblichen Dealer vereinbart werden (wie in den maßgeblichen Endgültigen Bedingungen festgelegt).

**Schuldverschreibungen mit  
physischer Lieferung**

Zahlungen (sei es im Hinblick auf die Rückzahlung des Nennbetrages als auch im Hinblick auf Zinszahlungen, bei Fälligkeit oder zu einem anderen Zeitpunkt) und jegliche Lieferung des maßgeblichen Basiswertes bei Schuldverschreibungen mit physischer Lieferung erfolgt nach Maßgabe der maßgeblichen Endgültigen Bedingungen.

**Nullkupon-  
Schuldverschreibungen**

Nullkupon- Schuldverschreibungen werden nicht verzinst (es sei denn bei Zahlungsverzug).

**Ratenzahlungs-  
Schuldverschreibungen**

Zahlungen (sei es im Hinblick auf die Rückzahlung des Nennbetrages als auch im Hinblick auf Zinszahlungen) in Bezug auf Ratenzahlungs-Schuldverschreibungen sind an bestimmten Ratenzahlungsterminen mit einem bestimmten Ratenbetrag zu leisten, wie in den maßgeblichen Endgültigen Bedingungen festgelegt.

**Rückzahlung**

Die maßgeblichen Endgültigen Bedingungen können entweder bestimmen, dass die Schuldverschreibungen nicht vor dem festgelegten Laufzeitende zurückgezahlt werden (außer in ggf. festgelegten Teilzahlungen, aus steuerlichen Gründen oder im Falle des Verzuges ("*Event of Default*")), oder dass die Schuldverschreibungen (soweit es sich um auf physische Lieferung gerichtete Schuldverschreibungen handelt) bei Fälligkeit oder zu einem anderen Zeitpunkt gegen Zahlung eines Geldbetrages an den/die Schuldverschreibungsinhaber und/oder durch Lieferung des zugrunde liegenden Vermögenswertes zurückgezahlt werden, oder dass die Schuldverschreibungen nach Wahl der Emittentin und/oder der/des Schuldverschreibungsinhaber(s) durch unwiderrufliche Kündigung (gemäß einer etwaigen Kündigungsfrist, wie in den maßgeblichen Endgültigen Bedingungen angegeben) gegenüber den Schuldverschreibungsinhabern bzw. der Emittentin zu einem oder mehreren bestimmten Termin(en) vor dem Ende der festgelegten Laufzeit und zu einem oder mehreren bestimmten Preis(en) und zu den Bedingungen, die zwischen der Emittentin, der Garantin und dem Dealer vereinbart und in den Endgültigen Bedingungen angegeben werden, gekündigt werden können oder dass diese Schuldverschreibungen vorzeitig vor der festgelegten Fälligkeit in dem Falle einer automatischen vorzeitigen Rückzahlung zurückgezahlt werden können (beispielsweise wenn ein bestimmter Level berührt wird).

Die Rückzahlung Strukturierter Schuldverschreibungen kann dem Vorbehalt bestimmter spezieller Restriktionen und Verfahren unterliegen, wie in den maßgeblichen Endgültigen Bedingungen festgelegt.

Im Falle von Strukturierten Schuldverschreibungen, die sich auf einen bestimmten Basiswert beziehen, können Anleger einen geringeren Betrag zurück erhalten als den von ihnen investierten Betrag oder in außergewöhnlichen Fällen sogar einen Totalverlust des von ihnen in die Schuldverschreibungen investierten Betrages erleiden. Unter gewissen Umständen kann das Ausmaß, inwieweit eine Schwankung des Basiswertes die Strukturierten Schuldverschreibungen betrifft, begrenzt sein. Die bestimmte Beziehung zwischen dem maßgeblichem Basiswert und den Strukturierten Schuldverschreibungen, wie auch die mögliche Begrenzung des Einflusses auf die Strukturierten Schuldverschreibungen wird in den maßgeblichen Endgültigen Bedingungen angegeben.

Für Italienische Zertifikate sollen alle Bezugnahmen auf "Rückzahlung" statt dessen als Bezugnahmen auf "Ausübung" gelten.

**Nennbetrag**

Schuldverschreibungen werden zu einem bestimmten Nennbetrag ausgegeben, wie zwischen der Emittentin und dem maßgeblichen Dealer vereinbart und in den maßgeblichen Endgültigen Bedingungen angegeben.

**Besteuerung**

Alle Zahlungen von Nominalbetrag, Zinsen und, im Fall von Italienischen Zertifikaten, Endgültigen Ausübungsbeträgen und andere Beträge in Bezug auf die Schuldverschreibungen werden in vollem Umfang geleistet ohne Einbehalt oder Abzug irgendwelcher Steuern, Abgaben, Umlagen oder sonstiger staatlicher Abgaben, die durch die Bundesrepublik Deutschland oder bzw. die Republik Frankreich oder eine sonstige Körperschaft oder Behörde der Bundesrepublik Deutschland bzw. der Republik Frankreich, die das Recht hat, Steuern zu erheben, erhoben, veranlagt oder einbehalten werden. Sofern das Gesetz einen solchen Einbehalt oder Abzug vorschreibt, wird die Emittentin bzw. die Garantin, vorbehaltlich der in den Bedingungen der Schuldverschreibungen vorgesehenen Ausnahmen, derartige zusätzliche Beträge zahlen, damit die Schuldverschreibungsinhaber so gestellt werden, als ob kein Einbehalt oder Abzug stattgefunden hätte.

Die Emittentin übernimmt keine Verantwortung für die Einbehaltung von Steuern an der Quelle.

**Status der Schuldverschreibungen**

Die Schuldverschreibungen begründen direkte, unbedingte und nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin mit begrenztem Rückgriffsanspruch, die untereinander und mit allen anderen direkten, unbedingten, nicht besicherten und nicht nachrangigen begrenzten Rückgriffsverbindlichkeiten der Emittentin zumindest gleichrangig sind, sofern zwingende gesetzliche Bestimmungen nichts anderes vorschreiben.

**Garantie**

Die fällige und pünktliche Zahlung jedweder fälliger und zahlbarer Beträge bzw. die fällige und pünktliche physische Lieferung von Wertpapieren, die gemäß der Bedingungen der Schuldverschreibungen lieferbar sind, wird bedingungslos und unwiderruflich von der Garantin garantiert.

**Rating**

Sofern ein Rating für die unter dem Programm zu emittierenden Schuldverschreibungen besteht, wird dieses in den Endgültigen

Bedingungen angegeben.

**Notierung**

Die Zulassung der Schuldverschreibungen, die unter diesem Programm emittiert werden, zum Handel im regulierten Markt der Frankfurter Börse wurde beantragt. Das Programm sieht jedoch vor, dass die Schuldverschreibungen ggf. auch an einer anderen oder weiteren Börsen notiert oder zum Handel zugelassen werden können, die zwischen der Emittentin, der Garantin und dem maßgeblichen Dealer vereinbart und in den maßgeblichen Endgültigen Bedingungen festgelegt werden. Die Emittentin kann auch, nicht börsennotierte Schuldverschreibungen bzw. Schuldverschreibungen, die zu keinem Handel an einem Markt zugelassen sind, begeben, falls dies in den maßgeblichen Endgültigen Bedingungen festgelegt wird.

**Bedingungen (Terms and Conditions)**

Die Emittentin, die Garantin und der maßgebliche Dealer vereinbaren die Bedingungen der Schuldverschreibungen, die für jede einzelne Tranche der Schuldverschreibungen und/oder der Italienischen Zertifikate maßgeblich sind. Die Bedingungen der Schuldverschreibungen und/oder der Italienischen Zertifikate ergeben sich aus den "Bedingungen der Schuldverschreibungen" (*Terms and Conditions*), die die allgemeinen Bedingungen („*Basis Terms*“) und den technischen Anhang („*Technical Annex*“) umfassen, jeweils vervollständigt durch die Regelungen der maßgeblichen Endgültigen Bedingungen. Sofern die maßgeblichen Endgültigen Bedingungen festlegen, dass konsolidierte Bedingungen der Schuldverschreibungen verwendet werden, dann werden diese konsolidierten Bedingungen der Schuldverschreibungen den maßgeblichen Endgültigen Bedingungen angefügt.

**Anwendbares Recht**

Die Schuldverschreibungen und/oder die Italienischen Zertifikate und alle nicht-vertraglichen Verpflichtungen, die sich aus oder aus dem Zusammenhang mit den Schuldverschreibungen und/oder den Italienischen Zertifikaten ergeben, unterliegen deutschem Recht und werden nach diesem ausgelegt.

Die Garantie und alle nicht-vertraglichen Verpflichtungen, die sich aus der Garantie ergeben oder in Verbindung mit der Garantie stehen, unterliegen französischem Recht und werden nach diesem ausgelegt.

**Verkaufsbeschränkungen**

Jede Emission von Schuldverschreibungen und/oder Italienischen Zertifikaten erfolgt in Übereinstimmung mit den Gesetzen, Rechtsvorschriften, gerichtlichen Entscheidungen und sonstigen Beschränkungen, die in der jeweiligen Rechtsordnung gelten.

Jedes Angebot und jeder Verkauf von Schuldverschreibungen einer bestimmten Emission unterliegt Verkaufsbeschränkungen, insbesondere in Österreich, Frankreich, dem Großherzogtum Luxemburg, Italien, dem Vereinigten Königreich und anderen Mitgliedsstaaten des Abkommens über den Europäischen Wirtschaftsraum (*European Economic Area* (EEA)), den Vereinigten Staaten und anderen Rechtsordnungen. Weitere Beschränkungen im Hinblick auf eine Emission von Schuldverschreibungen können in den maßgeblichen Endgültigen Bedingungen festgelegt werden und müssen ungeachtet der Beschreibung in den Endgültigen Bedingungen eingehalten werden.

**Verkaufsbeschränkungen in den Vereinigten Staaten**

Regulation S, Category 2. TEFRA C, TEFRA D oder TEFRA nicht anwendbar, wie in den jeweils maßgeblichen Endgültigen Bedingungen angegeben.

**Clearing-Stelle**

Die Schuldverschreibungen einer Tranche oder Serie (es sei denn, dies ist in den maßgeblichen Endgültigen Bedingungen anders festgelegt) sind bis die Emittentin alle Verpflichtungen aus diesen Schuldverschreibungen erfüllt hat in einer Sammelurkunde verbrieft, die bei oder im Namen der Clearstream Banking AG, Frankfurt oder einer Verwahrstelle/n entsprechend der Clearstream, Luxemburg und Euroclear Bank S.A./N.V. verwahrt wird. Die Schuldverschreibungen können auch durch zusätzliche oder andere Verwahrstellen verwahrt werden (einschließlich Clearstream, Luxemburg und Euroclear Bank S.A./N.V. oder Euroclear Frankreich); in diesem Fall sind entsprechende Informationen in den maßgeblichen Endgültigen Bedingungen enthalten.

Im Fall von Italienischen Zertifikaten, bei denen Monte Titoli die maßgebliche Clearing-Stelle ist, erfolgt ihr Umlauf in entmaterialisierter und zentralisierter Weise gemäß Italienischem Legislativerlass und einschließlich aller danach ergangenen Umsetzungsregelungen.

Der entsprechende ISIN Code, Common code (sofern vorhanden) und jeder andere relevante Code für jede Tranche von Schuldverschreibungen sind in den maßgeblichen Endgültigen Bedingungen enthalten.

## RISK FACTORS

**Prospective purchasers of Notes should carefully consider the following information in conjunction with the other information contained in this Base Prospectus, both 2011 Registration Document of the Issuer and the Guarantor and any Final terms before purchasing Notes.**

*The Issuer and the Guarantor believe that the following factors may affect its ability to fulfil its obligation under Notes issued under the Programme or under the Guarantee in relation to such Notes (respectively). Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

**If one or more of the risks described below occur, this may result in material and sustained decreases in the price of the Notes or, in the worst case, in a total loss of the capital invested by the Investor.**

*The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. However, additional specific risks relating to a particular Tranche of Notes issued from time to time under the Programme may be set out in the respective Final Terms, provided that these risks are specific to this Tranche of Notes and can only be determined at the time of the individual issue. These risks must therefore always be included in the assessment of risks. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, any supplements and in the applicable Final Terms and reach their own views prior to making any investment decision. No investment should be made in the Notes of any series prior careful consideration of all those factors that are relevant in relation to the Notes of such series. Prospective investors should reach an investment decision with respect to the suitability of the Notes of such series only after careful consideration and consultation with their financial and legal advisers.*

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

### **I. RISK FACTORS RELATING TO THE ISSUER, THE GROUP, THE GUARANTOR AND THE TRUST STRUCTURE**

#### ***Risks Involving the Legal Form and Organisation of the Issuer***

There is a risk that the Issuer may not or only partially be able to fulfil its obligations arising from the Notes. Investors should therefore consider the credit quality of the Issuer when making investment decisions.

The credit quality of the Issuer may change before the Notes mature due to developments in the overall economy or company-specific circumstances. Principal causes could be economic changes that have a lasting adverse impact on the earnings situation and solvency of the Issuer. Other causes include changes in individual companies, industries, or countries, e.g. economic crises, as well as political developments with significant economic repercussions.

In accordance with its articles of association, the Issuer of the Notes, Société Générale Effekten GmbH, Frankfurt am Main, was formed solely for the purpose of issuing fungible securities and does not engage in any other independent operating activities. By acquiring Notes from the Issuer, investors are exposed to a considerably higher credit risk compared to an issuer with much greater capital resources.

The Issuer is not a member of a deposit guarantee fund or similar assurance system that would fully or partially cover the claims of security holders in the event the Issuer is not able to meet its obligations.

Investors are also exposed to the insolvency risk of the parties with whom the Issuer concludes derivative transactions to hedge its obligations from the issue of Notes. As opposed to an issuer with a more diversified range of potential contracting parties, the Issuer is subject to a cluster risk as it only concludes hedging transactions with affiliated companies. In this context, cluster risk is the credit risk ensuing from the limited range of potential contracting parties with whom various hedging transactions can be conducted. There is a risk that the insolvency of companies affiliated to the Issuer could directly trigger the Issuer's ability to meet its obligations.

***Risks relating to the economic activities of the Issuer***

The Issuer is primarily engaged in issuing and selling securities. The Issuer's activities and annual issue volume may be influenced by negative trends on the markets in which it operates. Difficult market conditions, however, may lead to a lower issue volume and adversely impact the Issuer's results of operations.

The general market trend for securities is primarily linked to capital market trends, themselves shaped by the global economy as well as economic and political factors at national level (market risk).

***Risk factors relating to the Group and the Guarantor***

*The Group is exposed to the risks inherent in its core businesses.*

Its results of operations in the past have been, and in the future may continue to be, materially affected by many factors, some of which are discussed in greater detail below, including: political, economic and market conditions; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices, interest rates, currency values, other markets and indices; technological changes and developments; the availability and cost of credit; inflation; the stability and solvency of financial institutions and other companies; and investor sentiment and confidence in the financial markets. Given the diversity and changes in the Group's activities, its risk management focuses on the following main categories of risks, any of which could adversely affect the Group's performance. The following risks are the material risks:

- **credit and counterparty risk** (including country risk): risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. Credit risk includes the counterparty risk linked to market transactions (replacement risk), as well as securitisation activities. In addition, credit risk may be further amplified by concentration risk, which arises from a large exposure to a given risk, to one or more counterparties, or to one or more homogeneous groups of counterparties;
- **market risk**: the risk of a decline in the value of financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include but are not limited to exchange rates, interest rates, and the price of securities (equities, bonds), commodities, derivatives and other assets, including real estate assets;
- **operational risks** (including accounting and environmental risks): risk of losses or sanctions due in particular to inadequacies or failures in internal procedures or systems, human error or external events;
- **investment portfolio risk**: risk of unfavourable changes in the value of the Group's investment portfolio;
- **non-compliance risk** (including legal, tax and reputational risks): risk of legal, administrative or disciplinary sanction, material financial losses or reputational damage arising from failure to comply with the provisions governing the Group's activities;
- **structural interest and exchange rate risk**: risk of loss or write-downs in the Group's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and from transactions entered into by the Corporate Centre (operations involving equity capital, investments and bond issues);

- **liquidity risk:** the risk of the Group not being able to meet its cash or collateral requirements as they arise and at reasonable cost;
- **strategic risk:** risks tied to the choice of a given business strategy or resulting from the Group's inability to execute its strategy;
- **business risk:** risk of losses if costs exceed revenues;
- **risk related to insurance activities:** through its insurance subsidiaries, the Group is also exposed to a variety of risks linked to the insurance business. These include premium pricing risk, mortality risk and structural risk of life and non-life insurance activities, including pandemics, accidents and catastrophic events (such as earthquakes, windstorms, industrial disasters, or acts of terrorism or war);
- **risk related to specialised finance activities:** through its Specialised Financial Services division, mainly in its operational vehicle leasing subsidiary, the Group is exposed to residual value risk (when the net resale value of an asset at the end of the lease is less than estimated).

Any of these risks could materially adversely affect the Group's business, results of operations and financial condition.

**The global economy and financial markets continue to display high levels of uncertainty, which may continue to materially and adversely affect the Group's business, financial condition and results of operations.**

As part of a global financial institution, the Group's businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Group could be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting capital or credit markets, liquidity constraints, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, inflation or deflation, sovereign debt rating downgrades, restructurings or defaults, or adverse geopolitical events (including acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, which may develop quickly and hence may not be hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Group's financial condition, results of operations or cost of risk.

European markets have experienced significant disruptions as a result of concerns regarding the sovereign debt of various Eurozone countries. The elevated debt levels of some European sovereigns and proposals for investors to incur substantial writedowns of Greek sovereign debt have given rise to new concerns about sovereign defaults and the Eurozone. The outcome of this situation cannot yet be predicted. These disruptions have contributed to increased volatility in the exchange rate of the euro against other major currencies, negatively affected stock prices, degraded the funding conditions of financial institutions and created uncertainty regarding the near term economic prospects of countries in the European Union as well as the quality of credits extended to sovereign debtors in the European Union. Austerity and other measures introduced in order to address these issues may themselves lead to economic contraction and adverse effects for the Group.

The Group is exposed to the risk of substantial losses if sovereign States, financial institutions or other credit counterparties become insolvent or are no longer able to fulfil their obligations to the Group. The Group holds sovereign obligations issued by certain of the countries that have been most significantly affected by the ongoing Eurozone crisis, and it has recorded impairment charges relating to its holding of Greek sovereign debt. In addition, the erosion of a sovereign state's perceived credit quality will often negatively affect the market perception of financial institutions located in that state. A worsening of the Eurozone crisis may trigger a significant decline in the Group's asset quality and an increase in its loan losses in the affected countries. The Group's inability to recover the value of its assets in accordance with the estimated percentages of recoverability based on past historical trends (which could prove inaccurate in the current market environment) could further adversely affect its performance. It may also

become necessary for the Group to invest resources to support the recapitalization of its businesses or subsidiaries in such countries. The Group's local activities could become subject to emergency legal initiatives or restrictions imposed by local authorities, which could adversely affect its business, financial condition and results of operations.

**A number of the exceptional measures taken by governments, central banks and regulators have recently been or could soon be completed or terminated.**

In response to the financial crisis, governments, central banks and regulators implemented measures intended to support financial institutions and thereby stabilize financial markets. Central banks took measures to facilitate financial institutions' access to liquidity, in particular by lowering interest rates to historic lows for a prolonged period. Various central banks decided to substantially increase the amount and duration of liquidity provided to banks, loosen collateral requirements and, in some cases, implement "non-conventional" measures to inject substantial liquidity into the financial system, including direct market purchases of government bonds, corporate commercial paper and mortgage-backed securities. These central banks may decide, acting alone or in coordination, to modify their monetary policies or to tighten their policies regarding access to liquidity, which could substantially and abruptly decrease the flow of liquidity in the financial system. Given the uncertainty of the economic recovery, such changes could have an adverse effect on operating conditions for financial institutions and, hence, on the Group's business, financial condition and results of operations.

**The Group's results may be affected by regional market exposures.**

The Group's performance is significantly affected by economic, financial and political conditions in the principal markets in which it operates, such as France and other European Union countries. In France, the Group's principal market stagnant economic or financial activity, reduced levels of consumer spending and an unfavourable evolution of the real estate market have had and could continue to have a material adverse impact on its business through decreased demand for loans, higher rates of non-performing loans, decreased asset values, or for other reasons. With respect to the other European Union countries, economic stagnation or a deteriorating economic environment could result in increased loan losses or higher levels of provisioning.

The Group is involved in commercial banking and investment banking operations in emerging markets, in particular in Russia and other Central and Eastern European countries as well as in Northern Africa. Capital markets and securities trading activities in emerging markets may be more volatile than those in developed markets and more vulnerable to certain risks, such as political uncertainty and currency volatility. It is likely that these markets will continue to be characterised by higher levels of uncertainty and therefore risk. Unfavourable political or economic conditions or other negative developments may adversely affect the Group's business, results of operations or financial condition.

**The Group operates in a highly competitive environment and reputational damage could harm its competitive position.**

The financial services industry is highly competitive. The Group's reputation for financial strength and integrity is critical to its ability to attract and retain customers and counterparties. Its reputation could be harmed by events attributable to it and the decisions of its management, as well as by events and actions of others outside its control. Independent of the merit of information being disseminated, unfavourable descriptions of the Group could have adverse effects on its business and its competitive position.

The Group's reputation could be adversely affected by a failure of conflict controls and other procedures, particularly as it grows in size, or as a result of employee misconduct, misconduct by other market participants, a decline in, a restatement of, or corrections to its financial results, as well as any adverse

legal or regulatory action, especially to the extent the latter becomes the focus of extensive media reporting. Reputational damage could translate into a loss of business that could have a material adverse effect on the Group's results of operations and financial position.

**The Group operates in highly competitive industries, including in its home market.**

The Group is subject to intense competition in the global and local markets in which it operates. On a global level, it competes with its peers principally in its core businesses (French Networks, International Retail Banking, Specialised Financial Services and Insurance, Corporate and Investment Banking and Global Investment Management and Services). In the local markets, including its principal market, France, the Group faces substantial competition from locally-established banks, financial institutions, businesses providing financial and other services and, in some instances, governmental agencies. This competition exists in all of the Group's lines of business.

In France, the presence of large domestic competitors in the banking and financial services sector, as well as emerging competitors such as online retail banking and financial services providers, has resulted in intense competition for virtually all of the Group's products and services. The French market is a mature market and one in which the Group already holds significant market share in most of its lines of business. Its business and results of operations may be adversely affected if it is unable to maintain or increase its market share in key lines of business. The Group also faces competition from local participants in the other geographic markets in which it has a significant presence. The level of competition on a global level, as well as a local level in France and its other significant markets, could have a material adverse effect on the Group's business, results of operations and financial condition.

**Protracted market declines can reduce liquidity in the markets, making it harder to sell assets, possibly leading to material losses.**

In a number of the Group's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Group is not able to close out deteriorating positions in a timely way. This is especially true for assets the Group holds for which the markets are relatively illiquid by nature. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, are valued based on the Group's internal models rather than publicly quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Group did not anticipate.

The Group's portfolio of real estate-related structured finance assets lost value and/or became less liquid or illiquid during and in the wake of the financial crisis. The portfolio includes residential mortgage backed securities, collateralised debt obligations of residential mortgage backed securities, commercial mortgage-backed securities and other asset backed securities, collateralised loan obligations, assets partly hedged by monoline insurers and exotic credit derivatives, the underlying assets of which are largely located in the U.S., Europe and Australia.

Although the Group continues to take steps to manage and control its legacy asset portfolio, there can be no assurance that losses on this portfolio will not be substantial in the future. Such losses could have a material adverse affect on the Group's results of operations and financial condition.

In addition, the Group announced in 2011 its intention to dispose of certain non-core business assets by 2013, a key element of the Group's plan to improve its solvency ratios. The execution, price and timing of these disposals may be adversely affected by various factors, including the global economic environment, market conditions, changes in asset valuations and the financial situation of potential buyers. As a result, there can be no assurance that the Group's disposal plan will meet its goals or result in a positive impact on the Group's financial condition or its solvency ratios.

**The Group depends on access to financing and other sources of liquidity, which may be restricted for reasons beyond its control.**

The ability to access short-term and long-term funding is essential to the Group's businesses. If the Group is unable to access secured or unsecured debt markets on terms it considers acceptable or if it experiences unforeseen outflows of cash or collateral, including a material decrease in customer deposits, the Group's liquidity could be impaired. The Group's liquidity could be adversely affected by factors the Group cannot control, such as general market disruptions, operational disruptions affecting the Group or a third party, negative views about the financial services industry in general, the Group's short-term or long-term financial prospects, changes in credit ratings or even the perception among market participants of the Group, or other financial institutions. Moreover, the Group's ability to access the capital markets and its cost of obtaining long-term unsecured funding is directly related to its credit spreads in both the cash bond and derivatives markets, also outside of its control. Liquidity constraints may have a material adverse effect on the Group's business, financial condition, results of operations and ability to meet its obligations to its counterparties.

**The volatility of the financial markets may cause the Group to suffer significant losses on its trading and investment activities.**

Since mid-2007, the international financial markets have displayed extreme levels of volatility, which resulted in significant losses for many banks, including Societe Generale. The ongoing market instability could adversely affect the Group's trading and investment positions in the debt, currency, commodity and equity markets, and in private equity, property and other assets. Furthermore, severe market disruptions and extreme market volatility may occur again in the future and may result in significant losses for the Group's capital markets activities. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products.

Market volatility makes it more difficult to predict trends and implement effective trading strategies and increases risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. At times, the Group may implement a trading strategy of holding a long position in one asset and a short position in another, with the expectation of benefiting from changes in the relative value of the two assets. If the values of these assets change in a manner that differs from the Group's expectations, or against which it is not hedged, it might realise a loss on those paired positions. Such losses, if significant, could adversely affect the Group's results of operations and financial condition.

**Changes in interest rates may adversely affect the Group's banking and asset management businesses.**

The Group's performance is influenced by the evolution and fluctuation of interest rates in Europe and in the other markets in which it operates. The amount of net interest earned during any given period may significantly affect the Group's overall revenues and profitability. The Group's management of interest rate sensitivity may affect its results of operations. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. Any mismatch between interest owed by the Group and interest due to it (in the absence of suitable protection against such mismatch) could have adverse material effects on the Group's business, financial condition and results of operations.

**Fluctuations in exchange rates could adversely affect the Group's results of operations.**

The Group publishes its financial statements in euros, which is the currency of most of its liabilities. A significant portion of its business is carried out in currencies other than the euro, such as, in particular,

the U.S. dollar, the British pound sterling, the Czech crown, the Romanian lei and the Japanese yen. Fluctuations in the rate of exchange of these currencies into euros may have a negative impact on the Group's reported consolidated results of operations, financial position and cash flows from year to year, despite any hedges that may be implemented by the Group to limit its foreign exchange exposure. Exchange rate fluctuations may also affect the value (denominated in euros) of the Group's investments in its subsidiaries outside the euro zone.

**The Group is subject to extensive supervisory and regulatory regimes in the countries in which it operates. It is not possible to predict to what extent laws or regulations will change in the future or the impact of such changes on its business.**

The Group is subject to extensive regulation and supervision in all jurisdictions in which it operates. The rules applicable to banks seek to preserve their stability and solidity, limit their risk exposure and protect depositors, creditors and investors. The rules applicable to financial services providers govern, among other things, the sale, placement and marketing of financial instruments. The banking companies of the Group must also comply with requirements as to capital adequacy (and in some cases liquidity) in the countries in which they operate. Compliance with these rules and regulations requires significant resources. Non-compliance with applicable laws and regulations could lead to fines, damages to the Group's reputation, forced suspension of its operations or the withdrawal of operating licenses.

Following the onset of the financial crisis, a variety of measures were proposed, discussed and in some cases adopted by numerous national and international legislative and regulatory bodies, as well as other entities. How the various measures will work together if they are implemented remains unclear.

In particular, the implementation of the new Basel 3 standards in the European Union remains conditional upon the enactment of specific Capital Requirement Regulation and Directive (CRR<sup>1</sup> and CRD<sup>2</sup>) which are still under discussion. Basel 3 is a global regulatory framework to strengthen capital and liquidity regulations with a goal of promoting a more resilient banking sector. It is possible that more restrictive measures in addition to the rules of Basel 3 could be imposed in light of the recent disruptions in the financial markets, including more demanding capital adequacy rules, which could reduce the capacity of banks to lend or increase their need for capital. Recommendations and measures addressing systemic risk exposure of global banks, including additional loss absorbency requirements, were adopted by the Basel Committee and by the Financial Stability Board, which was established following the G-20 London summit in 2009. Societe Generale, among other global banks, has been named by the Financial Stability Board as a "systemically important financial institution" and may as a result be subject to additional capital buffer requirements. The application of these or other requirements may have material adverse effects on the Group's assets, financial condition, cash flow and results of operations. Societe Generale's business model could also be affected if new regulation favours the separation of investment banking and capital market activities from retail banking activities.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), enacted in the United States in 2010, will affect the Group and some of its businesses. Dodd-Frank calls for significant structural reforms affecting the financial services industry, including non-U.S. banks, by addressing, among other issues, systemic risk oversight, bank capital standards, the orderly liquidation of failing systemically significant financial institutions, over-the-counter derivatives, and the ability of banking entities to engage in proprietary trading activities and sponsor and invest in hedge funds and private equity funds. While certain portions of Dodd-Frank were effective immediately on enactment, other portions are subject to extended transition periods and a lengthy rulemaking process, making it difficult at this time to assess the overall impact (including extraterritorial impacts) any final rules could have on the Group or the financial services industry as a whole.

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<sup>1</sup> European Regulation on the capital adequacy of credit institutions (Capital Requirement Regulation, CRR).

<sup>2</sup> European Directive on the capital adequacy of credit institutions (Capital Requirement Directive, CRD).

**The Group is exposed to counterparty risk and concentration risk.**

The Group is exposed to credit risk with respect to numerous counterparties in the ordinary course of its business as a result of trading, lending, deposit-taking, clearance and settlement and other activities. These counterparties include institutional clients, brokers and dealers, commercial and investment banks and sovereign states. The Group may realise losses if a counterparty defaults on its obligations and the collateral that it holds does not represent a value equal to, or is liquidated at prices not sufficient to recover, the full amount of the loan or derivative exposure it is intended to cover. Many of the hedging and other risk management strategies utilised by the Group also involve transactions with financial services counterparties. The weakness or insolvency of these counterparties may impair the effectiveness of the Group's hedging and other risk management strategies, which could in turn materially adversely affect its business, results of operations and financial condition.

The Group may also have concentrated exposure to a particular counterparty, borrower or issuer (including sovereign issuers), or to a particular country or industry. A ratings downgrade, default or insolvency affecting such a counterparty, or a deterioration of economic conditions in such a country or industry, could have a particularly adverse effect on the Group's business, results of operations and financial condition. The systems the Group uses to limit and monitor the level of its credit exposure to individual entities, industries and countries may not be effective to prevent concentration of credit risk. Because of a concentration of risk, the Group may suffer losses even when economic and market conditions are generally favourable for its competitors.

**The soundness and conduct of other financial institutions and market participants could adversely affect the Group.**

The Group's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults by, or even rumours or questions about, one or more financial services institutions, or the loss of confidence in the financial services industry generally, may lead to market-wide liquidity scarcity and could lead to further losses or defaults. The Group has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Group to credit risk in the event of default by counterparties or clients. In addition, the Group's credit risk may be exacerbated when the collateral it holds cannot be realised for any reason or is not sufficient to recover the full amount of the Group's exposure.

**The Group's hedging strategies may not prevent losses.**

If any of the variety of instruments and strategies that the Group uses to hedge its exposure to various types of risk in its businesses is not effective, it may incur significant losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Group holds a long position in an asset, it may hedge that position by taking a short position in another asset whose value has historically moved in an offsetting direction. However, the hedge may only cover a part of its exposure to the long position, and the strategies used may not protect against all future risks or may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Group's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in its results of operations.

**The Group's results of operations and financial condition could be adversely affected by a significant increase in new provisions or by inadequate provisioning.**

The Group regularly sets aside provisions for loan losses in connection with its lending activities. Its overall level of loan loss provisions, recorded as "cost of risk" in its income statement, is based on its assessment of the recoverability of the relevant loans. This assessment relies on an analysis of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, certain economic conditions and other factors. Notwithstanding the care with which the Group carries out such assessments, it may have to substantially increase its provisions for loan losses in the future following increases in non-performing assets or for other reasons, as has been the case since the second half of 2008. Significant increases in loan loss provisions, a substantial change in the Group's estimate of its risk of loss with respect to non-impaired loans, or the occurrence of loan losses in excess of its provisions, could have a material adverse effect on its results of operations and financial condition.

**The Group is exposed to legal risks that could negatively affect its financial condition or results of operations.**

The Group and certain of its former and current representatives may be involved in various types of litigation including civil, administrative and criminal proceedings. The very large majority of such proceedings can be considered part of the Group's ordinary course of business. There has been an increase in investor litigation and regulatory actions against intermediaries such as banks and investment advisors in recent years, in part due to the challenging economic market environment. This has increased the risk, for the Group as well as for other financial institutions, of losses or reputational harm deriving from litigation and other proceedings.

It is inherently difficult to predict the outcome of litigation, regulatory proceedings and other adversarial proceedings involving the Group's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. In preparing the Group's financial statements, management makes estimates regarding the outcome of legal, regulatory and arbitration matters and records a provision when losses with respect to such matters are probable and can be reasonably estimated. Should such estimates prove inaccurate or the provisions set aside by the Group to cover such risks inadequate, its financial condition or results of operations could be materially and adversely affected.

**If the Group makes an acquisition, it may be unable to manage the integration process in a cost-effective manner or achieve the benefits expected from these acquisitions.**

The selection of an acquisition target is carried out by the Group following a careful analysis of the business to be acquired. However, such analyses often cannot be exhaustive due to a variety of factors. As a result, certain acquired businesses may be burdened by unanticipated troubled assets or may expose the Group to an increase in various risks, particularly in cases in which the Group was unable to conduct a full and comprehensive due diligence prior to the acquisition.

The successful integration of a new business typically requires the effective coordination of business development and marketing efforts, retention of key managers, recruitment and training, and integration of information technology systems. These tasks may prove more difficult than anticipated, require more management time and resources than expected, and the Group may experience higher integration costs and lower savings or earn lower revenues than expected. The degree to which synergies will be realised and their timing is also uncertain.

**The Group's risk management system may not be effective and may expose the Group to unidentified or unanticipated risks, which could lead to significant losses.**

The Group has devoted significant resources to develop its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, its risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that it fails to identify or anticipate. Some of its qualitative tools and metrics for managing risk are based upon observed historical market behaviour. The Group applies statistical and other tools to these observations to assess its risk exposures. These tools and metrics may fail to predict future risk exposures that arise from factors the Group did not anticipate or correctly evaluate in its statistical models. A failure to anticipate or manage risks could significantly affect its business, financial condition and results of operations.

**A failure or breach of the Group's information technology systems could result in losses.**

The Group relies heavily on communications and information systems to conduct its business. Any failure, interruption or breach in security of these systems, even if only brief and temporary, could result in failures or interruptions to its business leading to potential costs related to information retrieval and verification and a potential loss of business. A failure, interruption or security breach of its information systems could have a material adverse effect on its business, results of operations and financial condition.

**The Group may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks or natural disasters**

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks or natural disasters, could create economic and financial disruptions, lead to operational difficulties (including travel limitations or relocation of affected employees) that could impair the Group's ability to manage its businesses, and expose its insurance activities to significant losses and increased costs (such as insurance premiums).

**The Group may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.**

During the recent market downturn, the Group experienced a decline in the volume of transactions that it executed for its clients, resulting in a decline in its revenues from this activity. There can be no assurance that the Group will not experience a similar trend in future market downturns, which may occur periodically and unexpectedly. In addition, because the fees that the Group charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Group receives from its asset management, custodial and private banking businesses.

**Other risks:**

The Group is aware of no other risk to be mentioned in this respect.

***Factors that may affect the Issuer's and the Guarantor's ability to fulfil their respective obligations under the Notes and under the Guarantee and the Trust Agreement.***

***Issue of the Notes by the Issuer on the account of the Guarantor and Limited Recourse***

The obligations under the Notes constitute direct, unconditional, unsubordinated and, subject to the Guarantee unsecured limited recourse obligations of the Issuer and shall at all times rank *pari passu* and without preference among themselves. The Issuer and the Guarantor have entered into a trust agreement (the **Trust Agreement**) pursuant to which the Issuer shall, *inter alia*, (i) issue and redeem the Notes on a fiduciary basis (*treuhänderisch*) in its own name but for the account of the Guarantor; (ii)

collect any proceeds resulting from the issuance of the Notes and forward them to the Guarantor; and (iii) use only the funds made available to it by the Guarantor under the Trust Agreement (which funds shall equal the amount of any payments owed by the Issuer under the Notes as and when such payment obligations fall due and in a manner that allows the Issuer to fulfil its payment obligations in a timely manner) for payments owed under the Notes as and when they fall due and to make such payments on a fiduciary basis in its own name but for the account of the Guarantor. The Issuer's ability to satisfy its payment obligations under the Notes in full is therefore dependent upon it receiving in full the amounts payable to it by the Guarantor under the Trust Agreement.

Due to this trust structure, the Noteholders directly depend on the credit risk of the Guarantor (see "*Creditworthiness of the Guarantor*" below) rather than that of the Issuer. Any payment obligations of the Issuer under the Notes are limited to the funds received from the Guarantor under the Trust Agreement. To the extent the funds to be received from the Guarantor under the Trust Agreement prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom will be extinguished and no Noteholder has any further claims against the Issuer (subject, however, to the right to exercise any termination or early redemption rights). This applies irrespective of whether the Issuer would be able to make such payments out of other funds available to it.

#### *Creditworthiness of the Guarantor*

Pursuant to the Trust Agreement, the Guarantor is obliged to make available to the Issuer funds that equal the amount of any payments owed by the Issuer under the Notes as and when such payment obligations fall due and in a manner that allows the Issuer to fulfil its payment obligations in a timely manner. Due to this fiduciary issue structure the Noteholders depend solely and directly on the payments under the Trust Agreement and thus on the credit risk of the Guarantor (see "Issue of the Notes by Issuer on the account of the Guarantor and Limited Recourse" above).

Furthermore, the Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of any amounts due and payable and/or the due and punctual physical delivery of securities deliverable under or in respect of the Notes. The Guarantee constitutes a general and unsecured contractual obligation of the Guarantor and of no other person, which will rank equally with all other unsecured contractual obligations of the Guarantor and behind preferred liabilities, including those mandatorily preferred by law.

The Guarantor issues and guarantees 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. If investors purchase the Notes, they are relying upon the creditworthiness of the Guarantor and no other person and where the Notes relate to securities, they have no rights against the company that has issued such securities, and where the Notes relate to an index, they have no rights against the sponsor of such index and where the Notes relate to a fund, they have no rights against the manager of such fund. Further, an investment in the Notes is not an investment in the underlying assets and investors will have no rights in relation to voting rights or other entitlements (including any dividend or other distributions).

One or more independent credit rating agency(ies) may from time to time have assigned credit ratings to the Guarantor. These ratings may be subject to changes over time and they may not reflect all the factors which are relevant to determine the creditworthiness of the Guarantor. A credit rating is not a recommendation to buy, sell or hold any securities and may be revised or withdrawn by the relevant rating agency at any time. The change for the worse of the credit rating of the Guarantor has a negative effect on the value of the Notes.

#### *Risks associated with the lack of independence of the Issuer and the Guarantor*

Société Générale will act as the Guarantor of the Notes issued by the Issuer and also as provider of hedging instruments to the Issuer. As a result, investors will be exposed not only to the credit risk of the Guarantor but also operational risks arising from the lack of independence of the Guarantor in

assuming its duties and obligations as the Guarantor and provider of the hedging instruments. Therefore, the possibility of conflicts of interest arising cannot be wholly eliminated.

*Conflicts of interest*

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

With regard to the Notes and/or Certificates and Italian Certificates, as the case may be, the Issuer and the Guarantor and any of their subsidiaries and affiliates may act in other capacities, such as market maker, calculation agent, selling agent, agent and/or index sponsor. Such functions can allow the Issuer and the Guarantor and any of their subsidiaries and affiliates to determine the composition of the Underlying or to calculate its value, which could raise conflicts of interest where securities or other assets issued by the Issuer itself or the Guarantor or any of their subsidiaries and affiliates can be chosen to be part of the Underlying, or where the Issuer and the Guarantor and any of their subsidiaries and affiliates maintain a business relationship with the issuer of such securities or assets.

*Hedging and trading activity by the Issuer or the Guarantor or their affiliates could potentially affect the value of the Notes*

In the ordinary course of their business, whether or not they will engage in any secondary market making activities, the Issuer, the Guarantor and/or any of their affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in a certain asset (including an index or a basket of indices or a share or a basket of shares or a commodity or a basket of commodities or a fund unit or a basket of fund units or futures contracts on the same) (each a **Reference Asset**) by reference to which Structured Notes are calculated or related derivatives. In addition, in connection with the offering of the Notes, the Issuer, the Guarantor and/or their affiliates may enter into one or more hedging transaction(s) with respect to the Reference Asset(s) or related derivatives. In connection with such hedging or any market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and/or the Group, the Issuer, the Guarantor and/or their affiliates may enter into transactions in the Reference Asset(s) 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 relevant Noteholders. The above situations may result in consequences which may adversely affect the value of the Notes.

Furthermore, the Issuer may issue additional Tranches of Notes (**Further Notes**) that are fungible with the Notes, or other bonds, notes or instruments that, while not fungible with the Notes, may be linked to a Reference Asset (**New Investment Products** and, together with the Further Notes, **Other Structured Notes**). If Other Structured Notes are issued, Société Générale is likely to make additional investments in the Reference Assets to hedge exposure incurred in connection with such transactions related to Other Structured Notes. Any such investment in Reference Assets of Other Structured Notes could adversely affect the performance of the Reference Asset, which, in turn, could adversely affect the trading value of the Notes and the Final Redemption Amount.

## II. GENERAL, MARKET AND OTHER RISKS

### Risks related to Notes generally

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

#### *The Notes are not covered by protection institutes*

The Notes are neither secured by the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.*) nor by the German Deposit Guarantee and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz*). Furthermore, the Notes are also not covered by the Guarantee of the Federal Government given on 5 October 2008. In the case of the inability of the Issuer or the Guarantor to meet their obligations the investors could not rely on the above mentioned protection institutes.

#### *Independent Review and Advice*

Each prospective investor in the 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 is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer or any additional dealer or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

#### *Modification of the Terms and Conditions by resolutions of Noteholders*

The Terms and Conditions of the Notes contain provisions in accordance with and subject to the German Bond Act 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 voted in a manner contrary to the majority. Such resolution might have negative impact on the financial situation of a single Noteholder.

#### *Joint Representative*

A Joint Representative might execute its rights contrary to the interests of a single Noteholder. The authorisation of the Joint Representative to exercise certain rights excludes the Noteholders of the entitlement to exercise such rights themselves.

#### *Rescission (Anfechtung)*

The Terms and Conditions provide provisions which allow the Issuer to declare a rescission (*Anfechtung*) in the case of obvious, evident or manifest errors included in the Terms and Conditions. Furthermore, the Issuer can combine the rescission with an offer to continue the Notes on the basis of amended Terms and Conditions. A prospective Noteholder should be aware that the yield out of the rescission might be below the expected yield of the Notes at maturity.

#### *Assessment of Investment Suitability*

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:

- 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;
- 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;
- 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 currency(ies), or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks.

Some Notes are complex financial instruments. 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 and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Some Notes which are complex financial instruments may be redeemable at an amount below par in which case investors may lose the value of part or their entire investment.

#### *Taxation*

Potential purchasers and sellers of the Notes 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 in relation to the tax treatment for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms 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 such adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

#### *EU Savings Directive*

Under EC Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The current rate of the levy applicable to such payments is 35 per cent. An investor

should note that as the result of this deduction the redemption amount paid might be less than expected.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

#### *Change of law*

The conditions of the Notes (including any non-contractual obligations arising therefrom or connected therewith) are based on relevant laws 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 such laws or the official application or interpretation of such laws, or administrative practices after the date of this Base Prospectus.

#### *Legality of purchase*

Neither the Issuer, the Dealer or any additional dealer nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it. This section does in no way limit the included responsibility statement.

#### *No legal tax and advice*

Each prospective investor should consult its own advisers as to legal, tax and related aspects about the risks entailed by an investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by the tax on that Noteholder of its investment in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

#### *Performance of the Notes during the lifetime of the Notes*

Attention should be paid to the fact that the performance of the Notes during their lifetime may not represent exactly the performance of the Underlying(s) and may therefore deviate materially from the redemption scenario at maturity. This may mainly affect Notes which are represented by financial instruments for the purpose of hedging by the Issuer or an affiliated company of the Issuer. In addition to the performance of the Underlying(s) the volatility, dividends, interest or other parameters might have a material effect on the performance of the Notes during their lifetime. Only at maturity the investor can claim the redemption amount which is provided by the Terms and Conditions of the Notes in respect to the value of the Underlying(s).

#### *Notes whose interest and/or redemption amount is calculated by reference to a formula*

Where an issue of Notes references a formula in the applicable Final Terms as the basis upon which the interest payable and/or the amount payable and/or assets deliverable on redemption is calculated potential investors should ensure that they understand the relevant formula and if necessary seek advice from their own financial adviser. In addition the effects of the formula may be complex with respect to expected amounts of interest and/or amounts payable and/or assets deliverable on redemption and in certain circumstances may result in increases or decreases in these amounts.

#### *Transaction and other costs*

As a consequence of transaction and other costs, the possible return on the Notes (if any) may be lower than expected. The ancillary costs incurred upon the purchase or sale of the Notes may significantly reduce or even exclude the profit potential of the Notes. Among others, they include distribution fees and provisions with which banks normally charge their customers (e.g. as fixed minimum commissions or as commissions which are dependent on the order value). To the extent that additional (domestic or foreign) parties are involved in the execution order, such as domestic dealers or brokers in foreign markets, the investors must take into account that they may also be charged with such parties brokerage fees, commissions and other fees and expenses (third party costs). In addition to these costs which are directly related to the purchase of the Notes, the investors must also take into account any follow-up costs of the purchase (such as custody fees). Before investing in the Notes, investors should therefore inform themselves about any costs incurred in connection with the purchase, custody or sale of the Notes.

#### *Reinvestment Risk*

Noteholders may be exposed to risks connected to the reinvestment of cash resources freed from any Note. The return the Noteholder will receive from a Note depends not only on the price and the nominal interest rate of the Note but also on whether or not the interest received during the term of the Note can be reinvested at the same or a higher interest rate than the rate provided for in the Note. The risk that the general market interest rate falls below the interest rate of the Note during its term is generally called reinvestment risk. The extent of the reinvestment risk depends on the individual features of the relevant Note. This risk might be especially relevant in the case of Early Redemption of the Notes.

#### *Inducements*

The issue price of the Notes may be based on internal pricing models of the Issuer or the relevant Dealer and may be above their market value. The purchase price of the Notes may include issue premiums, the amount and range of which will be specified in the Final Terms. In addition, certain inducements may be granted by the Issuer/the Guarantor to investment services companies (or internally) in connection with the placement and the offer of the Notes as well as their listing. This includes, *inter alia*, placement commissions, volume dependent trailer commissions and discounts on the issue price (if applicable).

#### *Mistrades*

The regulations of trading centres may provide so called mistrade rules according to which trading participants may make a mistrade application in order to unwind transactions in traded Notes which are, according to the relevant applicant's opinion, not in line with the market or have arisen from technical malfunction. This may have adverse economic consequences on the affected investor.

#### *Influence of Hedging Transactions of the Issuer*

The Issuer and/or its affiliates may in the course of their business activity engage in trading in the relevant underlying(s) of Notes with underlying related interest and/or redemption. In addition, the Issuer and its affiliates may enter into transactions in order to partially or completely hedge the risks associated with the issuance of the Notes. These activities may have an influence on the value of the underlying(s) and therefore also on the market value of the Notes.

In special market situations, where the Issuer and/or its affiliates are completely unable to conclude hedging transactions, or where such transactions are very difficult to conclude, the spread between the bid and offer prices which may be quoted by the Issuer and/or its affiliates may be temporarily expanded, in order to limit the economic risks to the Issuer. Thus, Noteholders selling their Notes on

an exchange or on the over-the-counter market may be doing so at a price that is substantially lower than the actual value of the Notes at the time of sale.

*Dependence on Third-Party Information*

In the case of Notes with underlying related interest and/or redemption, the calculations made for the determination of the payments or deliveries to be made by the Issuer usually rely on information concerning the underlying(s) which are compiled by third parties. In the case of doubt, the accuracy of such information is not subject to the Calculation Agent's verifiability and it cannot be excluded that incorrect or incomplete information from these third parties will be perpetuated in these calculations and determinations of the Calculation Agent. Neither the Issuer nor the Calculation Agent assumes any liability for any such calculation error, save for own wilful default or gross negligence.

*Underlying Counterparty Risks*

The underlying of a Note may be subject to the risk of manager, broker, other key persons, exchange, depository, clearinghouse and counterparty insolvency as well as the risk of fraud and other criminal acts carried out by such entities or persons. The underlying could be lost or impounded during lengthy bankruptcy or other legal proceedings. Were a substantial portion of the underlying's capital tied up in a bankruptcy, trading may be suspended or limited, perhaps causing the underlying to miss significant profit opportunities. These risks may adversely affect the value of the underlying and correspondingly the value of and the payments under the Notes or even cause the value of the underlying (and correspondingly the value of and the payments under the Notes) to be zero and result in a total loss of the capital invested.

*Minimum Trading Amount*

Investors should note that the Notes may have a minimum trading amount. In such cases, if following the transfer of any Notes, a holder holds fewer Notes than the specified minimum trading amount, such holder will not be permitted to transfer their remaining Notes prior to expiration or redemption, as applicable, without first purchasing enough additional Notes in order to hold the minimum trading amount.

**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.

The number of issued Notes does not allow any conclusions on the liquidity of the Notes in the secondary market.

In the case of Italian Listed Certificates, the Issuer (or a third party appointed for this purpose) shall undertake to act as a market maker in relation to the Certificates and, therefore, to display continuous bid and offer prices that do not differ by more than the maximum spread indicated by Borsa Italiana S.p.A. (spread obligations) in its instructions to the listing rules of the markets managed and organised by Borsa Italiana S.p.A. (respectively, the **Instructions** and the **Listing Rules**), and/or in the

instructions of the other regulated or unregulated markets with similar listing requirements, with the timing and for the quantity set out by the above mentioned Instructions.

**In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to certain of the Notes which may be issued hereunder. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes, any underlying or reference, or the assets of the Issuer and/or the Guarantor. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.**

Although applications may be made for the Notes issued under the Programme to be listed and admitted to trading on any relevant stock exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop.

#### *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 or principal than expected, or no interest 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.

As regards Floating Rate Notes, a key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them and therefore their investment return cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the notes provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to also issue Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes (and vice versa).

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agency(ies) 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 Notes 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 by Regulation (EU) No. 513/2011, 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).

*Legal investment considerations may restrict certain investments*

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 advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

*Market value of the Notes*

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

In addition, the market value of the Notes will be affected by the creditworthiness of the Issuer and/or that of the Group and a number of additional factors, including the market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France and elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

*Investment Company Act*

The Issuer has not registered with the United States Securities and Exchange Commission (the **SEC**) as an investment company pursuant to the Investment Company Act. Investors in the Notes will not have the protections of the Investment Company Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act, has failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves, a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court was to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, such Issuer would be materially and adversely affected.

*Market Price Risk*

The development of market prices of the Notes depends on various factors, such as creditworthiness of the Issuer respectively the Guarantor, changes of market interest rate levels, the policy of central

banks, overall economic developments, inflation rates, deflation rates or the lack of or excess demand for the relevant type of Notes. The holder of Notes is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the holder sells the Notes prior to the final maturity or, in the case of open end notes, before redemption of such Notes. The above described factors and accordingly the risks may be increased by the measures taken by governments in the context of the financial markets crisis.

*A Note's purchase price may not reflect its fair (mathematical) value*

The purchase price of a Note does not necessarily reflect its fair value. Any difference between a Note's purchase price and its fair value may be due to a number of different factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid or accorded to the various parties involved in structuring and/or distributing the Note. For further information prospective investors should refer to the party from whom they are purchasing the Notes. Prospective investors may also wish to seek an independent valuation of Notes prior to their purchase.

*Prices provided by the market maker*

The prices provided by a market maker may deviate materially from the fair (mathematical) value respectively from the expected economic value of the Notes based on the above mentioned factors at the relevant time. Additionally, the market maker may amend the methodology of fixing the provided prices at any time, e.g. by minimizing or extending the spread.

*Risks relating to Revenues and Profitability due to Financial Markets Crises*

The global capital markets are still exposed to particular instability influenced by factors such as the deterioration in the sub-prime mortgage market in the United States. The financial crisis that has followed the breakdown of the U.S. sub-prime mortgage market since summer 2007 has led to a worldwide economic downturn and has had considerable effects on the real economy around the globe. Economic forecasts signal a continued impact of the Financial Market Crisis also in 2012, the risk of a further increase in unemployment and inflation, leading to a general trend towards monetary tightening.

Additionally, prospective Noteholders should be aware of the financial risks based on material national debts caused by extraordinary public spending for bail-outs and economic stimulus packages in the Financial Market Crisis.

Financial markets crises may be caused – even unexpected – by various factors, in the most diverse fields of business, branches, (sub-)markets, countries and, among others, by individual companies or groups of companies. The globalisation of markets and the complexity of singular businesses, which interlink different fields of business or financial market segments one way or the other, have the consequence that crises – such as the one beginning in 2007 emanating from the sub prime segment of the US-mortgage markets – have effects beyond their origin and globally affect various market participants and sub market segments in different ways directly or indirectly, immediately or with temporarily delay – to some extent even for the longer term.

General loss of confidence in the markets, which usually has an across-the-board effect and neglects the consideration of individual companies, up to panic reactions by market participants – including “domino effects” for technical reasons – may be or have unfavourable consequences. As an example, the crisis beginning in 2007 particularly led to restrictions with regard to the supply of liquidity (*inter alia* through the increase of credit spreads in the market) and resulted in corrections of the valuation of assets and in supports of directly affected credit institutions and credit institutions which faced financial difficulties.

It cannot be excluded that this crisis will have a long term and lasting effect on the financial markets, the business cycle and the economic growth on which also the economic development of the Issuer and/or the Guarantor and/or any of their affiliates is dependent. Furthermore, it cannot be excluded

that other crises will occur on the financial markets, which may have a significant direct negative effect on the business areas of the Issuer and/or the Guarantor and/or the Group and/or any of their affiliates and thereby on their assets and liabilities, financial position and profits and losses. The same applies with regard to the amounts to be paid under and the market value of the Notes.

### III. 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 features, which may increase the risk of investing in such Notes:

#### *Open End Notes*

Potential investors who take into account to purchase Open End Notes should consider that this type of Notes does not have a determined maturity. Therefore, the duration of the Notes is dependent on an optional redemption, if any, elected by the Issuer (see also "*Notes subject to optional redemption by the Issuer*" below). If there is no secondary market, there might be no possibility for the investors to sell the Notes.

#### *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 may also 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 subject to an automatic early redemption*

The Notes may provide for an automatic early redemption linked to a specific event. In such a case the lifetime of the Notes expires automatically without a separate termination requirement of the Issuer. In such a case the investor will not participate in future performances of the Underlying(s).

#### *Structured Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index and/or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currency(ies) which may be different from the currency in which the Notes are denominated.

Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

- (vi) 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
- (vii) 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 should not be viewed as an indication of the future performance of such index during the term of any Structured Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an Investment in any Structured Notes or Dual Currency Notes and the suitability of such Notes in light of its particular circumstances.

*Partly-Paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one part payment. Failure to pay any subsequent part payment could result in an investor losing some or all of his investment.

*Fixed Rate Notes*

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.

*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.

*Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

*Geared Structured Notes*

Structured Notes where the performance of an underlying is multiplied by a certain factor to determine the amounts payable by the Issuer are subject to increased volatility and risks. Changes in the value of the underlying have an intensified effect on the value of the Notes and lead to a higher risk of a total loss of the invested capital.

*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, 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.

#### *Zero Coupon Notes*

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and a comparable credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

#### *Capital Protected Notes*

If and to the extent that a certain amount has been declared protected in the relevant Final Terms, such protection does not necessarily lead to a protection of the invested capital at any given time during the life of the Notes and such protection may only apply on certain dates and subject to certain conditions. Even if a protection applies, the protected amount may be less than the invested capital. The payment of any protected amounts may be affected by the condition (financial or otherwise) of the Issuer and the Guarantor and an inability of the Issuer and/or the Guarantor to meet their obligations may cause a total loss of the capital invested by the investor.

#### *Notes issued at a substantial discount or premium*

The market values of Notes issued at a substantial discount to 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 Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### *Notes linked to certain events*

The interest rate or redemption amount of certain Notes may be linked to the occurrence or non occurrence of certain events which are not connected with the Issuer or the Guarantor, such as credit, price levels, weather or sports events. The occurrence of such events is beyond the control of the Issuer and the Guarantor and Noteholders are exposed to the risk of such event occurring or not, as the case may be.

#### *Notes redeemed by Physical Delivery*

In the event of the Notes providing for a delivery of any underlying asset upon redemption (as specified in the applicable Final Terms), investors shall be required to make certain notifications and take other actions (e. g. to opt for physical delivery and giving an irrevocable notice) as set out in the Terms and Conditions. The delivery of such underlying asset will be subject to all applicable laws (including but not limited to tax laws which may lead to higher taxation and to a reduced return under the Notes or to no return at all), regulations and practices and the Issuer shall not incur any liability whatsoever if it is unable to deliver or procure the delivery of such underlying to the relevant holder of the Notes because of any such laws, regulations or practices. Each holder of a Note should be aware that if the Notes may be redeemed by physical delivery of the underlying (as specified in the relevant Final Terms), it shall be deemed to acknowledge its understanding and acceptance of this matter and to have made its own examination and assessment of its capacity and power to receive such underlying and not to have relied on any representation of the Issuer, the Paying Agents, Société Générale as Guarantor or as Calculation Agent under the Notes, or Société Générale's affiliates regarding this matter. In particular, the Issuer, the Paying Agents, Société Générale as Guarantor or as Calculation Agent under the Notes, or Société Générale's affiliates shall not be in any way responsible for checking the capacity and power of any holder of the Notes to have its Notes redeemed by delivery of the underlying (even if it has notice of any other facts and circumstances), and the relevant holder of any Note shall bear full responsibility for any consequences that may arise from the delivery to it of any underlying or, as the case may be, non-delivery as a consequence of such holder not having the required capacity and power to receive delivery of such underlying.

*Knock-In/-Out Event(s)*

Any redemption amount, interest payment or physical delivery amount in respect of a Note may be subject to the occurrence of a Knock-In Event or a Knock-Out Event. Such occurrence may affect adversely any such amount(s) to be received by a Noteholder which, in a worse case scenario, may be equal to zero.

*Market disruptions and adjustments*

The Terms and Conditions may include provisions under which upon the occurrence of certain market disruptions (as described therein) delays in the settlement of the Notes may be incurred or certain modifications be made to their terms. Furthermore, the Terms and Conditions may include provisions under which, upon the occurrence of certain events with regard to the Relevant Factor, modifications may be made with regard to such Relevant Factor and/or the Terms and Conditions and/or a substitution of the relevant Relevant Factor by another Relevant Factor and/or an early termination of the Notes by the Issuer may occur.

*Limited/Capped Yield*

The yield of the Notes might be capped at a certain level. Therefore, the investors might not participate in the performance of the Underlying above this limited yield.

*Leverage*

If the yield of the Notes is determined by reference to a factor greater than one or by reference to some other leverage factor, the effect of changes in the price or level of the Reference Asset will be magnified.

Notes with a leverage effect are very speculative and risky instruments, because a loss in the value of the Underlying comprises the risk of a material loss up to a total loss of the investment plus additional transaction costs.

*Actions to be taken by the Issuer*

The Issuer and/or any of its affiliates may carry out activities that minimise its and/or their risks related to the Notes, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the underlying of a Structured Note whether for risk reduction purposes or otherwise. In addition, in connection with the offering of any Notes, the Issuer and/or any of its affiliates may enter into one or more hedging transaction(s) with respect to the underlying of a Structured Note. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the underlying of a Structured Note which may affect the market price, liquidity or value of such underlying and/or the Notes and which could be deemed to be adverse to the interests of the Noteholders. Further, it is possible that the advisory services which the Issuer and/or its affiliates provide in the ordinary course of its/their business could lead to an adverse impact on the value of the underlying of a Structured Note.

**Risk factors relating to Fund Linked Notes<sup>3</sup>**

The fund units may be issued hedge funds or mutual funds (hereafter the underlying funds).

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

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<sup>3</sup> Statements in this section concerning funds and fund managers also apply to any portfolio of funds or basket of funds and any portfolio manager

To the extent the underlying(s) of a series of Notes include(s) a fund or portfolio 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 Société Générale 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 Société Générale). Investors should not conclude that the sale by the Issuer of the Notes is any form of investment recommendation by the Issuer or any of its affiliates to invest in the underlying fund(s).

*Risks relating to underlying funds that are hedge funds*

Fund units, and investments in hedge funds generally, are speculative and involve a high degree of risk. Neither the Issuer nor the Guarantor gives any assurance as to the performance of fund units.

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

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

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

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

Société Générale and certain of its affiliates from time to time obtain information regarding specific hedge funds that may not be available to the general public. Any such information is obtained by Société Générale and certain of its affiliates in the ordinary course of their businesses, and not in connection with the offering of the Notes (including in respect of funds that are managed by managers affiliated with Société Générale). In connection with the ordinary course of their businesses, Société Générale and certain of its affiliates may recommend, or determine not to recommend, specific hedge funds to their clients. Hedge funds as to which Société Générale and certain of its affiliates have formed investment recommendations may now or may in the future be among the underlying funds used in the redemption formula of Notes. Any views that may be held by Société Générale and certain of its affiliates with respect to the expected future performance of one or more of the funds (including in respect of funds that are managed by managers affiliated with Société Générale) would not be an indication of the future expected performance of the fund, and neither Société Générale nor any of its affiliates has formed a view with respect to the expected future performance of a fund.

*Volatility of the markets may adversely affect the value of the fund units*

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

Funds' performances (especially hedge funds) may be highly volatile. Movements in the net asset value of the fund tracked by the fund units may vary from month to month. Trades made by fund managers may be based upon their expectation of price movements as the relevant investments

approach and reach maturity several months following initiation of the trades. In the meantime, the market value of positions may not increase, and may in fact decrease, and this will be reflected in the net asset value per share.

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

Market volatility may produce significant losses on the fund units.

*The use of leverage may increase the risk of loss in the value of the fund units*

The underlying funds may have recourse to leverage i.e. borrow amounts that represent more than 100 per cent. of the value of their assets to invest further in assets that involve additional risks. Accordingly, a small downward movement in the value of a fund's assets may result in a significantly larger loss for the fund.

*Funds managers may be eligible to earn incentive compensation*

The potential for a fund manager to earn performance-based compensation (including a manager that is affiliated with Société Générale) may encourage such fund manager to trade in a more speculative manner than it otherwise would. Therefore, because the incentive compensation of the fund's managers and/or investment advisors to hedge funds is often directly influenced by the performance of such funds, each fund manager may consequently have an incentive to take greater risks when making investments that may result in greater profits. By taking greater risks when making investments consequently there is greater scope for significant losses. In addition, the fund's managers and/or the investment advisors may receive management, advisory or performance fees even though the fund has not realised any gains.

*Funds managers' investments are not verified*

Neither the Issuer, nor Société Générale as Guarantor or as Calculation Agent under the Notes, nor Société Générale's affiliates is or will be responsible for verifying or ensuring that the fund's managers comply with its stated trading strategy (including a manager that is affiliated with Société Générale).

The fund's managers (including a manager that is affiliated with Société Générale) do not have any obligations to the Noteholders, or other role in connection with the Notes, including any obligation to take the needs of the Noteholders into consideration for any reason. The fund's managers (including a manager that is affiliated with Société Générale) are not responsible for, and have not endorsed or participated in, the offering, placement, sale, purchase or transfer of the Notes. The fund's managers (including a manager that is affiliated with Société Générale) are not responsible for, and will not participate in, the determination or calculation of the amounts receivable by Noteholders.

Underlying funds that are hedge funds, are not subject to the same regulatory regime, or regulated to the same extent as, mutual funds or registered securities or securities offerings. Changes to the current regulatory environment could affect the investment, operations and structure of the underlying funds and could adversely affect the performance of the underlying funds.

The underlying funds may invest in assets that involve further risks and such risks may not be fully disclosed at the time of investment by the Issuer. The fund's managers and/or the investment advisors to hedge funds may invest in and trade in a variety of financial instruments using sophisticated investment techniques for hedging and non-hedging purposes. Such financial instruments and investment techniques include but are not limited to the use of leverage (i.e., borrowing money for investment purposes), short sales of securities, transactions that use derivatives such as swaps, stock options, index options, futures contracts and options on futures, transactions that involve the lending of securities to certain financial institutions, the entry into repurchase and reverse repurchase

agreements for securities and the investment in foreign securities and foreign currencies. Furthermore, hedge funds may borrow an amount of more than 100 per cent. of its assets on a consistent basis to increase its leverage. While these investment strategies and financial instruments allow the fund's managers and/or the investment advisors the flexibility to implement a range of strategies in an attempt to generate positive returns for the fund, they also create the risk of significant losses that may adversely affect the fund.

Hedge funds may invest in securities listed or traded on foreign exchanges. The execution of transactions on foreign exchanges might involve particular risks including but not limited to: higher volatility, government intervention, lack of transparency, lack of regulation, currency risk, political risk and economic social instability.

*Reliance on fund's managers and/or investment advisors of the underlying fund(s)*

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

The fund's managers and/or the investment advisors may manage or advise other funds and/or accounts and may have financial and other incentives to favour such other funds and/or accounts over the underlying fund(s). Also, the fund's managers and/or the investment advisors may manage or advise for their own accounts and the accounts of their clients and may make recommendations or take positions similar or dissimilar to those of the underlying fund(s) or which may compete with the underlying fund(s).

*Fees, deductions and charges will reduce the Final or Early Redemption Amount*

Fund fees will be deducted from the net asset value of the fund, reducing the value of the fund units. Accordingly, to the extent that the Final or Early Redemption Amount is linked to the net asset value of a fund, the Final or Early Redemption Amount payable to Noteholders will be less than it would have been absent these fees, deductions and charges, but Société Générale or one of its affiliates may be the beneficiary of such fees or obtain rebate on such fees from third parties.

*Net Asset Value*

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

*The illiquidity of the underlying fund's investments may cause the payment of the Final or Early Redemption Amount and/or any Intermediary Amount to be reduced or delayed*

The intermediary amounts or final redemption amounts due to investors in Notes having funds as underlyings may be based on the redemption proceeds that would be paid in cash by the underlying fund to a hypothetical investor as a result of a valid and timely notice for redemption given by such hypothetical investor with effect as of the relevant valuation date. To meet a redemption request, the underlying fund would likely sell its own assets but such investments may not be readily saleable on or shortly after the valuation date for various reasons, including, but not limited to:

- infrequent redemption opportunities allowed by such underlying fund (for example, many hedge funds only allow monthly or quarterly liquidity);
- "gating"<sup>4</sup>, "lock-ups"<sup>5</sup>, side pockets<sup>6</sup> or discretionary redemption delays or suspensions imposed by such underlying fund (for example, many hedge funds have provisions whereby redemption requests are scaled back if the aggregate amount of such requests reaches a predetermined limit);
- such underlying funds' own investments may be illiquid;

In these situations, (i) the payment of an intermediate amounts may be postponed by the Calculation Agent too soon after the date on which the underlying fund pays all the redemption proceeds in respect of a valid and timely redemption order given after the occurrence of an event as described above or to the maturity date of the Notes and/or (ii) the payment of the final redemption amount will occur on the basis of the redemption proceeds paid by the underlying fund in respect of a valid and timely redemption order given after the occurrence an event described above. If the redemption proceeds have not been paid by the underlying fund on the maturity date of the Notes, the payment of the intermediate amounts or final redemption amounts, may be postponed after the maturity date up to a maximum period of two years. If at the expiry of this two-year period, the underlying fund has not paid in full the redemption proceeds, the intermediate and final redemption amounts shall be determined by the Calculation Agent on the basis of what has actually been paid by the underlying fund. The amount received by the investors in the Notes may be as low as zero.

In the case of the occurrence of certain extraordinary events affecting an underlying fund, such as but without limitation the insolvency, nationalisation or merger of the underlying fund, a resignation or termination or replacement of the administrator, custodian, investment adviser or manager of the fund, or a breach by the underlying fund of its investment strategy, the Calculation Agent may decide to terminate soon after the occurrence of such extraordinary event, the exposure of the Notes to the underlying fund and the intermediate amounts and/or the final redemption amounts and (i) pay any intermediate amount due to the investor in the Notes either immediately or at the maturity date on the basis of the redemption proceeds paid by the underlying fund in the liquidation of the exposure to such underlying fund and/or (ii) pay the final redemption amount at the maturity date on the basis of the redemption proceeds paid by the underlying fund in the liquidation of the exposure to such underlying fund. If the underlying fund is also subject to liquidity problems as described above, the postponement of the payment of the intermediate amounts and/or final redemption amount up to a maximum period of two years may also apply.

Given recent experience in the hedge fund industry, it is likely that such delay would have an adverse impact on the amount payable to you under the Notes.

*If the underlying fund(s) invest(s) through a master-feeder structure, the latter may have an adverse effect on the underlying fund(s) and, therefore, the Notes*

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<sup>4</sup> Gating allows redemption requests to be reduced to a certain percentage of the fund's total assets during any redemption period

<sup>5</sup> Time frame in which an investor of a hedge fund is not allowed to redeem or sell shares.

<sup>6</sup> Hedge funds that use a type of account to separate more liquid investments from other illiquid assets.

The underlying fund(s) may invest through a "master-feeder" structure. As such, the underlying fund(s) will contribute substantially part or all of its assets to the master fund and may do so alongside other investors, including other feeder funds. The relevant master fund may also establish or allow investment by additional investors or feeder funds in the future.

The master-feeder fund structure, in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. The underlying fund(s) may be materially affected by the actions of other investors, investment vehicles and feeder funds investing in the master fund, particularly if such investors have large investments in the master fund. For example, if a larger investment vehicle or entity with a large investment in the master fund redeems from the master fund, illiquidity in certain securities or markets could make it difficult for the master fund to liquidate positions on favourable terms to effect such redemption, which could result in losses or a decrease in the net asset value of the master fund. In addition, to satisfy such redemptions, the sub-manager may need to liquidate the master fund's most liquid investments; leaving remaining investors (including the underlying fund(s)) invested in more illiquid instruments. Such withdrawals may also leave the master fund with a less diversified pool of investments. This may increase the overall portfolio risk of the master fund, and, ultimately, the Notes. Conversely, the sub-manager may refuse a redemption request if it believes that such request, if fulfilled, would have a material adverse impact on the remaining investors of the master fund. This may negatively impact the liquidity of the master fund and, therefore, the underlying fund(s) and the Notes.

*Certain business activities may create conflicts of interest with Noteholders*

The Issuer and the Guarantor, or one or more of their affiliates, may engage in trading and other business activities relating to the underlying fund(s) or their underlying assets that are not for the Noteholders' accounts or on behalf of the Noteholders. These activities may present a conflict between a Noteholder's interest in the Notes and the interests the Issuer and the Guarantor, or one or more of their affiliates, may have in their proprietary account. Such activities may include, among other things, the exercise of voting power, financial advisory relationships, financing transactions, derivative transactions and the exercise of creditor rights, each of which may be contrary to the interests of the Noteholders. Any of these trading and/or business activities may affect the value of a underlying fund(s) and thus could be adverse to a Noteholder's return on the Notes. The Issuer, the Guarantor and their affiliates may engage in any such activities without regard to the Notes or the effect that such activities may directly or indirectly have on Notes of any series.

In addition, in connection with these activities, the Issuer, the Guarantor and/or their affiliates may receive information about the underlying fund(s) or their underlying assets that will not be disclosed to the Noteholders. The Issuer, the Guarantor and their affiliates have no obligation to disclose such information about the underlying fund(s) or the companies to which they relate.

*Additional investments in, or withdrawals of amounts previously invested in, the fund may adversely affect the value of the fund units*

In the ordinary course of their business, whether or not they will engage in any secondary market making activities, the Issuer, the Guarantor or one or more of their affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the underlying fund(s), underlying assets of the underlying fund(s) and/or related derivatives. In addition, in connection with the offering of any series of Notes and during the term of such series of Notes, each of the Issuer, the Guarantor or one or more of their affiliates in order to hedge its obligations under the Notes, may enter into one or more hedging transaction(s) with respect to the underlying fund(s), underlying assets of the underlying fund(s) and/or related derivatives.

In connection with any of such hedging or any market making activities or with respect to proprietary or other such trading activities, the Issuer, the Guarantor and/or their affiliates may enter into transactions in the underlying fund(s), underlying assets of the underlying fund(s) and/or related derivatives which

may affect the market price, liquidity or value of the underlying fund(s) or their underlying assets, and therefore the Notes. The Issuer, the Guarantor and/or any of their affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the underlying fund(s) or their underlying assets. Any of the above situations may result in consequences which may be adverse to a Noteholder's investment. The Issuer and the Guarantor assume no responsibility whatsoever for such consequences and their impact on a Noteholder's investment.

Investors should be aware that, as a result of hedging decisions by the hedging counterparty, transfers into or out of the fund by the hedging counterparty may affect the value of the fund units and, in turn, the Final or Early Redemption Amount of the Notes.

Furthermore, the Issuer may issue additional Tranches of Notes that are fungible with the Notes, or other bonds, notes or instruments that, while not fungible with the Notes, may be linked to an index with a component which has the underlying funds as the reference asset. If such Notes are issued, Société Générale is likely to make additional investments in the underlying funds to hedge exposure incurred in connection with such transactions related to such Notes. Any such investment in the underlying funds could adversely affect the performance of the fund units, which could adversely affect the trading value of the Notes and the Final or Early Redemption Amount.

#### *Legal, tax and regulatory changes*

Legal, tax and regulatory changes could occur during the term of the Notes that may adversely affect the underlying fund(s). The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the underlying fund(s). In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the underlying fund(s) could be substantial and adverse and consequently adversely affect the value of the Notes.

#### *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 your payment under the Notes, your investment in the Notes will not be used to purchase interests in the underlying fund(s) on your behalf.

The Issuer, or an affiliate, may purchase interests in the underlying fund(s) in order to hedge its obligations under the Notes but it is under no obligation to do so. Such interests, if any, are the separate property of the Issuer or such affiliate and do not secure or otherwise underlie the Notes. Therefore, in the event of a failure to pay the Final or Early Redemption Amount by the Issuer under the Notes, you will have no beneficial interest in or claim to any such interests in the underlying fund(s). Accordingly, any claims by you pursuant to the terms and conditions of such Notes will be *pari passu* with all other unsecured, unsubordinated, unconditional creditors of the Issuer.

#### **Risk factors relating to Structured Notes**

Where payments (whether in respect of principal and/or interest and whether at maturity or otherwise) on Structured Notes are calculated by reference to an index, or a basket of indices or a share or a basket of shares, the creditworthiness of any reference entity or reference obligation or a basket of reference entities or reference obligations, a commodity or a basket of commodities (or futures

contracts on the same) (each a **Reference Asset**), the return of the Notes is based on changes in the value of the Reference Asset, which fluctuates. Changes in the value of the Reference Asset cannot be predicted. Although historical data with respect to the Reference Asset is available, the historical performance of the Reference Asset should not be taken as an indication of future performance.

*Investors' yield may be lower than the yield on a standard debt security of comparable maturity*

Unlike conventional fixed rate or floating rate debt securities, Structured Notes whose payments (whether in respect of principal and/or interest and whether at maturity or otherwise) are calculated by reference to an index, may not provide investors with periodic payments of interest.

Further, with respect to the Final or Early Redemption Amount, the effective yield to maturity of the Notes may be less than that which would be payable on a conventional fixed rate or floating rate debt security. The return of only the Final or Early Redemption Amount of each Note at maturity may not compensate the holder for any opportunity cost implied by inflation and other factors relating to the value of money over time.

*Adjustment or substitution – Early redemption of the Notes*

The Calculation Agent may, in certain circumstances, proceed to adjustments or substitutions, or even decide the early redemption of the Notes, in particular upon the occurrence of events affecting the underlying instrument(s). In the absence of manifest or proven error, these adjustments, substitutions or early redemption decisions will be binding upon the Issuer, the Guarantor, the Agent and the Noteholders. The Issuer may also have a discretionary right to redeem the Notes early. In all such cases, the early redemption of the Notes may result in the total or partial loss of the amount invested.

#### ***Risk factors relating to Structured Notes based on indices***

*Return does not reflect dividends*

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

*Risks relating to an index*

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

- historical performance of the index does not indicate the future performance of the index. It is impossible to predict whether the value of the index will fall or rise during the term of the Notes; and
- if the index comprises underlying stocks, the trading prices of the stocks underlying the index will be influenced by political, economic, financial, market and other factors. It is impossible to predict what effect these factors will have on the value of any asset related to the index and, in turn, the return on the Notes.

The policies applied by an index sponsor (including a sponsor that is affiliated with Société Générale) concerning additions, deletions and substitutions of the assets underlying the index and the manner in which the index sponsor takes account of certain changes affecting such underlying assets may affect

the value of the index. The policies of an index sponsor with respect to the calculation of an index could also affect the value of the index. An index sponsor may discontinue or suspend calculation or dissemination of information relating to its index. Any such actions could affect the value of the Notes.

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

*Conflicts of interest in connection with indices*

The composition of, and the methodologies used in connection with, certain indices to which Notes are linked may be determined and selected by Société Générale or one of its affiliates. In selecting such methodologies, Société Générale or the relevant affiliate of Société Générale, can be expected to have regard to its own objectives and interests and/or those of the Group and there is no guarantee that the methodologies selected will not be less favourable to the interests of investors than methodologies used by other index sponsors in comparable circumstances.

If the hedging activities of Société Générale or one of its affiliates in connection with a particular index are disrupted, Société Générale or the relevant affiliate may decide to terminate calculations in relation to such index sooner than another index sponsor would do so in comparable circumstances. Such a termination may trigger the early redemption of the Notes.

***Risk factors relating to Structured Notes based on baskets***

For Structured Notes based on baskets the redemption amount may be dependent on a specific condition which has to be fulfilled by every basket component. In the case that this condition is not fulfilled by one of the basket components this might lead to a partial or total loss of the investment.

The basket components may be weighted equal or have different weighting factors. Every prospective Noteholder should be aware that the smaller the weighting factor of the basket component, the smaller the influence of this component on the basket value. Subject to the weighting factor even one basket component with a negative performance may be material for the yield of the Note. Even if the performance of one or several basket components is positive the performance of the whole basket may be negative.

The Issuer may be entitled to change the composition of the basket during the lifetime of the Notes subject to certain circumstances.

In the case of a Note which refers to many underlyings (e.g Notes based on a basket of a selection of shares) the risk may be exponentiated or accumulated in comparison to a single underlying as every component of these underlyings might be decisive for the performance of the Note.

*Conflicts of interest*

If the Notes are based on a basket which is composed or calculated by Société Générale and/or its affiliates a potential conflict of interest exists between the role of Société Générale as basket calculation agent and its obligation as Guarantor and Agent of these Notes.

***Risk factors relating to Structured Notes based on life insurance contracts***

The performance of life insurance contracts is subject to a multitude of factors on which the Issuer has no influence. Among others, they include various political, economic and tax related conditions, which might influence the value of the relevant insurance contract(s). Due to incorrect information or manipulations by the insured persons the maturity of the insurance contract(s) and thereby of the value of the insurance contract(s) might be expressed wrongly. The insurance company of which the insurance contract(s) is/are the underlying of the Notes may become insolvent or go bankrupt. The

insurance company of which the insurance contract(s) is/are the underlying of the Notes may take actions that may adversely affect the value of the Notes.

***Risk factors relating to Structured Notes based on dividends***

A holder of the Notes will not be a beneficial owner of the relevant shares or other securities and therefore will not be entitled to receive any of the underlying dividends paid on the relevant shares or other securities, nor will a Noteholder be entitled to purchase the underlying shares or other securities by virtue of their 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 relevant shares or other securities may have with respect to the issuer of such shares or other securities. The Final Redemption Amount might not reflect the payment of the dividends on a one to one basis. Accordingly, the return on the Notes might not reflect the return an investor would realise if he actually owned the relevant shares or other securities and actually received dividends, if any, paid on those securities. Furthermore, the amount and payment of dividends is subject to a multitude of factors on which the Issuer has no influence and falls in the absolute discretion of the issuer of the relevant shares or other securities and therefore dividends might not be paid at all. The issuer of the shares or other securities may take actions, which will adversely affect the value of the Notes.

***Risk factors relating to Structured Notes based on unit linked features (accounting unit)***

The performance of unit linked features (accounting unit) is subject to a multitude of factors on which the Issuer has no influence. Among others, they include various economic factors and speculations and such other factors which are inherent to the rights and assets which are comprised in or expressed by the relevant unit linked feature (accounting unit). It should also be noted that the past returns of unit linked feature(s) (accounting unit(s)) are not necessarily indicative of their future performance.

***Risk factors relating to Equity Linked Notes based on shares***

*No beneficial interest in the underlying shares*

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 or Early Redemption Amount will not reflect the payment of any dividends on the underlying shares. Accordingly, the return on the Notes will not reflect the return you would realise if you actually owned the underlying shares and received dividends, if any, paid on those securities. Therefore, the yield to maturity based on the methodology for calculating the Final or Early 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.

*Limited antidilution protection*

The Calculation Agent may make adjustments to elements of the Notes. 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.

*Risks arising from conduct of issuers of shares*

The issuers of underlying shares are not involved in the offer of the Notes in any way and have no obligation to consider your interest as a holder of the Notes 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.

#### **Risk factors relating to Commodity Linked Notes**

Commodity Linked Notes may be redeemed by the Issuer at their par value and/or by payment of an amount determined by reference to the value of the underlying asset(s). Accordingly, an investment in Commodity Linked Notes may bear similar market risks to a direct investment in the relevant commodities and investors should take advice accordingly. Interest payable on Commodity Linked Notes may be calculated by reference to the value of one or more underlying asset(s). The value of the underlying asset(s) may vary over time and may increase or decrease by reference to a variety of factors which may include global supply and demand of commodities to which the underlying asset(s) refer, production and selling activities of the respective commodities by producers, central banks and international organisations, demand for end-products based on the respective commodity, net investment demand and industrial demand.

#### *Risk factors specific to Notes linked to Futures on Commodities or to Commodity Future Index*

Due to the term structure of future prices of commodities, also included in a Commodity Future Index, the price of the Notes might be influenced in a negative way for the Noteholders, depending on any difference between the price of the Future on Commodities to be substituted and the price of Future on Commodities following such substitution. In particular, as the future contracts (also component of a Commodity Future Index) come to expiration, they are replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in May may specify a July expiration. As time passes, the contract expiring in July is replaced by a contract with a later expiry, for example, August. This is accomplished by selling the July contract and purchasing the August contract. This process is referred to as "rolling". If the market for these contracts is (putting aside other considerations) in "backwardation", where the prices are lower in the distant expiry months than in the nearer expiry months, the sale of the July contract would take place at a price that is higher than the price of the August contract, thereby creating a "roll yield". If, on the contrary, the market for future contracts is in "contango" the prices of contracts are higher in the distant expiry months than in the nearer expiry months. The absence of backwardation in the market for a commodities futures contract could result in negative "roll yields," which could adversely affect the value of an index or index tied to that contract.

#### **Risk factors relating to Credit Linked Notes**

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

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

#### *Increased risk in respect of First-to-Default Notes and Tranche Notes*

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

*Concentration Risk*

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

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

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

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

*Valuation and settlement in case of Credit Event*

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

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

If Transaction Auction Settlement Terms are not published within a certain period and if it is not possible to obtain quotations from Quotation Dealers for the Selected Obligations within a further period, the Final Value of the Selected Obligations will be deemed to be zero and therefore the Cash Redemption Amount will be equal to zero. In addition, the above-mentioned periods between Credit Event and valuation may amount to as many as 180 Business Days following the date on which the

existence of a Credit Event is established, therefore, settlement, or as the case may be, notice that no amount is due under the Credit Linked Notes, may occur several months after the relevant Credit Event on a date which may be much later than the Scheduled Maturity Date of the Notes.

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

*Deferral of valuation and/or payments*

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

*Adjustment – Early termination*

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

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

*Conflicts of interest*

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

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

*Credit Rating*

Noteholders should be aware that credit ratings do not constitute a guarantee of the quality of the Notes or the Reference Entity(ies). The rating assigned to the Notes by the rating agencies, if any, is

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

*Certain considerations associated with Managed Assets Portfolio Linked Notes*

Managed Assets Portfolio Linked Notes may be linked to a portfolio often comprising assets with a greater potential for return and consequently greater risk (such as, but without limitation, hedge funds or funds of hedge funds) and assets with a lower potential for return and consequently lesser risk (such as, but without limitation, money market funds or bonds issued by issuers with a high credit rating). The portfolio may also include leverage or the taking of short positions on certain specified terms. The portfolio is dynamically managed and may be rebalanced between the relevant assets based upon a specified allocation methodology. The value of Managed Assets Portfolio Linked Notes is determined by reference to the value of the underlying portfolio at different times. This portfolio may change during the term of the Notes; such changes or the timing thereof may affect the value of, and any return on, the Notes.

Considering the above aspects, Managed Assets Portfolio Linked Notes are by their nature intrinsically complex, which makes their evaluation difficult, in terms of risk and return at the time of the purchase as well as thereafter. Investors should therefore purchase Managed Portfolio Linked Notes only after having completely understood and evaluated either themselves or with a financial adviser the nature and the risk inherent to the Managed Assets Portfolio Linked Notes.

*Physical Delivery Notes*

In the case of Notes which are redeemable by delivery of assets, if a Settlement Disruption Event occurs or exists on the due date for redemption of the Notes, such delivery shall occur on the first succeeding day on which delivery of the Physical Delivery Amount can take place through the relevant Clearing System unless a Settlement Disruption Event prevents delivery for a period of 20 Clearing System Days immediately following the original date that would have been the Settlement Date. In that latter case, the relevant Issuer shall, in lieu of delivering the Physical Delivery Amount, pay, in respect of each Note, the fair market value of the number of Underlying(s) (the **Fair Market Value**) to be delivered converted into the Specified Currency at the current exchange rate, if applicable. The Fair Market Value will be determined by the Calculation Agent on the basis of the market conditions on the first Business Day following the Delivery Period. When determining such Fair Market Value, the Calculation Agent will consult with dealers in the market and try to obtain firm prices for the purchase of the assets that could not be delivered. Such prices may be as low as zero.

**Risk factors relating to Currency Linked Notes**

The performance of currencies is subject to a multitude of factors on which the Issuer has no influence. Among others, they include various economic factors, speculations and potential interventions by central banks and government agencies (including exchange controls and restrictions).

**Risk factors relating to Bond Linked Notes**

The market value of bonds is influenced by the creditworthiness of the issuer of the relevant bond, by the general interest level, the remaining term until maturity as well as by the liquidity of the market. The performance of the bonds further depends on other factors including economic, financial and political

events which affect the capital markets in general and, in the case of listed bonds, the exchanges (if applicable) on which the bonds are traded. These factors may have a negative impact on the value of the Bond Linked Notes. Past performances of a bond are not an indicator for future performances.

**Risks factors specific to Italian Listed Certificates**

Certificates may embed an option and, therefore, have some features common to options. Transactions involving options imply high risks and it is advisable that investors who intend to trade in options have a certain degree of experience and knowledge of the functioning of options.

The investment in options is characterised by a high degree of volatility and it is possible that the value of the option at its exercise date becomes zero. In such case, the investor will lose the amount invested to purchase the option.

On the one hand, an investor which intends to buy a call option on an underlying asset whose market price is much lower than the price that would make the exercise of the option profitable (i.e. the option is deep out of the money) shall take into account that the possibility to gain a profit is unlikely. On the other hand, an investor wishing to buy a put option on an underlying asset whose market price is much higher than the price at which the exercise of the option is lucrative, shall consider that the exercise of the option is unlikely to be profitable.

Since the value of the options is intertwined with the underlying asset its performance depends on the value of the latter. Hence, any investment in certificates implies risks related to the value of the underlying asset. In this respect, please see above "*Risk Factors relating to Structured Notes the redemption amount of which is linked to the performance of one or more fund unit(s)*", "*Common risk factors relating to Structured Notes based on shares or indices or commodities (or futures contracts on the same)*", "*Risks factor relating to Structured Notes based on indices*" and "*Risks factor relating to Structured Notes based on shares*".

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)* are available at the office of Société Générale, Frankfurt am Main branch, Neue Mainzer Str. 46 - 50, D-60311 Frankfurt am Main, Germany and have been published on the following website <http://prospectus.socgen.com> :

- The Registration Document of Société Générale Effekten GmbH dated 8 June 2012 (the **2012 Registration Document of Société Générale Effekten GmbH**) pursuant to section 12 (1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz - WpPG*) in connection with Art. 7 and Annex IV of the Regulation;
- The Registration Document of Société Générale dated 14 June 2012 (the **2012 Registration Document of Société Générale**) pursuant to section 12 (1) WpPG in connection with Art. 14 and Annex XI of the Regulation;
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 45 to 109) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5 May 2006 (the **2006 EMTN Conditions**) which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Regulation.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 55 to 186) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 7 May 2007 (the **2007 EMTN Conditions**) which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Regulation.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 62 to 203) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5 May 2008 (the **2008 EMTN Conditions**) which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Regulation.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 79 to 239) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 6 May 2009 (the **2009 EMTN Conditions**) which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Regulation.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 88 to 287) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 4 May 2010 (the **2010 EMTN Conditions**) which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Regulation.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 95 to 357) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 2 March 2011 (the **2011 EMTN Conditions**) which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Regulation.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 98 to 354) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 9 February 2012 (the **February 2012 EMTN Conditions**) which constitutes a base prospectus of Société

Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Regulation.

**COMPARATIVE TABLES OF DOCUMENTS INCORPORATED BY REFERENCE**

(the nonincorporated parts are either not relevant for an investor or covered elsewhere in this Base Prospectus)

**CROSS REFERENCE LIST FOR SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**

References to pages are to those of the 2012 Registration Document of Societe Generale Effekten GmbH

| <b>Annex IV of the Commission Regulation (EC) No 809/2004 of 29 April 2004</b> |  | <b>2012 Registration Document of Societe Generale Effekten GmbH</b> |
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| <b>1.</b>  | <b>PERSONS RESPONSIBLE</b>   | Page 5  |
| <b>2.</b>  | <b>STATUTORY AUDITORS</b>  | Page 6  |
| <b>3.</b>  | <b>SELECTED FINANCIAL INFORMATION</b>  | Pages 6-8   |
| <b>4.</b>  | <b>RISK FACTORS</b><br><br>Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors". | Page 4  |
| <b>5.</b>  | <b>INFORMATION ABOUT THE ISSUER</b>  | Page 9  |
| <b>5.1.</b>  | <u>History and development of the Issuer:</u>  | Page 9  |
| <b>5.2.</b>  | <u>Investments:</u>  | NA <sup>1</sup>   |
| <b>6.</b>  | <b>BUSINESS OVERVIEW</b>   | Page 9  |
| <b>6.1.</b>  | <u>Principal activities</u>  | Page 9  |
| <b>6.2.</b>  | <u>Principal markets</u>   | Page 9  |
| <b>7.</b>  | <b>ORGANISATIONAL STRUCTURE</b>  | Pages 9   |
| <b>8.</b>  | <b>TREND INFORMATION</b>   | Page 10   |
| <b>9.</b>  | <b>PROFIT FORECAST OR ESTIMATES</b>  | NA  |
| <b>10.</b>   | <b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>  | Page 10   |
| <b>10.2.</b>   | <u>Administrative, Management, and Supervisory bodies conflicts of interests.</u>  | Page 10   |
| <b>11.</b>   | <b>BOARD PRACTICES</b>   | Page 10   |
| <b>12.</b>   | <b>MAJOR SHAREHOLDERS</b>  | Page 29   |

<sup>1</sup> NA = Not applicable.

|              |   |                     |
|--------------|---|---------------------|
| <b>13.</b>   | <b>FINANCIAL, INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b> | Pages 10-29         |
| <b>13.1.</b> | <b><u>Historical financial information</u></b>  | Pages 10-28         |
| <b>13.2.</b> | <b><u>Financial statements</u></b>  | Page 28; Page 31-69 |
| <b>13.3.</b> | <b><u>Auditing of the historical annual financial information</u></b>   | Page 28             |
| <b>13.4.</b> | <b><u>Age of latest financial information</u></b>   | Page 19             |
| <b>13.5.</b> | <b><u>Interim and other financial information</u></b>   | NA                  |
| <b>13.6.</b> | <b><u>Legal and arbitration proceedings</u></b>   | Page 28             |
| <b>13.7.</b> | <b><u>Significant change in the Issuer's financial or trading position</u></b>  | Page 29             |
| <b>14.</b>   | <b>ADDITIONAL INFORMATION</b>   | Page 29             |
| <b>14.1.</b> | <b><u>Share Capital</u></b>   | Page 29             |
| <b>14.1.</b> | <b><u>Memorandum and Articles of Association</u></b>  | Page 29             |
| <b>15.</b>   | <b>MATERIAL CONTRACTS</b>   | Pages 29            |
| <b>16.</b>   | <b>THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATION OF ANY INTEREST</b>                                 | NA                  |
| <b>17.</b>   | <b>DOCUMENTS ON DISPLAY</b>   | Page 29-30          |

**CROSS REFERENCE LIST FOR SOCIÉTÉ GÉNÉRALE**

References to pages are to those of the 2012 Registration Document of Societe Generale

| <b>Annex XI of the Commission Regulation (EC) No 809/2004 of 29 April 2004</b> |   | <b>2012 Registration Document of Societe Generale</b> |
|--|---|---|
| <b>1.</b>  | <b>PERSONS RESPONSIBLE</b>  | Pages xv, 448, 737                                    |
| <b>2.</b>  | <b>STATUTORY AUDITORS</b>   | Pages 136, 449, 580-581, 653-654, 738                 |
| <b>3.</b>  | <b>RISK FACTORS</b><br><br>Prominent disclosure of risk factors that may affect the Guarantor's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors". | Pages v-xiv; 189-242                                  |
| <b>4.</b>  | <b>INFORMATION ABOUT THE ISSUER</b>   |   |
| <b>4.1.</b>  | <b><u>History and development of the Issuer:</u></b>  | Pages xvi, 6  |
| <b>5.</b>  | <b>BUSINESS OVERVIEW</b>  |   |
| <b>5.1.</b>  | <b><u>Principal activities</u></b>  | Pages xvi, 13-21                                      |
| <b>5.1.3.</b>  | <b><u>Principal markets</u></b>   | Pages xvi, 13-21                                      |
| <b>6.</b>  | <b>ORGANISATIONAL STRUCTURE</b>   | Page xvi  |
| <b>7.</b>  | <b>TREND INFORMATION</b>  | Page 72   |
| <b>8.</b>  | <b>PROFIT FORECAST OR ESTIMATES</b>   | NA  |
| <b>9.</b>  | <b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>   | Pages 80-96   |
| <b>10.</b>   | <b>MAJOR SHAREHOLDERS</b>   | Pages 26, 37-39                                       |
| <b>11.</b>   | <b>FINANCIAL, INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>   |   |
| <b>11.1.</b>   | <b><u>Historical financial information</u></b>  | Pages 250-366, 369-429, 460-579, 582-652              |
| <b>11.2.</b>   | <b><u>Financial statements</u></b>  | Pages 250-366, 369-429, 460-579, 582-652, 700-727     |
| <b>11.3.</b>   | <b><u>Auditing of the historical annual financial information</u></b>   | Pages 367-368, 430-431                                |
| <b>11.4.</b>   | <b><u>Age of latest financial information</u></b>   | Pages 250, 369  |
| <b>11.5.</b>   | <b><u>Interim and other financial information</u></b>   | Pages 700-727   |
| <b>11.6.</b>   | <b><u>Legal and arbitration proceedings</u></b>   | Pages xvii, 239-241                                   |

|       |   |            |
|-------|---|------------|
| 11.7. | <b><u>Significant change in the Issuer's financial or trading position</u></b>          | Page xviii |
| 12.   | <b>MATERIAL CONTRACTS</b>   | NA         |
| 13.   | <b>THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATION OF ANY INTEREST</b> | NA         |
| 14.   | <b>DOCUMENTS ON DISPLAY</b>   | Page 39    |

**CROSS REFERENCE LIST FOR THE PREVIOUS EMTN CONDITIONS**

Unless otherwise stated, references to pages are to those of the relevant Previous EMTN Conditions

|                                 |                                  |
|---------------------------------|----------------------------------|
| <b>Previous EMTN Conditions</b> | Page 381 of this Base Prospectus |
| 2006 EMTN Conditions            | Pages 45 to 109                  |
| 2007 EMTN Conditions            | Pages 55 to 186                  |
| 2008 EMTN Conditions            | Pages 62 to 203                  |
| 2009 EMTN Conditions            | Pages 79 to 239                  |
| 2010 EMTN Conditions            | Pages 88 to 287                  |
| 2011 EMTN Conditions            | Pages 95 to 357                  |
| February 2012 EMTN Conditions   | Pages 98 to 354                  |

## IMPORTANT NOTICES

**This Base Prospectus comprises a separate base prospectus in respect of Société Générale Effekten GmbH for the purposes of Article 5.4 of Directive 2003/71/EC (as amended by Directive 2010/73/EU (the 2010 PD Amending Directive)) (the Prospectus Directive).**

**This Base Prospectus does not constitute a "prospectus" for the purposes of the Prospectus Directive in respect of any Notes (i) involving an offer to the public outside the European Economic Area (EEA) (if so specified in the applicable Final Terms) or of a type listed in Article 3.2 of the Prospectus Directive and (ii) which are not admitted to trading on a regulated market under Article 3.3 of the Prospectus Directive (any such Notes, "Private Placement Notes").**

**CERTAIN ISSUES OF NOTES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE A NOTE UNLESS SUCH INVESTOR UNDERSTANDS, AND IS ABLE TO BEAR THE YIELD, MARKET LIQUIDITY, STRUCTURE, REDEMPTION AND OTHER RISKS ASSOCIATED WITH THE NOTE. FOR FURTHER DETAILS, SEE THE SECTION HEADED "RISK FACTORS" HEREIN.**

The Issuer and the Guarantor (each, a **Responsible Person** and together, the **Responsible Persons**) are solely responsible for the information contained in this prospectus. They declare that, to the best of their knowledge, the information contained in this prospectus is accurate and does not contain any material omissions.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Purchaser or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

Copies of Final Terms will be available free of charge from the head office of each of Société Générale Effekten GmbH and the specified office of each of the Paying Agents, in each case at the address given at the end of this Base Prospectus (provided that Final Terms relating to Private Placement Notes will only be available for inspection by a holder of such Notes upon production of evidence satisfactory to the Issuer or Paying Agent as to its holding of such Notes and identity).

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*") and any supplements hereto. This Base Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Base Prospectus. Full information on the Issuer, the Guarantor and any Tranche of Notes issued hereunder is only available on the basis of the combination of this Base Prospectus, any supplements and the relevant applicable Final Terms.

Any additional dealer appointed under the Programme has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any additional dealer appointed under the Programme 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 Responsible Persons. Any additional dealer appointed under the Programme does not accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Responsible Persons in connection with the Programme or the Notes.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus, any supplements, the applicable Final Terms or any other information supplied in connection with the Programme or the Notes and consequently, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor and the Dealer or any additional dealer.

Neither this Base Prospectus, any supplement(s), the relevant applicable Final Terms nor any other information supplied in connection with the Programme or the Notes should be considered as a

recommendation or a statement of opinion (or a report on either of those things) by the Issuer, the Guarantor and the Dealer or any additional dealer that any recipient of this Base Prospectus, any supplement(s), the relevant applicable Final Terms or any other information supplied in connection with the Programme or the Notes should purchase any Notes. Each Investor contemplating purchasing any Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus and in the relevant Final Terms (if any) and the merit and risks of investing in the Notes in the context of their financial position and circumstances. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor and the Dealer or any additional dealer to any person to subscribe for or to purchase any Notes.

Neither the 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 or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Every significant new factor or material mistake relating to the information included in the prospectus which is capable of affecting the assessment of the securities and which arises or is noted after the time the prospectus is approved and before the final closing of the offer to the public or the time when the quotation of the securities commences or trading on an organised market begins, will be mentioned in a supplement to the prospectus. Any additional dealer appointed under the Programme expressly does not undertake to review the financial condition or affairs of any of the Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Provided that the distribution or offering is conducted by a third party the Issuer and the Guarantor do not represent that this Base Prospectus may be lawfully distributed, or that any 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, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantor, and the Dealer- or any additional dealer which is intended to permit a public offering of any Notes outside the EEA or distribution of this Base Prospectus 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. Persons into whose possession this Base Prospectus or any Note comes must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes (See the section headed "*Subscription and Sale*").

This Base Prospectus has been prepared on the basis that, except to the extent subparagraph (ii) below may apply, any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer 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 and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent subparagraph (ii) above may apply, neither the Issuer nor the Dealer has authorised, nor does it authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Dealer to publish or supplement a prospectus for such offer.

The Guarantor or its affiliates do not assume any obligation to purchase any Notes or to establish or maintain a market liquidity, and no assurances can be given that a liquid market will develop for the Notes issued under the Programme.

All references in this document to euro, Euro, EUR and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR ANY ADDITIONAL DEALER 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.**

ONGOING PUBLIC OFFERS

The attention of the investors is drawn to the fact that for the issues described below, public offers are ongoing as at the date of this Base Prospectus and will continue after such date. For the below issues, the information relating to the Issuer and the Guarantor will be the same as contained in this Base Prospectus. Any investors who have already agreed to purchase or subscribe the Notes before the date of this Base Prospectus shall have the right to withdraw their acceptances in accordance with the conditions stated in article 16.2 of the Prospectus Directive and the condition stated in paragraph 16 sec. 3 German Securities Prospectus Act (Wertpapierprospektgesetz – WpPG).

*The relevant issues are detailed as followed :*

**Series Number: DE3811/12.7**

ISIN code: DE000SG22364

Issue Date: 2 July 2012

Maturity Date: 2 July 2018

Public Offering in Germany and Austria (from 14 May 2012 to 25 June 2012)

Listing place: Frankfurt, Stuttgart

**Series Number: DE3813/12.7**

ISIN code: DE000SG26SC7

Issue Date: 27 July 2012

Maturity Date: 27 July 2018

Public Offering in Germany and Austria (from 29 May 2012 to 20 July 2012)

Listing place: Frankfurt, Stuttgart

**Series Number: DE3814/12.6**

ISIN code: IT0006723404

Issue Date: 27 June 2012

Final Exercise Date: 29 June 2015

Public Offering in Italy (from 22 May 2012 to 22 June 2012)

Listing place: Italy

**Series Number: DE3816/12.7**

ISIN code: DE000SG27MX4

Issue Date: 5 July 2012

Maturity Date: 5 January 2016

Public Offering in Germany and Austria (from 1 June 2012 to 28 June 2012)

Listing place: Frankfurt

**Series Number: DE3817/12.7**

ISIN code: DE000SG27MM7

Issue Date: 5 July 2012

Maturity Date: 5 July 2017

Public Offering in Germany and Austria (from 30 May 2012 to 28 June 2012)

Listing place: Frankfurt

**Series Number: DE3818/12.7**

ISIN code: DE000SG3ADM4

Issue Date: 6 July 2012

Maturity Date: 6 July 2017

Public Offering in Germany (from 29 May 2012 to 29 June 2012)

Listing place: Frankfurt

**Series Number: DE3822/12.6**

ISIN code: DE000SG27MJ3

Issue Date: 28 June 2012

Maturity Date: 28 June 2017

Public Offering in Germany (from 30 May 2012 to 20 June 2012)

Listing place: Frankfurt

**Series Number: DE3823/12.7**

ISIN code: DE000SG27MS4

Issue Date: 20 July 2012

Maturity Date: 20 July 2017

Public Offering in Germany (from 4 June 2012 to 13 July 2012) and Austria (from 8 June 2012 to 13 July 2012)

Listing place: Frankfurt

**Series Number: DE3824/12.6**

ISIN code: DE000SG271B8

Issue Date: 28 June 2012

Maturity Date: 29 June 2015

Public Offering in Germany and Austria (from 29 May 2012 to 21 June 2012)

Listing place: Frankfurt, Stuttgart

**Series Number: DE3825/12.6**

ISIN code: DE000SG27SX1

Issue Date: 28 June 2012

Maturity Date: 28 June 2016

Public Offering in Germany and Austria (from 29 May 2012 to 21 June 2012)

Listing place: Frankfurt, Stuttgart

**Series Number: DE3826/12.6**

ISIN code: XS0794776053

Issue Date: 29 June 2012

Maturity Date: 29 June 2017

Public Offering in Germany (from 12 June 2012 to 22 June 2012)

Listing place: None

FORM OF FINAL TERMS RELATED TO NOTES



[Set out below is the form of Final Terms which, subject to amendment of existing provisions and/or deletion, as the case may be, of non-applicable provisions, will be completed for each Tranche of Notes issued under the Debt Issuance Programme.]

**APPLICABLE FINAL TERMS**

Dated [●]

**SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**  
acting in its own name but for the account of **Société Générale**

**Issue of [Aggregate Nominal Amount] [Title of Notes]**

[Applicable in the case of issue of one type of Notes under the Final Terms:

Series [●], Tranche [●]]

[Only applicable if several Series of Notes are to be issued or offered simultaneously and consolidated in one set of Final Terms:

| ISIN code | Number of Notes | Aggregate Amount | Nominal | Series [Series Number] | Tranche [Tranche Number] |
|-----------|-----------------|------------------|---------|------------------------|--------------------------|
| [●]       | [●]             | [●]              | [●]     | [●]                    | [●]                      |

**Unconditionally and irrevocably guaranteed by Société Générale  
under the € 30,000,000,000 Debt Issuance Programme**

**PART A – CONTRACTUAL TERMS**

[In the case of Certificates, insert the following provision:

The Certificates offered hereby are being issued pursuant to the Base Prospectus provided that all current references to “Notes” and “Noteholders” in the relevant sections of the Base Prospectus and in these Final Terms shall be deemed to be instead to “Certificates” and “Holders”.]

[The Notes are offered to the public in [Insert country (-ies)] for subscription from and including [●] to and including [●], save in the case of early ending or prolongation, as the case may be.]

[The Notes may be purchased directly from any bank or savings bank (*Sparkasse*) in the Federal Republic of Germany, or any other market counterparty authorized to sell Notes.]

Unless stated otherwise herein, capitalised terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth under the heading “*Terms and Conditions of the Notes*” (the “**Conditions**”) in the Base Prospectus dated 19 June 2012 (the **Base Prospectus**) (which [(as supplemented by the supplement[s] dated [●] (the **Supplement[s]**))] constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a Member State)). This document constitutes the final terms (the **Final Terms**) of the Notes (the **Notes**) described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with this Base Prospectus and any Supplement[s]; provided, however, that to the extent such Supplement (i) is published after these Final Terms have been signed and (ii) provides for any change(s) to the Conditions as set out under the heading “*Terms and Conditions of the Notes*”, such change(s) shall have no effect with respect to the Conditions of the Notes to which these Final Terms relate. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Prior to acquiring an interest in the Notes described herein, prospective investors should read and understand the information provided in the Base Prospectus and any Supplement(s) and be aware of the restrictions applicable to the offer and sale of such Notes in the United States or to, or for the account or benefit of, U.S. persons. The Base Prospectus, any Supplement(s) and these Final Terms are available for viewing at [*Insert address*] and [*Insert website*] and copies may be obtained free of charge from this address.

*[The following alternative wording applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:*

Unless defined, or stated otherwise herein, capitalised terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Base Prospectus dated [*Original date*]. This document constitutes the final terms (the **Final Terms**) of the Notes (the **Notes**) described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with the Base Prospectus dated 19 June 2012 (the **Base Prospectus**) (which [(as supplemented by the supplement[s] dated [●] (the **Supplement[s]**))] constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**)), save in respect of the Conditions which are extracted from the Base Prospectus dated [*Original date*]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms, this Base Prospectus and the Base Prospectus dated [*Original date*] and any Supplement(s). Copies of the Base Prospectuses, any Supplement(s) and these Final Terms are available for viewing at [address] [and] [website] and may be obtained free of charge from [address].]

[The provisions of the Technical Annex apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Technical Annex and these Final Terms, these Final Terms shall prevail.]

*[In the case of Completed Conditions, insert:* The terms of these Final Terms complete and vary the Conditions of the Notes set out in the Base Prospectus. The Conditions so completed or varied together with the relevant provisions of these Final Terms will form the Conditions applicable to this Series of Notes (the **Completed Conditions**).]

*[In the case of Consolidated Conditions, insert:* The Conditions of the Notes set out in the Base Prospectus shall be amended by incorporating the terms of these Final Terms, and by deleting all provisions not applicable to this Series of Notes. The Consolidated Conditions shall replace the Conditions in their entirety (the **Consolidated Conditions**). If and to the extent the Consolidated Conditions deviate from the terms of these Final Terms, the Consolidated Conditions shall prevail.]

[Application [has been] [will be] made to [list] [and] [admit to trading] the Notes on the [official] [unofficial] [regulated] [unregulated] [market] [(Open Market, *Freiverkehr*) of the [Frankfurt] [Stuttgart]] [Luxembourg] [*Specify other*] [Stock Exchange].]

[The Notes are offered to *[Insert specified investor-category and restrictions, if applicable]*.]

*[In the case of Structured Notes the terms of which rely in whole or in part on the provisions of the Technical Annex, insert:*

The information included herein with respect to indices and/or formulas comprising, based on or referring to variations in the prices of one or more share(s) in companies, any other equity or non-equity securities, indices, currencies or currency exchange rates, interest rates, dividends, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities or bond or futures contracts, unit linked features (accounting units) or the occurrence or not of certain events not linked to the Issuer or the Guarantor or a basket thereof or any combination thereof to which the Notes are linked (the **Underlyings**) consists only of extracts from, or summaries of, publicly available information. The Issuer and the Guarantor accept responsibility that such information has been correctly extracted or summarised. No further or other responsibility in respect of such information is accepted by the Issuer and the Guarantor. In particular, the Issuer and the Guarantor [and the Dealer] accept no responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlyings of the Notes or that there has not occurred any event which would affect the accuracy or completeness of such information.]

No person has been authorised to give any information or to make any representation other than those contained in these Final Terms in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Guarantor. The delivery of these Final Terms at any time does not imply that the information in it is correct as any time subsequent to this date.

The purchase of the Notes issued under the Debt Issuance Programme is associated with certain risks. Each prospective investor in Notes must ensure that the complexity and risks inherent in the Notes are suitable for its investment objectives and are appropriate for itself or the size, nature and condition of its business, as the case may be. No person should deal in the Notes unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective purchaser of Notes should consider carefully whether the Notes are suitable for it in the light of its circumstances and financial position.

**The investor should only invest in the Notes if it is able to understand the Conditions. All investors should be versed in respect of the Notes and should particularly understand and comprehend the yield of the Notes (*Leistungsversprechen*) promised by the Issuer and the Guarantor in its entirety. If this is not the case, an investment in the Notes is not advised.**

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

[Under normal market conditions, Société Générale will organise a secondary market in respect of the Notes.] *[In respect of the Notes which have a flat rate of interest, insert:* In determining the market value of the Notes, Société Générale shall, if any, include accrued interest calculated in accordance with the provisions of paragraph 15 of these Final Terms as if interest were payable on the day on which Société Générale repurchases the Notes.][*Insert other Secondary market provision: [●]*]

[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 subparagraphs.

*Italics denote directions for completing the Final Terms.*

[●] denote fields to be filled in.]

| <b>Form of Conditions</b>  | <b>[Completed] [Consolidated]</b>   |
|--|---|
| <i>[The Form of Conditions will be determined in consultation with the Issuer and the Guarantor]</i>   |   |
| 1. (i) Issuer  | Société Générale Effekten GmbH  |
| (ii) Guarantor   | Société Générale  |
| <i>[The paragraph 1 will be restated in the Schedule, if any]</i>  |   |
| 2. (i) Series Number   | [●] [See Table in paragraph 45.]  |
| (ii) Tranche Number  | [●] [See Table in paragraph 45.]  |
| <i>[If fungible with an existing Series, give details of that Series, including the date on which the Notes are expected to become fungible]</i> |   |
| 3. Specified Currency or Currencies  | [●] [See Table in paragraph 45.]  |
| <i>[The paragraph 3 will be restated in the Schedule, if any]</i>  |   |
| 4. <b>Aggregate Nominal Amount</b>   |   |
| (i) Tranche  | [●] [See Table in paragraph 45.]  |
|  | <i>[In the case of a Offer Period prior to the Issue Date insert: Up to [●] [but limited to the amount of the subscriptions actually received at the end of the Offer Period]. The Aggregate Nominal Amount [will be determined at the end of the Offer Period [and published in accordance with Condition 12(a)].]</i> |
| (ii) Series  | [●] [See Table in paragraph 45.]  |
|  | <i>[In the case of a Offer Period prior to the Issue Date insert: Up to [●] [but limited to the amount of the subscriptions actually received at the end of the Offer Period]. The Aggregate Nominal Amount [will be determined at the end of the Offer Period [and published in accordance with Condition 12(a)].]</i> |
| <i>[The paragraph 4 will be restated in the Schedule, if any]</i>  |   |
| 5. <b>Issue Price</b>  | [[●] per cent. of the Aggregate Nominal Amount]   |

[[●]per Note of [●] Specified Denomination] [plus an amount equal to the interest accrued from and including [*Insert date*] to but excluding the Issue Date (which is equal to [●] days' accrued interest) [*If applicable*]] [See Table in paragraph 45.]

[*The paragraph 5 will be restated in the Schedule, if any*]

6. **Specified Denomination(s)** [●] [See Table in paragraph 45.]

[*In respect of Credit Linked Notes:* ([●] in relation to each Note, and subject to the Technical Annex, the **Nominal Amount**)]

[*Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.*]

[*The paragraph 6 will be restated in the Schedule, if any*]

7. (i) Issue Date [and Interest [●] Commencement Date]
- (ii) Interest Commencement Date [●] [Not Applicable] if different from the Issue Date

[*The subparagraph 7(i) will be restated in the Schedule, if any*]

8. **Maturity Date** [*If interest is unadjusted: specify date*] [*If interest is adjusted: The Interest Payment Date scheduled to fall in or nearest to [*Specify a month and a year*] [See Table in paragraph 45.] [The Notes are open-ended and may only be redeemed in accordance with the provisions of Condition 5. ]*]

[*In respect of Credit Linked Notes:*

[*specify Scheduled Maturity Date*] (such date being the **Scheduled Maturity Date**), subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Technical Annex]

[*The paragraph 8 will be restated in the Schedule, if any*]

9. **Interest Basis** [See paragraphs 15 to 18 below] [Not Applicable]

10. **Redemption/Payment Basis** [See paragraphs 20 to 25 below]

[Credit Linked. Redemption at Final Redemption Amount on the Scheduled Maturity Date, subject as otherwise provided in these Final Terms and to the provisions of the Technical Annex]

11. **Change of Interest Basis or Redemption/Payment Basis** [See paragraphs 15 to 25 below] [Not Applicable]
12. **Call/Put Options** [See paragraph(s) 21 and/or 22 below] [Not Applicable]
13. **Status of the Notes** Unsubordinated
14. **Method of distribution** [Syndicated] [Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions** [Applicable] [Not Applicable]
- [In respect of Credit Linked Notes: Applicable, subject to the provisions of paragraph "Credit Linked Note Provisions" and the Technical Annex]*

*[If Not Applicable, delete the remaining subparagraphs of this paragraph]*

- (i) Rate(s) of Interest [●] per cent. per annum [payable] [annually] [semi-annually] [quarterly] in arrear [See Table in paragraph 45.] [See the Schedule]

*[Nota Bene (NB): If payable other than annually, consider amending Condition 3 of the Terms and Conditions]*

- (ii) Interest Payment Date(s) [[●] in each year up to and including the Maturity Date] [See the Schedule] [Specify other]

- First Interest Payment Date [●] [Not Applicable]

*[NB: if not the first anniversary of Interest Commencement Date]*

- Initial Broken Amount(s) [●] [per Aggregate Nominal Amount] [per Specified Denomination]

- Interest Payment Date [●] [Not Applicable] preceding the Maturity Date

*[NB: if Maturity Date is not a fixed Interest Payment Date]*

- Final Broken Amount(s) [●] [per Aggregate Nominal Amount] [per Specified Denomination] [Not Applicable]

*[NB: if Maturity Date is not a fixed Interest Payment Date]*

- (iii) Business Day Convention [For Unadjusted Fixed Rate Notes: Not Applicable] [For Adjusted Fixed Rate Notes, insert one of the following: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Specify other] [See the Schedule]

- (iv) Fixed Coupon Amount(s) [[●] per Note of [●] Specified Denomination] [See the Schedule]

[NB: Only applicable in the case of Fixed Coupon Amount(s) instead of a fixed Rate of Interest]

- (v) Day Count Fraction [30/360 or Actual/Actual (ICMA)] [Not Applicable] [Specify other] [See the Schedule]

- (vi) Number of regular Interest Payment Dates per calendar year [●] [See the Schedule]

- (vii) Determination Date(s) [●] in each year [Insert regular Interest Payment Dates, ignoring the Issue Date or Maturity Date in the case of a long or short first or last coupon] [See the Schedule]

[NB: This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration]

[NB: Only to be completed where Day Count Fraction is Actual/Actual (ICMA)]

- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes [None] [Give details] [See the Schedule]

**16. Floating Rate Note Provisions** [Applicable] [Not Applicable]

[In respect of Credit Linked Notes: Applicable, subject to the provisions of the paragraph "Credit Linked Note Provisions" and the Technical Annex]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

- (i) Specified Interest Payment Date(s)/Specified Interest Period(s) [●] [See the Schedule]

[NB: Specify fixed dates, or dates that are determined as a certain number of Business Days after certain specified dates (in such case, also specify such dates); specify if such dates occur in each year or other period to be specified; also specify in (iii) below any applicable financial centre(s) for the definition of "Business Day"]

- First Interest Payment Date [●] [Not Applicable]

[NB: if not the first anniversary of Interest Commencement Date]

- Interest Payment Date [●] [Not Applicable] preceding the Maturity Date

[NB: if Maturity Date is not a fixed Interest Payment Date]

- (ii) Business Day Convention [Floating Rate Note Convention] [Following Business Day Convention] [Modified Following

Business Day Convention] [Preceding Business Day Convention] [*Specify other*] [adjusted] [unadjusted] [See the Schedule]

[NB: insert "(unadjusted)" if the application of the relevant Business Day Convention shall not affect the Interest Amount: see Condition 3(b) (i) (C)]

- (iii) Relevant financial centre(s) / Applicable "Business Day" Definition [•] [See the Schedule]
- (iv) Manner in which the Rate of Interest is to be determined [ISDA Determination] [Screen Rate Determination] [*Specify other*] [See the Schedule]
- (v) Calculation Agent responsible for calculating the Rate of Interest and/or Interest Amount (if not the Agent) [Not Applicable] [*Insert name and address*]
- (vi) Screen Rate Determination [Applicable] [Not Applicable] [See the Schedule]

[If Not Applicable, delete the remaining items of the subparagraph (vi)]

- Index/Formula [Give or annex details] [See the Schedule]
- Reference Rate [•] [See the Schedule]

[NB: If EURIBOR, LIBOR or other Reference Rate is specified, include additional information such as fall-back provisions]

- Interest Determination Date(s) [•] [[TARGET2] [London] [*Specify other*] Business Day(s) prior to the [[commencement] [end] [first day] of [each] [the relevant] [Interest Period] [Interest Payment Date]] [See the Schedule]
- Specified Time [If Reference Rate is EURIBOR : 11:00 a.m. Brussels time] [If Reference Rate is other than EURIBOR : 11:00 a.m. London time] [*Specify other*] [See the Schedule]
- Relevant Screen Page [•] [See the Schedule]

[NB: in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fall-back provisions appropriately]

- [• Reference Banks [•]]

[NB: specify only if indicated in Condition 3(b)(ii)]

- (vii) ISDA Determination [Applicable] [Not Applicable] [See the Schedule]

[If Not Applicable, delete the remaining items of the subparagraph (vii)]

- Index/Formula [Give or annex details] [See the Schedule]

- Floating Rate Option [●] [See the Schedule]
  - Designated Maturity [●] [See the Schedule]
  - Reset Date [●] [See the Schedule]
  - (viii) Formula for calculation of Rate of Interest [●] [Not Applicable] [See the Schedule]
  - (ix) Margin(s) [[+/-][●] per cent. per annum] [See Index/Formula] [See the Schedule]
  - (x) Minimum Rate of Interest [●] per cent. per annum] [See Index/Formula] [See the Schedule]
  - (xi) Maximum Rate of Interest [●] per cent. per annum] [See Index/Formula] [See the Schedule]
  - (xii) Day Count Fraction [Actual/365 or Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360 or Bond Basis] [30E/360 or Eurobond Basis] [*Specify other*] [See the Schedule]
  - (xiii) Fall-back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from, or in addition to, those set out in the Conditions [●] [See the Schedule]
- 17. Zero Coupon Note Provisions** [Applicable] [Not Applicable]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]*
- (i) Accrual Yield [[●] per cent. per annum][See the Schedule]
  - (ii) Reference Price [●] [See the Schedule]
  - (iii) Any other formula / basis of determining amount payable [●] [See the Schedule]
  - (iv) Day Count Fraction in relation to Early Redemption Amount(s) and late payment [Condition 3 applies] [*Specify other*] [See the Schedule]
- 18. Structured Note Provisions** [Applicable] [Not Applicable]
- [In respect of Credit Linked Notes: Applicable, subject to the provisions of the paragraph "Credit Linked Note Provisions" and the Technical Annex]*
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]*

- (i) Index/Formula [●] [See the Schedule]
  - (ii) Calculation Agent responsible for calculating Rate of Interest and/or Interest Amount (if not the Agent) [Not Applicable] [*Insert name and address*]
  - (iii) Provisions for determining Interest where calculation by reference to Index and/or Formula is impossible or impracticable [As provided in the Technical Annex] [Provisions for determining Interest where calculation by reference to Index and/or Formula is impossible or impracticable, if the Underlying is not covered by the Technical Annex, but within the scope of the Base Prospectus, insert: As specified in the Schedule]
  - (iv) Specified Interest Period(s) / Interest Payment Date(s) [●]
  - (v) Business Day Convention [Floating Rate Note Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [*Specify other*] [adjusted] [unadjusted]
- [NB: insert "(unadjusted)" if the application of the relevant Business Day Convention shall not affect the Interest Amount: see Condition 3(b)(i)(C)]
- (vi) Relevant financial centre(s) [●]
  - (vii) Minimum Rate of Interest [●] per cent. per annum] [See Index/Formula specified in the Schedule]
  - (viii) Maximum Rate of Interest [●] per cent. per annum] [See Index/Formula specified in the Schedule]
  - (ix) Day Count Fraction [●]
- 19. Dual Currency Note Provisions** [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

- (i) Rate of Exchange/method of calculating Rate of Exchange [Give or annex details]
- (ii) Calculation Agent responsible for calculating the Rate of Interest and/or Interest Amount (if not the Agent) [Not Applicable] [*Insert name and address*]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable [●]
- (iv) Person at whose option [●]

Specified Currency(ies) is/are payable

**PROVISIONS RELATING TO PHYSICAL DELIVERY**

**20. Physical Delivery Note Provisions** [Applicable] [Not Applicable]

[In respect of Credit Linked Notes, if applicable: As provided in the Technical Annex]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

[If Applicable and except as specified below, the relevant provisions are as set out in the Technical Annex]

(i) Underlyings and / or Formula to be used to determine principal and/or interest or the Physical Delivery Amount [As specified in the Schedule under “Final Redemption Amount” and, if applicable, “Other final terms”, subject to adjustment as provided in the Technical Annex] [If the Underlying is not covered by the Technical Annex, but within the scope of the Base Prospectus, insert: As specified in the Schedule]

[In respect of Credit Linked Notes: Portfolio of Specified Deliverable Obligations (as defined in the Technical Annex)]

(ii) Settlement by way of cash and/or physical delivery [As specified in the Schedule under “Final Redemption Amount” and, if applicable, “Other final terms”, subject to adjustment as provided in the Technical Annex] [Settlement by way of cash and/or physical delivery, if the Underlying is not covered by the Technical Annex, but within the scope of the Base Prospectus, insert: As specified in the Schedule]

[In respect of Credit Linked Notes: Physical delivery except for Undeliverable Obligations (see details in the Technical Annex)]

(iii) [Issuer/Noteholder] option to vary method of settlement and, if yes, method of election, and procedure, for variation of settlement [Yes [Give details]] [No]

[In respect of Credit Linked Notes, if applicable: As provided in the Technical Annex]

(iv) If settlement is by way of physical delivery

(a) method of transfer of Underlying Assets in respect of Physical Delivery Amount (of other [•] [As provided in the Technical Annex]

[In respect of Credit Linked Notes: Delivery through the Relevant Clearing System unless the Specified

- than Delivery) and Deliverable Obligations are not eligible for clearance consequences of a by the Relevant Clearing System or otherwise as Settlement Disruption specified in the Technical Annex, in which case Event(s) transfer will take place outside the Relevant Clearing System as set out in the Technical Annex]
- (b) details of how and when [●] [As provided in the Technical Annex]  
Transfer Notice is to be delivered [In respect of Credit Linked Notes: The common procedure of transfer currently in force in the Relevant Clearing System]
- (c) details of how entitlement [●] [As provided in the Technical Annex]  
to Physical Delivery [In respect of Credit Linked Notes: The account Amount will be evidenced balances appearing in the records of the Relevant Clearing System or, if necessary, the number of Notes held by each Noteholder as notified to the Agent by the Relevant Clearing System]
- (v) The party responsible for [Insert name and address] [Not Applicable]  
calculating the redemption [In respect of Credit Linked Notes:  
amount and/or interest Société Générale acting as Calculation Agent  
amount, or the Physical 17 cours Valmy  
Delivery Amount, payable (if 92987 Paris La Défense Cedex]  
not the Agent)
- (vi) Provisions where calculation [As specified in the Schedule under “Final  
by reference to the Redemption Amount” and, if applicable, “Other final  
Underlyings Assets and / or terms”, subject to adjustment as provided in the  
Formula is impossible or Technical Annex] [Provisions where calculation by  
impracticable reference to the Underlyings Assets and / or  
Underlying is not covered by the Technical Annex,  
but within the scope of the Base Prospectus, insert:  
As specified in the Schedule]  
  
[In respect of Credit Linked Notes: As provided in  
the Technical Annex]
- (vii) Details of any other relevant [●] [As provided in the Technical Annex and as the  
terms, any stock exchange case may be in the Schedule]  
requirements/tax [In respect of Credit Linked Notes: As provided in  
considerations (including the Technical Annex]  
details of person responsible  
for transfer expenses)
- (viii) Method of calculating Early [●] per Note of [●] Specified Denomination] [Market  
Redemption Amount (if for Value] [Specify other] [As provided in the Schedule]  
reasons other than following a [In respect of Credit Linked Notes: As provided in  
redemption for tax reasons or the Technical Annex]  
an Event of Default)

- |      |   |  |
|------|---|--|
| (ix) | [Credit] Valuation Date(s)  | [●] [As provided in the Schedule]<br><br>[In respect of Credit Linked Notes: As provided in the Technical Annex]   |
| (x)  | Details of Exchanges(s) and Related Exchange(s)   | [●] [As provided in the Schedule]<br><br>[In respect of Credit Linked Notes: Not Applicable]   |
| (xi) | Such other additional terms or provisions as may be required (including, without limitation, definitions of Settlement Disruption Event(s), Potential Adjustment Events and Market Disruption Events) | [●] [As provided in the Technical Annex and as the case may be in the Schedule]<br><br>[In respect of Credit Linked Notes: As provided in the Technical Annex] |

**PROVISIONS RELATING TO REDEMPTION**

- 21. Redemption at the option of the Issuer (other than for Tax Reasons, if applicable)** [Applicable] [Not Applicable]
- [If applicable in respect of Credit Linked Notes: Subject to the provision of notice in accordance with subparagraph (iv) below, the Issuer may redeem the Notes in whole, but not in part, on [any Business Day/Specify other] from but excluding the Issue Date to but excluding the Scheduled Maturity Date]*
- [NB: Redemption at the option of the Issuer (other than for Tax Reasons, as specified in Condition 5 (b), if applicable)]*

*[If Not Applicable delete the remaining subparagraphs of this paragraph]*

*[If Applicable for reasons other than Tax Reasons, the paragraph 21 will be restated and detailed in the Schedule]*

- |       |   |   |
|-------|---|---|
| (i)   | Optional Redemption Date(s)   | [●] [See the Schedule]  |
| (ii)  | Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s) | [[●]per Note of [●] Specified Denomination] [Market Value] [Specify other] [See the Schedule] |
| (iii) | If redeemable in part   |   |
|       | (a) Minimum Redemption Amount   | [●] [Not Applicable] [See the Schedule]   |
|       | (b) Maximum Redemption Amount   | [●] [Not Applicable] [See the Schedule]   |
| (iv)  | Notice period   | [As specified in Condition 5(c)] <i>[If other than as set</i>                                 |

out in the Conditions, insert: [Other Minimum Notice Period to Noteholders] [Other Maximum Notice Period to Noteholders]] [See the Schedule]

[In respect of Credit Linked Notes, if applicable: The Issuer shall give not less than [●] Business Days' (as defined in the Technical Annex) notice to the Noteholders in accordance with Condition 12 of the Terms and Conditions (which notice shall be irrevocable and shall specify the date fixed for redemption), provided, however that any such notice shall be deemed to be void and of no effect, if a Credit Event Notice has been, or is, delivered to Noteholders in accordance with the Conditions at any time on or prior to 5:00 p.m. (Paris time) on the fourth Business Day preceding the date fixed for redemption in accordance with this paragraph 21.]

**22. Redemption at the option of the Noteholders** [Applicable] [Not Applicable]

[If Not Applicable delete the remaining subparagraphs of this paragraph]

[If Applicable, the paragraph 22 will be restated in the Schedule]

- (i) Put Redemption Date(s) [●] [See the Schedule]
- (ii) Put Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s) [[●] per Note of [●] Specified Denomination] [Market Value] [Specify other] [See the Schedule]
- (iii) Notice period [As specified in Condition 5(d)] [If other than as set out in the Conditions, insert: [Other Minimum Notice Period to Issuer] [Other Maximum Notice Period to Issuer]] [See the Schedule]

**23. Final Redemption Amount** [●] [principal amount] [Index Linked] [Specify other Final Redemption Amount per Specified Denomination] [See the Schedule]

[NB: Notes other than Instalment Notes and Open End Notes]

[In respect of Credit Linked Notes: 100 per cent. of the Nominal Amount of each Note then outstanding, subject to the provisions of the Technical Annex]

[If Final Redemption Amount is indexed (i.e. Index Linked), the subparagraph 23 (i) will be restated and detailed in the Schedule]

- (i) Index/Formula [●] [See the Schedule]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount (if not the Agent) [●] [As provided in the Technical Annex]

- (iii) Provisions for determining the redemption amount where calculation by reference to Index and/or Formula is impossible or impracticable [Give or annex details] [As provided in the Technical Annex and as the case may be in the Schedule]
- 24. Maturity Date** [See paragraph 8 above] [Not Applicable]
- [NB: Notes other than Open End Notes]
- [If Not Applicable delete the remaining subparagraphs of this paragraph]
- (i) Specified Maturity Date [Not Applicable] [Specify Date]
- (ii) Redemption Month [Not Applicable] [Specify Month and Year]
- 25. Early Redemption Amount(s) payable on redemption due to Tax Reasons or due to an Event of Default and/or the method of calculating the same (if required or if different from that set out in the Conditions)** [the principal amount of the Notes [plus accrued interest until the date of redemption (exclusive)] [and all outstanding Arrears of Interest] [the Amortised Face Amount of the Notes] [Market Value] [Insert any other applicable provisions] [Not Applicable] [As provided in the Schedule]
- [NB: "Market Value" is generally applicable in the case of Structured Notes or if so specified and means the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior (and ignoring the circumstances leading) to such early redemption and adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes).]
- 26. Credit Linked Note Provisions** [Applicable] [Not Applicable] [See the Schedule]
- [If Not Applicable delete the remaining subparagraphs of this paragraph]
- (i) Type of Credit Linked Notes: [Single Name Notes] [First-to-Default Notes] [Basket Notes] [Tranche Notes] [Specify other]
- [NB: First-to-Default Notes are also referred to as FTD Notes.]
- (ii) First Credit Event Occurrence Date: [•] [See the Schedule]
- (iii) Settlement Type [American] [European] [See the Schedule]
- (iv) Settlement Method [Cash Settlement] [or but **ONLY** for Single Name Notes and FTD Notes: Physical Settlement] [See the Schedule]
- (v) Reference Entity(-ies) [See the Schedule]
- [Insert name(s)][Specify if Sovereign]
- [For Basket Notes (which by definition include

- Tranche Notes) and FTD Notes: The Reference Entities comprised in the Reference Portfolio as described in the Annex for Credit Linked Notes hereto]*
- (vi) Transaction Type [See the Schedule]
- [For Single Name Notes : As described in the Annex for Credit Linked Notes hereto]*
- [For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, as specified in the Annex for Credit Linked Notes hereto]*
- (vii) Multiple Successor(s) [See the Schedule]
- [For Single Name Notes : Applicable]*
- [For Basket Notes (which by definition include Tranche Notes) and FTD Notes: Not relevant, Part 1 V "Multiple Successors" of the Credit Technical Annex does not apply to the Notes]*
- (viii) Reference Obligation(s) [See the Schedule]
- CUSIP/ISIN: [●] [None]
- [For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the Reference Obligation(s) as specified in the Annex for Credit Linked Notes hereto]*
- (ix) Calculation Agent responsible for calculating the redemption amount (if not the Calculation Agent specified in the Technical Annex) [Not Applicable] *[Insert name and address]*
- [In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Notes, describe the terms of its appointment and the provisions relating to the termination of its appointment]*
- (x) All Guarantees [See the Schedule]
- [For Single Name Notes: As specified in the Annex for Credit Linked Notes hereto]*
- For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, as specified in the Annex for Credit Linked*

|        |  |   |
|--------|--|---|
|        |  | Notes hereto]   |
| (xi)   | Credit Events                            | [See the Schedule]<br><br>[For Single Name Notes: The Credit Events specified in the Annex for Credit Linked Notes hereto]<br><br>[For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the Credit Event(s) specified in the Annex for Credit Linked Notes hereto]                         |
| (xii)  | Notice of Publicly Available Information | [See the Schedule]<br><br>[For Single Name Notes: As specified in the Annex for Credit Linked Notes hereto]<br><br>[For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, as specified in the Annex for Credit Linked Notes hereto]   |
| (xiii) | Obligation(s)                            |   |
|        | Obligation Category                      | [See the Schedule]<br><br>[For Single Name Notes: The Obligation Category specified in the Annex for Credit Linked Notes hereto]<br><br>[For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the Obligation Category specified in the Annex for Credit Linked Notes hereto]               |
|        | Obligation Characteristics               | [See the Schedule]<br><br>[For Single Name Notes: The Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]<br><br>[For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the Obligation Characteristics specified in the Annex for Credit Linked Notes hereto] |
| (xiv)  | Accrual of Interest upon Credit Event    | [See the Schedule]<br><br>[No Accrued Interest upon Credit Event]   |

[Accrued Interest upon Credit Event]  
 [Guaranteed Coupon]  
 [If no coupon: Not relevant. The Notes do not bear interest.]

[NB: Guaranteed Coupon only where settlement is European Settlement]

(xv) Terms relating to Settlement

Final Value [See the Schedule]

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

[If Physical Settlement: Not Applicable]

[Deliverable/Selected] [If Cash Settlement and Fixed Recovery: Not  
 Obligation(s): Applicable] [See the Schedule]

*If not applicable, delete the subparagraphs "[Deliverable/Selected] Obligation Category" and "[Deliverable/Selected] Obligation Characteristics"*

[Deliverable/Selected] [See the Schedule]  
 Obligation Category

[For Single Name Notes: The [Deliverable/Selected] Obligation Category specified in the Annex for Credit Linked Notes hereto]

[For Basket Notes (which by definition include Tranche Notes): For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Category specified in the Annex for Credit Linked Notes hereto]

[For FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the [Deliverable] [Selected] Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]

[Deliverable/Selected] [See the Schedule]  
 Obligation Characteristics

[For Single Name Notes: The [Deliverable/Selected] Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]

[For Basket Notes (which by definition include Tranche Notes): For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]

[For FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the

[Deliverable] [Selected] Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]

- (xvi) First-to-Default [See the Schedule] [Applicable] [Not Applicable]
- (xvii) Provisions relating to Basket Notes [See the Schedule] [Applicable] [Not Applicable]

*[If not applicable, delete the remaining subparagraphs (a) to (f) of this subparagraph (xvii)]*

- [(a) Reference Portfolio Notional Amount [See the Schedule]  
 [●] [equal to the product of (i)  $P/(M-N+1)$  and (ii) the Aggregate Nominal Amount, if N-to-M-to-Default is specified as Applicable]
- (b) Reference Entity Notional Amount [See the Schedule]  
 [For Each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount]
- (c) Reference Price [See the Schedule]  
 [[●] per cent.]
- (d) Reference Entity Weighting [See the Schedule]  
 [For Each Reference Entity: [●]/ the amount specified as such in the Annex for Credit Linked Notes hereto]
- (e) Provisions relating to Tranche Notes [See the Schedule] [Applicable] [Not Applicable]

*If not applicable, delete the remaining subparagraphs (1), (2) and (3) of this subparagraph (e)*

- (1) N-to-M-Default [See the Schedule] [Applicable] [Not Applicable]

*[If not applicable delete the three lines below:*

N = [●]

M = [●]

P= [number of Reference Entities within the Reference Portfolio]

- (2) Tranche Notional Amount [See the Schedule] [●]

*[NB: The Tranche Notional Amount should be equal to [portfolio size \* (detachment point- attachment point)]]*

- (3) Tranche Subordination Amount [See the Schedule] [●][equal to the product of (i) the Aggregate Nominal Amount and (ii)  $(N-1)/(M-N+1)$ , if N-to-M-to-Default is specified as Applicable]

*[Delete this subparagraph (f) UNLESS (1) the Notes are Basket Notes with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent. or with a Floating Interest Recovery or (2) the Notes are Tranche Notes where N-to-M-to-Default is specified as Not Applicable and with a Fixed Interest Recovery or (3) the Notes are Tranche Notes where N-to-M-to-Default is specified as Applicable and with Floating Interest Recovery with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent.]*

- (f) Interest Recovery [See the Schedule] [Fixed Interest Recovery with an Interest Recovery Rate of [●] per cent.] [Floating Interest Recovery]

- (xviii) Provisions relating to other Credit Linked Notes [See the Schedule] [●] [Not Applicable]

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

- (a) Interest Calculation Amount [See the Schedule] [●]

- (b) Calculation of Cash Redemption Amount [See the Schedule] [●]

- (xix) Such other additional terms or provisions as may be required [See the Schedule] [●] [Not Applicable]

- (xx) Business Days (for the purposes of the Technical Annex) [See the Schedule] [●]

**PROVISIONS RELATING TO KNOCK-IN/-OUT EVENTS**

27. **Knock-In/-Out Event(s)** [Applicable] [Not Applicable][See the Schedule]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

28. **Form of Notes** [Temporary Global Note exchangeable for a Permanent Global Note] [Permanent Global Note] [Specify other]

29. **Payments on Temporary Global Notes Restricted** [Yes][No] [See Condition 4(b)] [Not Applicable]

30. **"Payment Business Day" election** [None] [Following Payment Business Day] [Modified Following Payment Business Day] [Specify other]

[NB: "Payment Business Day" election in accordance with Condition 4(e) or other special provisions relating to Payment Business Days]

[Note that this item relates to the date of payment and not Interest Period end dates to which items 16(ii) and 18(v) relate]

[Amend "Payment Business Day" definition if payment is to be made on 25 December as Euroclear and Clearstream Banking, Luxembourg do not settle payments on such day.]

- 31. Financial Centre(s)** [Not Applicable] [Give details]
- [In respect of Credit Linked Notes with Physical Settlement: [•] and solely for the purposes of physical settlement, if applicable, a day in any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligations being Delivered][NB: Financial Centre(s) for the purposes of Condition 4(e)]
- 32. Details relating to Partly Paid Notes** [Applicable] [Not Applicable]
- [Amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]
- (i) Part Payment Date(s) [•]
- (ii) Part Payment Amount(s) [•]
- (iii) Other applicable provisions [Give details]
- 33. Details relating to Instalment Notes** [Applicable] [Not Applicable]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]
- (i) Instalment Payment Date(s) [•]
- (ii) Instalment Amount(s) [•]
- (iii) Other applicable provisions [Give details]
- 34. Redenomination** [Not Applicable] [The provisions of Condition 1 apply]

#### OTHER FINAL TERMS

- 35. Other final terms** [Not Applicable] [Give details] [As specified in the Schedule]

[When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the

Base Prospectus under Article 16 of the Prospectus Directive]

## NOTICES

36. **Means of publication** [Germany: *Börsen-Zeitung* and Financial Times Deutschland (Financial Times Deutschland only if publication date is a Monday)] [Austria: *Amtsblatt zur Wiener Zeitung*] [Luxembourg: d'Wort] [Specify other][or]
- [http://prospectus.socgen.com]

[NB: Means of publication in accordance with Condition 12(a)]

37. **Clearing System Delivery Period** [Applicable] [Not Applicable] [Specify other] [Give details]

[NB: Clearing System Delivery Period in accordance with Condition 12(b)]

## PLAN OF DISTRIBUTION AND ALLOTMENT

38. **Notification Process for allotted amount** [●] [Not Applicable]
39. **Tranche reserved to one of the countries where the Offer is made** [●] [Not Applicable]

## PLACING AND UNDERWRITING

40. (i) If syndicated, names [and addresses and underwriting commitments] \*\* of Managers [Not Applicable] [Give names [and addresses and underwriting commitments]\*\* of Managers]

[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 on a "best efforts" basis if such entities are not the same as the Managers.]\*\*

- (ii) [Date of Subscription Agreement]\*\* [Not Applicable] [Insert date]\*\*

- (iii) Stabilising Manager (if any) [Not Applicable] [Insert name]

41. **If non-syndicated, name [and address]\*\* of the relevant Dealer** Société Générale
- [Tours Société Générale  
17, Cours Valmy  
92987 Paris-La Défense Cedex 7]\*\*

[Give name [and address] \*\* in the case of a Dealer other than Société Générale]

42. **Total commission and concession\*\*** [[●] per cent. of the Aggregate Nominal Amount]

[There is no commission and/or concession paid by the Issuer to the Dealer or the Managers] [Give details]

**43. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable**

[TEFRA D] [TEFRA C] [Not Applicable]

[NB: In case of Notes for which [TEFRA C / TEFRA D] rules apply:

*Subject to certain exceptions, Section 4701 of the US Internal Revenue Code imposes an excise tax on non-US issuers of bearer obligations. The amount of the excise tax is one percent of the principal amount of the obligation, multiplied by the number of calendar years until the obligation reaches maturity. Notes issued on or before 18 March 2012 in accordance with the TEFRA C Rules or TEFRA D rules are exempt from the excise tax. The Hiring Incentives to Restore Employment Act of 2010 (the **HIRE Act**) repealed the TEFRA C rules and TEFRA D rules for Notes issued after 18 March 2012. Based on Notice 2012-20, the US Department of Treasury and the US Internal Revenue Service intend to provide in regulations that rules identical to the TEFRA C rules and TEFRA D rules will apply for purposes of establishing an exemption from the excise tax. Consequently, Bearer Notes issued after 18 March 2012 in accordance with the TEFRA C rules or TEFRA D rules should continue to be treated as “foreign targeted obligations” that are exempt from the excise tax.]*

**44. Additional selling restrictions**

[Not Applicable] [Give details] [In the case of a public offer, consider disapplying the selling restrictions applicable to the jurisdiction(s) where the public offer is to be made (see “Selling Restrictions: European Economic Area”)]

**45. Table**

[Applicable (see the Table on the following page)]  
[Not Applicable]

**GOVERNING LAW**

**46. Governing Law**

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

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

| Series Number | Tranche Number | Specified Currency or Currencies | Aggregate Nominal Amount | Issue Price | Specified Denomination(s) | Maturity Date | [Rate(s) of Interest] | ISIN code | [WKN] | [Common code] | [Mnemonic code] | Underlying | [Component of formula / Part 2 Definitions: •] |
|---------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|---------------|-----------------------|-----------|-------|---------------|-----------------|------------|--|
| [•]           | [•]            | [•]                              | [•]                      | [•]         | [•]                       | [•]           | [•]                   | [•]       | [•]   | [•]           | [•]             | [•]        | [•]  |
| [•]           | [•]            | [•]                              | [•]                      | [•]         | [•]                       | [•]           | [•]                   | [•]       | [•]   | [•]           | [•]             | [•]        | [•]  |

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue of the Notes [and] [public offer in [Insert country(-ies)]] [and] [listing] [and] [In the case of securities to be listed on the Freiverkehr of any German Stock Exchange or on the unregulated market of any other stock exchange, the following does not apply, otherwise insert when applicable: admission to trading] on the [unofficial market][unregulated market] (Open Market, *Freiverkehr*) of the [Frankfurt] [Stuttgart] Stock Exchange] [regulated market of the Luxembourg Stock Exchange] [Specify other] described herein by Société Générale Effekten GmbH pursuant to its € 30,000,000,000 Debt Issuance Programme for which purpose they are hereby submitted.

## RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms [In the case of public offer or admission to trading on a regulated market, insert: under § 5 Sec. (4) German Securities Prospectus Act (*Wertpapierprospektgesetz*)].

Information or summaries of information included herein with respect to the Underlying(s) has been extracted or obtained, as the case may be, from general databases released publicly or by any other available information. The Issuer and the Guarantor declare that, to the best of their knowledge, the information contained in these Final Terms is accurate and does not contain any material omissions.

Signed on behalf of the Issuer:

By:

*Duly authorised*

By:

*Duly authorised*

Signed on behalf of the Guarantor:

By:

*Duly authorised*

By:

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [None] [Application [has been] [will be] made to list the Notes on the [official] [unofficial] [regulated] [unregulated] [market] [(Open Market, *Freiverkehr*) of the [Frankfurt] [Stuttgart] [Luxembourg] [*Specify other*][Stock Exchange]

[The subparagraph 1(i) will be restated in the Schedule]

- (ii) Admission to trading [Not Applicable] [Application [has been] [will be] made to admit to trading the Notes on the [official][regulated] [market] of the [Luxembourg] [*Specify other*] [Stock Exchange]]

[Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]\*\*

- [(iii) Estimate of total expenses related to admission to trading\* [●]]

### 2. RATINGS

- Ratings [The Notes to be issued have not been rated.]  
[The Notes to be issued have been rated by :

[Insert name, address and rating of relevant rating agency: [●]]

[The credit rating[s] referred to above [has] [have] been issued by [●] [and [●]], [each of] which is established in the European Union and [is] [has applied to be] registered under Regulation (EC) No 1060/2009 (as amended by Regulation (EU) No. 513/2011), the "**CRA Regulation**".]

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

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

[Not Applicable] [The *Bundesanstalt für Finanzdienstleistungsaufsicht* (The BaFin), Germany, [has been requested to provide] [has provided] the [*Include name(s) of competent authority(-ies) of host Member State(s)*] with [a] certificate[s] of approval attesting that the Base Prospectus [and the Supplement[s]] [has] [have] been drawn up in accordance with the Prospectus Directive].

[The Issuer and the Guarantor have authorised the use of these Final Terms and the Base Prospectus dated 19 June 2012 by the Dealer/Managers and [the entities in charge of the distribution of the Notes] [*Give name(s) [and address(es)] of other financial intermediary(-ies) involved in the Offer*] (the **Distributor[s]** and, together with the Dealer/Managers, the **Financial Intermediaries**) in connection with offers of the Notes to the public in [Germany [and] [*Insert other country(-ies)*]] for the period set out in paragraph 14 below [; being specified that names

and addresses of the Distributor[s] [, if any,] are available upon request to the Dealer (specified above in the item 41 of the Part A).] \*\*]

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

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

The Issuer and Société Générale expect to enter into hedging transactions in order to hedge the Issuer's obligations under the Notes. Should any conflicts of interest arise between (i) the responsibilities of Société Générale as Calculation Agent for the Notes and (ii) the responsibilities of Société Générale as counterparty to the above mentioned hedging transactions, the Issuer and Société Générale hereby represent that such conflicts of interest will be resolved in a manner which respects the interests of the Noteholders.]

*[Amend as appropriate if there are other interests]*

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

- (i) Reasons for the offer [●] [Not Applicable] [See "Use of Proceeds" wording in the Base Prospectus]

*[If reasons for offer are different from making profit and/or hedging certain risks will need to include those reasons here.]*

- (ii) Estimated net proceeds [●]

*[If the proceeds are intended for more than one purpose, those purposes should be disclosed in order of priority. If the proceeds will be insufficient to fund all disclosed purposes, state the amount and sources of other funding.]*

- (iii) Estimated total expenses [●]

*[Expenses must be broken down into each principal intended "use" and presented in order of priority of such "uses".] [Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above 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) above are also required regardless of denomination.]*

*[If the Notes are derivative securities to which 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.]\*\**

- (iv) Taxes and other expenses Taxes charged in connection with the subscription, transfer, purchase or holding of the Notes must be paid by the Noteholders and neither the Issuer nor the Guarantor shall have any obligation in relation thereto; in that respect, Noteholders shall consult professional tax advisers to determine the tax regime applicable to their own situation. Other expenses that may be charged to the Noteholders, *inter alia* by Distributors, in relation to the subscription, transfer, purchase or holding of the Notes, cannot be assessed or influenced by the Issuer or the Guarantor and are usually based on the relevant

intermediary's business conditions.

[Specify other]

**6. YIELD** (*Fixed Rate Notes only*)

Indication of yield

[Applicable] [Not Applicable] [Give details]

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

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

[In the case of certain Structures Notes in respect of which a fixed rate of interest is paid during all part or part of the term of the Notes and either or both of interest and/or the redemption amount is/are indexed insert: Since the Notes are linked to the performance of certain Underlying(s), the yield cannot be foreseen.]

**7. HISTORIC INTEREST RATES** (*Floating Rate Notes only*)

[Applicable] [Not Applicable]

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

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

[Applicable] [Not Applicable]

[Include details of where past and future performance and volatility of the index/formula/other variable can be obtained]

[Include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances in which the risks are most evident.]

[In case of Notes with indexed coupons: Under these Notes, the Noteholders are entitled to receive indexed coupons totally linked to the performance of the Underlying(s) calculated on pre-determined Valuation Dates.] [In case of Notes with indexed linked final redemption amount: At maturity, the Noteholders are entitled to receive an amount totally linked to the performance of the Underlying(s).] [In case of automatic early redemption: The actual redemption date of these Notes is directly related to the performance of the Underlying(s): the better the performance, the sooner the redemption date and conversely, the worse the performance the later the redemption date.] [In case of Structured Notes: The return under these Notes is linked to the performance of the Underlying(s).] [In case of Notes with a barrier: The return depends upon the fact that the performance of the Underlying(s) reaches or does not reach a pre-determined threshold. Accordingly, a small downward or upward movement of the Underlying(s) close to the threshold may result in a significantly larger increase or decrease of the return of the Notes.] [In case of Notes with an indexed final redemption amount calculated on pre-determined Valuation Dates: The return of these Notes is linked to the performances of the Underlying(s) as calculated on pre-determined Valuation Dates. As a result, the Closing Price of the Underlying(s) on these dates will affect the value of the Notes more than any other single factor. Under these Notes, at maturity, the Noteholders may not

receive the amount initially invested. Noteholders are entitled to receive a Final Redemption Amount which may, in case of an adverse evolution of the Underlying(s) during the term of the Notes, be significantly lower than the amount per Note initially invested up to a total loss] [*In case of Floating Rate Notes*: Under these Notes, the Noteholders are entitled to receive indexed coupons [partly] linked to the performance of [an interest rate][specify other: ●] calculated on pre-determined valuation dates.] [*In case of Credit Linked Notes*: At maturity, the Noteholders are entitled to receive the amount initially invested on the Issue Date (Specified Denomination per Note) provided that no Credit Event has occurred on the Reference Entity. Investors are exposed to the default risk of the Issuer and the Guarantor. The mark-to-market value of the Notes will fluctuate as a function of an interest rate, the credit spread of the Reference Entity and the funding spread of the Guarantor. If the credits and funding spreads increase, the value of the Notes will decrease.] [*specify other: ●*]

[*To the extent not covered by the Technical Annex, need to consider including, pursuant to Annex XII of the Prospectus Directive Regulation, in the Final Terms Part A or in a schedule thereto a description of any market disruption or settlement disruption events that affect the Underlying and any adjustment rules in relation to events concerning the Underlying (if applicable).*]

[*Where the Underlying is an index, include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the Underlying is not an index need to include equivalent information.*]

[*Where the underlying is a security need to include the name of the issuer of the security and the International Securities Identification Number (ISIN) or equivalent identification number. Where the underlying is a basket of underlyings (including in relation to Credit Linked Notes that are Tranche Notes), need to include the relevant weightings of each underlying in the basket.*]

**9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

[Applicable] [Not Applicable]

[*Include details of where performance and volatility from time to time of the relevant rates can be obtained*]

[*Include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances in which the risks are most evident.*]

**10. OPERATIONAL INFORMATION**

- |       |                                       |  |
|-------|---------------------------------------|--|
| (i)   | ISIN code                             | [●] [see Table in paragraph 45. of Part A - Contractual Terms]                                     |
| (ii)  | Common code                           | [●] [see Table in paragraph 45. of Part A - Contractual Terms] [Available upon request, as needed] |
| (iii) | WKN ( <i>Wertpapier Kenn Nummer</i> ) | [●] [see Table in paragraph 45. of Part A - Contractual Terms] [Not Applicable]                    |
| (iv)  | Mnemonic code                         | [●] [see Table in paragraph 45. of Part A - Contractual Terms] [Not Applicable]                    |
| (v)   | Clearing System(s)                    | [Clearstream Banking AG, Mergenthalerallee 61,   |

65760 Eschborn, Germany] [Clearstream Banking AG Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg] [Euroclear Bank S.A./N.V., 1, Boulevard du Roi Albert II, B - 1210 Brussels, Belgium] [Euroclear France, 113 rue Réaumur – 75081 Paris – Cedex 02, France] [Not Applicable]

[Give name(s) and address(es) of any other or additional Clearing System(s)]

11. **Delivery** Delivery [against] [free of] payment
12. **Name(s) and address(es) of Additional Paying Agent(s) and Settlement Agent (if any)** [Give name(s) and address(es)] [Not Applicable]
13. **Address and contact details of Société Générale for all administrative communications relating to the Notes** [Give name and address]
- Telephone: [●]  
 Facsimile: [●]  
 Attention: [●]  
 Mail: [●]
14. **PUBLIC OFFERS\*\*** [Not Applicable]

This paragraph applies only in respect of any offer of Notes made in any Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive (each, a **Relevant Member State**), where such offer is not made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes.

- (i) Offer Period From [and including] [●] to [and including] [●] in [Insert country(-ies)] [, save in the case of early termination or postponement].

[This Offer Period should be from the date of publication of the Final Terms to a specified date (or a formulation such as “the Issue Date” or “the date which falls [●] Business Days thereafter”).]

- (ii) Offer Price [The Notes will be offered at the Issue Price increased by fees, if any, as mentioned below.]

[The Issuer has offered the Notes to the Dealer/Managers at the initial Issue Price of [●] less a total commission of [●].]

[or where the price is not determined at the date of the Final Terms:

The Issue Price of the Notes will be determined by the Issuer and the [Dealer/Managers] on or about [●] in accordance with market conditions then prevailing, including [supply and demand for the Notes and other similar securities] [and] [the then current market price of [Insert relevant benchmark security, if any].] [Specify other]

(iii) Conditions to which the Offer is subject [Offers of the Notes are conditional [on their issue *only applicable to offers during the Offer Period*] [and] [on any additional conditions set out in the standard terms of business of the Financial Intermediaries, notified to investors by such relevant Financial Intermediaries.] [*Specify other*]

(iv) Description of the application process [●] [Not Applicable] [Any application for subscription of the Notes shall be sent to Société Générale (see paragraph 13 of Part B above) or any Financial Intermediary] [*Specify other*]

[*Not Applicable unless full application process is being followed in relation to the issue*]

(v) Details of the minimum and/or maximum amount of application [Minimum subscription amount per investor: [●]] [Maximum subscription amount per investor: [●]] [Not Applicable] [*Specify other*]

[*Not Applicable unless full application process is being followed in relation to the issue*]

(vi) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants [●] [Not Applicable] [*Specify other*]

[*Not Applicable unless full application process is being followed in relation to the issue*]

(vii) Details of the method and time limits for paying up and delivering the Notes [The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.] [The settlement of the net subscription moneys and the delivery of the Notes will be executed through the Dealer mentioned above.] [Investors will be notified by the relevant Financial Intermediary of their allocations of Notes and the settlement arrangements in respect thereof.] [*Specify other*]

(viii) Manner and date in which results of the Offer are to be made public [●] [Not Applicable] [Publication on the website of the Issuer: <http://prospectus.socgen.com> on [●] [or by the Issuer in a daily newspaper of general circulation in the relevant place(s) of listing and/or public offer] at the end of the Offer Period if required by local regulation.] [*Specify other*]

[*Not Applicable unless the issue is an “up to” issue when disclosure must be included*]

(ix) Procedure for exercise of any right of preemption, negotiability of subscription rights and treatment of subscription rights not exercised [●] [Not Applicable] [*Specify other*]

[*Not Applicable unless full application process is being followed in relation to the issue*]

(x) Categories of potential investors to which the Notes are offered [Offers may be made by the Financial Intermediaries in [Germany] [and] [*jurisdictions into which the Base Prospectus has been passported*] to any person.] [In other EEA

countries, offers will only be made pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Directive as implemented in such countries.] [*Specify other*]

- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made [●] [Not Applicable] [Notification is made by Societe Générale (see paragraph 13 of Part B above).] [No dealings in the Notes on a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on Markets in Financial Instruments may take place prior to the Issue Date.] [*Specify other*]

[*Not Applicable unless full application process is being followed in relation to the issue*]

- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser [●] [Taxes charged in connection with the subscription, transfer, purchase or holding of the Notes must be paid by the Noteholders and neither the Issuer nor the Guarantor shall have any obligation in relation thereto; in that respect, Noteholders shall consult professional tax advisors to determine the tax regime applicable to their own situation. The Noteholders shall also consult the Taxation section in the Base Prospectus.]

[Additional subscription fees or purchase fees:

[None] [Up to [●]% of the Specified Denomination being specified that the Distributor[s] can waive such fees.]]

[*Specify other*]

**Post-issuance information:** The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.

**Notes:**

\* *Delete if the minimum denomination is less than [€50,000/€100,000]*

\*\* *Delete if the minimum denomination is [€50,000/€100,000]*



- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes [•]

**[16. Floating Rate Note Provisions**                      Applicable

*[Delete the paragraph 16 if specified as "Not Applicable" in Part A of the Final Terms]*

- (i) Specified Interest Payment Date(s)/Specified Interest Period(s) [•]
- (ii) Business Day Convention [•]
- (iii) Relevant financial centre(s) / Applicable "Business Day" Definition [•]
- (iv) Manner in which the Rate of Interest is to be determined [•]
- (vi) Screen Rate Determination
- Index/Formula [•]
  - Reference Rate [•]
  - Interest Determination Date(s) [•]
  - Specified Time [•]
  - Relevant Screen Page [•]
- (vii) ISDA Determination
- Index/Formula [•]
  - Floating Rate Option [•]
  - Designated Maturity [•]
  - Reset Date [•]
- (viii) Formula for calculation of Rate of Interest [•]
- (ix) Margin(s) [•]
- (x) Minimum Rate of Interest [•]
- (xi) Maximum Rate of Interest [•]
- (xii) Day Count Fraction [•]
- (xiii) Fall-back provisions, rounding provisions and any other terms relating to the method of [•]

calculating interest on Floating Rate Notes, if different from, or in addition to, those set out in the Conditions

**[17. Zero Coupon Note Provisions**                      Applicable

*[Delete the paragraph 17 if specified as "Not Applicable" in Part A of the Final Terms]*

- (i)            Accrual Yield                      [●]
- (ii)           Reference Price                      [●]
- (iii)          Any other formula / basis of [●]  
determining amount payable
- (iv)          Day Count Fraction in relation [●]  
to        Early        Redemption  
Amount(s) and late payment

**[18. Structured Note Provisions**                      Applicable

*[Delete the paragraph 18 if specified as "Not Applicable" in Part A of the Final Terms]*

- (i)            Index/Formula                      [●]
- (iii)          Provisions for determining [●]  
Interest where calculation by  
reference to Index and/or  
Formula is impossible or  
impracticable
- (vii)         Minimum Rate of Interest        [●]
- (viii)        Maximum Rate of Interest       [●]

**[20. Physical Delivery Note Provisions**            Applicable]

*[Delete the paragraph 20 if specified as "Not Applicable" in Part A of the Final Terms]*

- (i)            Underlyings and / or Formula [●]  
to be used to determine  
principal and/or interest or the  
Physical Delivery Amount
- (ii)          Settlement by way of cash [●]  
and/or physical delivery
- (vi)          Provisions where calculation [●]  
by reference to the  
Underlyings Assets and / or  
Formula is impossible or  
impracticable
- (vii)         Details of any other relevant [●]  
terms, any stock exchange  
requirements/tax  
considerations        (including

details of person responsible for transfer expenses)

- (viii) Method of calculating Early Redemption Amount (if for reasons other than following a redemption for tax reasons or an Event of Default) [•]
- (ix) [Credit] Valuation Date(s) [•]
- (x) Details of Exchanges(s) and Related Exchange(s) [•]
- (xi) Such other additional terms or provisions as may be required (including, without limitation, definitions of Settlement Disruption Event(s), Potential Adjustment Events and Market Disruption Events) [•]

**[21. Redemption at the option of the Issuer (other than for Tax Reasons, , if applicable)** Applicable

*[Delete the paragraph 21 if specified as "Not Applicable" in Part A of the Final Terms]*

- (i) Optional Redemption Date(s) [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s) [•]
- (iii) If redeemable in part
  - (a) Minimum Redemption Amount [•]
  - (b) Maximum Redemption Amount [•]
- (iv) Notice period [•]

**[22. Redemption at the option of the Noteholders]** Applicable

*[Delete the paragraph 22 if specified as "Not Applicable" in Part A of the Final Terms]*

- (i) Put Redemption Date(s) [•]
- (ii) Put Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s) [•]
- (iii) Notice period [•]

- 23. Final Redemption Amount**  [principal amount]  [Index Linked]  [Specify other Final Redemption Amount per Specified Denomination]
- [NB: Notes other than Instalment Notes and Open End Notes]
- (i) Index/Formula
  - (iii) Provisions for determining the redemption amount where calculation by reference to Index and/or Formula is impossible or impracticable
- [25. Early Redemption Amount(s) payable on redemption due to Tax Reasons or due to an Event of Default and/or the method of calculating the same (if required or if different from that set out in the Conditions)]**
- [26. Credit Linked Note Provisions]**  [Applicable]  [Not Applicable]
- [If Not Applicable delete the remaining subparagraphs of this paragraph]
- (i) Type of Credit Linked Notes:
- [NB: First-to-Default Notes are also referred to as FTD Notes.]
- (ii) First Credit Event Occurrence Date:
  - (iii) Settlement Type
  - (iv) Settlement Method
  - (v) Reference Entity(-ies)
  - (vi) Transaction Type
  - (vii) Multiple Successor(s)
  - (viii) Reference Obligation(s)
  - (ix) Calculation Agent responsible for calculating the redemption amount (if not the Calculation Agent specified in the Technical Annex)
  - (x) All Guarantees
  - (xi) Credit Events
  - (xii) Notice of Publicly Available Information

- (xiii) Obligation(s)
  - Obligation Category [•]
  - Obligation Characteristics [•]
  - [•]
- (xiv) Accrual of Interest upon Credit Event
- (xv) Terms relating to Settlement
  - Final Value [•]
  - [Deliverable/Selected] Obligation(s): [•]
  - [Deliverable/Selected] Obligation Category [•]
  - [Deliverable/Selected] Obligation Characteristics [•]
- (xvi) First-to-Default [•]
- (xvii) Provisions relating to Basket Notes [•]

*[If not applicable, delete the remaining subparagraphs (a) to (f) of this subparagraph (xvii)]*

- [(a) Reference Portfolio Notional Amount [•]
- (b) Reference Entity Notional Amount [•]
- (c) Reference Price [•]
- (d) Reference Entity Weighting [•]
- (e) Provisions relating to Tranche Notes [•]

*If not applicable, delete the remaining subparagraphs (1), (2) and (3) of this subparagraph (e)*

- (1) N-to-M-Default [•]
- (2) Tranche Notional Amount [•]
- (3) Tranche Subordination Amount [•]

- (f) Interest Recovery [•]
- (xviii) Provisions relating to other Credit Linked Notes [•]

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

- (a) Interest Calculation Amount [•]
- (b) Calculation of Cash Redemption Amount [•]
- (xix) Such other additional terms or provisions as may be required [•]
- (xx) Business Days (for the purposes of the Technical Annex) [•]

**[27. Knock-In/-Out Event(s) [•]]**

*[Delete the paragraph 27 if specified as "Not Applicable" in Part A of the Final Terms]*

**35. Other final terms [Applicable] [Not Applicable] [Give details]**

**[Part 2: Definitions**

Terms used in the formulae above are described in this Part 2.

[•]

**[Part 3: Information relating to the Underlying(s)**

[Information or summaries of information included herein with respect to the Underlying(s) has been extracted or obtained, as the case may be, from general databases released publicly or by any other available information. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as they are aware and are able to ascertain from information published, no facts have been omitted which would render the reproduced information, inaccurate or misleading.]

**[Part 4: Additional information**

[•]

**[Part 5: Additional risk Factors**

*[Insert additional specific risk factors relating to an Underlying of a particular Tranche of Notes, provided that these risks are specific to this Underlying and can only be determined at the time of the individual issue.]*

**ANNEX FOR CREDIT LINKED NOTES**

[For Single Name Notes:

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

[For FTD Notes:

**Reference Portfolio:**

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

[For Basket Notes:

**Reference Portfolio:**

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

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

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

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

| Credit Events  | [insert Transaction Type] |
|--|---------------------------|
| Bankruptcy   | [X]                       |
| Failure to Pay   | [X]                       |
| Grace Period Extension   | [X]                       |
| Notice of Publicly Available Information   | [X]                       |
| Payment Requirement (USD 1,000,000)  | [X]                       |
| Obligation Default   | [X]                       |
| Obligation Acceleration  | [X]                       |
| Repudiation/Moratorium   | [X]                       |
| Restructuring  | [X]                       |
| Restructuring Maturity Limitation and Fully Transferable Obligation                  | [X]                       |
| Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation | [X]                       |
| Multiple Holder Obligation   | [X]                       |

|                                      |                                     |
|--------------------------------------|-------------------------------------|
| Default Requirement (USD 10,000,000) | <input checked="" type="checkbox"/> |
| All Guarantees                       | <input checked="" type="checkbox"/> |

| <b>Obligations Category</b> | <i>[insert Transaction Type]</i>    |
|-----------------------------|-------------------------------------|
| Payment                     | <input checked="" type="checkbox"/> |
| Borrowed Money              | <input checked="" type="checkbox"/> |
| Reference Obligations Only  | <input checked="" type="checkbox"/> |
| Bond                        | <input checked="" type="checkbox"/> |
| Loan                        | <input checked="" type="checkbox"/> |
| Bond or Loan                | <input checked="" type="checkbox"/> |

| <b>Obligations Characteristics</b>                  | <i>[insert Transaction Type]</i>    |
|---|-------------------------------------|
| Not Subordinated                                    | <input checked="" type="checkbox"/> |
| Standard Specified Currency                         | <input checked="" type="checkbox"/> |
| Standard Specified Currencies and Domestic Currency | <input checked="" type="checkbox"/> |
| Not Sovereign Lender                                | <input checked="" type="checkbox"/> |
| Not Domestic Currency                               | <input checked="" type="checkbox"/> |
| Not Domestic Law                                    | <input checked="" type="checkbox"/> |
| Listed  | <input checked="" type="checkbox"/> |
| Not Domestic Issuance                               | <input checked="" type="checkbox"/> |

| <b>[Deliverable] [Selected] Obligations Category</b> | <i>[insert Transaction Type]</i>    |
|--|-------------------------------------|
| Payment  | <input checked="" type="checkbox"/> |
| Borrowed Money                                       | <input checked="" type="checkbox"/> |
| Reference Obligations Only                           | <input checked="" type="checkbox"/> |
| Bond   | <input checked="" type="checkbox"/> |
| Loan   | <input checked="" type="checkbox"/> |
| Bond or Loan   | <input checked="" type="checkbox"/> |

| <b>[Deliverable] [Selected] Obligations Characteristics</b> | <i>[insert Transaction Type]</i>    |
|---|-------------------------------------|
| Not Subordinated  | <input checked="" type="checkbox"/> |
| Standard Specified Currency                                 | <input checked="" type="checkbox"/> |
| Standard Specified Currencies and Domestic Currency         | <input checked="" type="checkbox"/> |
| Not Sovereign Lender  | <input checked="" type="checkbox"/> |
| Not Domestic Currency                                       | <input checked="" type="checkbox"/> |
| Not Domestic Law  | <input checked="" type="checkbox"/> |
| Listed  | <input checked="" type="checkbox"/> |
| Not Domestic Issuance                                       | <input checked="" type="checkbox"/> |
| Not Contingent  | <input checked="" type="checkbox"/> |
| Assignable Loan   | <input checked="" type="checkbox"/> |
| Consent Required Loan                                       | <input checked="" type="checkbox"/> |
| Transferable  | <input checked="" type="checkbox"/> |

| <b>[Deliverable] [Selected] Obligations Characteristics</b> | <i>[insert Transaction Type]</i> |
|---|----------------------------------|
| Maximum Maturity: 30 Years                                  | [X]                              |
| Not Bearer  | [X]                              |

TERMS AND CONDITIONS OF THE NOTES

*The following, together with the Technical Annex (if applicable), are the Terms and Conditions (the **Conditions**) of the Notes to be issued under German law. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, complete the following and meet the purpose of such Notes.*

*[In the case of completed Conditions, insert: The provisions of these Conditions apply to the Notes as completed, in whole or in part, by the applicable Final Terms, which are attached hereto and which together with the Conditions will apply to the Notes to be issued under the Debt Issuance Programme and will be endorsed on, attached to or incorporated by reference into each Global Note.]*

*The blanks in these Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the applicable Final Terms as if such information were inserted in the blanks of such provisions; any provisions of the Final Terms completing, in whole or in part, the provisions of these Conditions shall be deemed to so complete the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the applicable Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the applicable Final Terms.*

*[Certificates may be issued pursuant to the Programme provided that all current references in these Conditions to "Notes" and "Noteholders" shall be deemed to be instead to "Certificates" and "Holders".]*

This Note is one of a Series (as defined below) of Notes . Reference herein to the **Issuer** shall be references to Société Générale Effekten GmbH, as specified in the applicable Final Terms (as defined below) and in the case of any substitution of the Issuer in accordance with Condition 11, the **Substitute Debtor** as defined in Condition 11).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean (i) in relation to any Note(s) represented by a global Note, units of each Specified Denomination in the Specified Currency of issue and (ii) any global Note in bearer form (a **Global Note**)

References herein to **Noteholder** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below.

References herein to "Clearing System[(s)]" (as defined below) 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 and approved by the Issuer, the Guarantor, the Agent, and in the case of Notes listed in a stock exchange, such stock exchange.

The final terms for this Note (or other relevant provisions thereof) are set out in Part A of the Final Terms that are endorsed on, attached to, incorporated by reference in, this Note and which complete these terms and conditions (the **Conditions**). The applicable final terms (or other relevant provisions thereof) complete these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note.

References herein to the **applicable Final Terms** are to Part A of the Final Terms (or other relevant provisions thereof) and, if applicable, the schedule to the applicable Final Terms (the **Schedule**), which applicable Final Terms are endorsed on, attached to, incorporated by reference in, this Note.

References herein to **Tranche** shall mean Notes which are identical in all respects and references herein to **Series** shall mean a Tranche of Notes together with any further Tranche or Tranches of

Notes which are (a) expressed to be consolidated and form a single Series and (b) identical in all respects except for their respective Issue Date [, Interest Commencement Date] and/or Issue Price.

References herein to **Physical Delivery Notes** shall mean any Series of Notes specified as such in the applicable Final Terms in respect of which an amount of principal and/or interest is payable and/or (by reference to any underlying security or asset described in the applicable Final Terms (the **Underlying Asset(s)**) a physical delivery amount (the **Physical Delivery Amount**) (being the number of Underlying Asset(s) plus/minus any amount due to/from the Noteholder in respect of each Notes) is deliverable and/or payable, in each case by reference to one or more Underlying Asset(s) as indicated in the applicable Final Terms.

In these Conditions, the **Guarantor** shall mean Société Générale in its capacity as guarantor pursuant to the Guarantee (as defined in Condition 2(b)) in respect of any Notes issued by the Issuer. Accordingly, references herein to the Guarantor are applicable only in the context of such Notes.

## BASIC TERMS

### CONDITION 1 - FORM, DENOMINATION, TITLE AND REDENOMINATION

The Notes are issued in bearer form in [*In the case of Table in Condition 1 being applicable, insert: the currency as defined in the Table in Condition 1*] [*Insert specified currency*] (the **Specified Currency**) in [*the aggregate nominal amount*] [*of*] [*Insert aggregate nominal amount*] (the **Aggregate Nominal Amount**) [*In the case of Table in Condition 1 being applicable, insert: as defined in the Table in Condition 1*], divided into Notes in the specified denomination [*In the case of Table in Condition 1 being applicable, insert: as defined in the Table in Condition 1*] [*of*] [*Insert specified denomination*] (the **Specified Denomination**) each.

[*In the case of Credit Linked Notes, insert any other applicable provisions, if necessary: [●]*]

The Notes are [represented by a permanent global bearer Note (a **Permanent Global Note**)] [initially represented by a temporary global bearer Note (a **Temporary Global Note**)] without interest coupons. [The Permanent Global Note] [Each of the Temporary Global Note and the Permanent Global Note] shall bear the manual or facsimile signatures of two duly authorised officers of the Issuer.

[*In the case of Notes which are represented by a Temporary Global Note, add the following provision:*

The Temporary Global Note will be exchangeable, free of charge to the Noteholder, on or after its Exchange Date (as defined below), in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note for a Permanent Global Note (the Temporary Global Note and the Permanent Global Note, each a **Global Note**) without interest coupons.

For the purposes of this Condition 1:

**Exchange Date** means a day falling not earlier than 40 days after the date of issue of the Temporary Global Note.]

The right of the Noteholders to require the issue and delivery of definitive Notes [or interest coupons] is excluded.

[The Permanent Global Note] [Each of the Temporary Global Note and the Permanent Global Note] will be held in custody by or on behalf of [Clearstream Banking AG, Frankfurt (**Clearstream Banking, Frankfurt** or **CBF**)] [a depositary common to Clearstream Banking, *société anonyme*, Luxembourg (**Clearstream Banking, Luxembourg** or **CBL**) and Euroclear Bank S.A./N.V., as operator of the Euroclear system (**Euroclear**)] [Euroclear France (**Euroclear France**)] [a depositary or nominee for purposes of introducing the Notes into the clearing system operated by [*Insert other clearing system*]

([together,] the **Clearing System**[(s)]) until all obligations of the Issuer under the Notes have been satisfied.

The Issuer may (if so specified in the applicable Final Terms), on any Interest Payment Date as specified in the applicable Final Terms, without the consent of the Noteholders, in accordance with Condition 12, and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the third stage of the European Economic and Monetary Union (as provided in the Treaty on the Functioning of the European Union (the **EU**), as amended from time to time (the **Treaty**)) or events have occurred which have substantially the same effects (in either case, **EMU**), redenominate all, but not only some, of the Notes of any Series into Euro and adjust the Aggregate Nominal Amount and the Specified Denomination(s) set out hereon accordingly, as described above. The date on which such redenomination becomes effective shall be referred to in these Terms and Conditions as the **Redenomination Date**.

The redenomination of the Notes pursuant to the above paragraph shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 140 of the Treaty and rounding the resultant figure to the nearest 0.01 Euro (with 0.005 Euro being rounded upwards), provided that, if the Issuer determines, with the agreement of the Agent that the then market practice in respect of the redenomination in 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.

If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 12. Any balance remaining from the redenomination with a denomination higher than 0.01 Euro shall be paid by way of cash adjustment rounded to the nearest 0.01 Euro (with 0.005 Euro being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to Noteholders by the Issuer.

Upon redenomination of the Notes, any reference hereon to the relevant national currency shall be construed as a reference to Euro.

Unless otherwise specified hereon, the Issuer may, with prior approval of the Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the Noteholders, make any changes or additions to these Conditions which it reasonably believes to be necessary or desirable to give effect to the provisions of this Condition or Condition 16 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of the Noteholders. Any such changes or additions shall, in the absence of manifest error, be binding on and shall be notified to Noteholders in accordance with Condition 16 as soon as practicable thereafter.

Neither the Issuer nor any Paying Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

[If several Series of Notes are to be issued or offered simultaneously and consolidated in one set of Final Terms, insert the following Table:

| Series Number | Tranche Number | Specified Currency or Currencies | Aggregate Nominal Amount | Issue Price | Specified Denomination(s) | Maturity Date | [Rate(s) of Interest] | ISIN code | [WKN] | [Common code] | [Mnemonic code] | Underlying | [Component of formula / Part 2 Definitions: •] |
|---------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|---------------|-----------------------|-----------|-------|---------------|-----------------|------------|--|
| [•]           | [•]            | [•]                              | [•]                      | [•]         | [•]                       | [•]           | [•]                   | [•]       | [•]   | [•]           | [•]             | [•]        | [•]  |
| [•]           | [•]            | [•]                              | [•]                      | [•]         | [•]                       | [•]           | [•]                   | [•]       | [•]   | [•]           | [•]             | [•]        | [•]  |
|               |                |                                  |                          |             |                           |               |                       |           |       |               |                 |            |  |

CONDITION 2 - STATUS OF THE NOTES AND THE GUARANTEE

(a) *Status of the Notes*

The obligations under the Notes constitute direct, unconditional, unsubordinated and, subject to the Guarantee, unsecured limited recourse obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves.

The payment obligations of the Issuer under the Notes (save for certain obligations preferred by mandatory provisions of statutory law) shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

(b) *Guarantee*

The Guarantor has given an unconditional and irrevocable guarantee dated 19 June 2012 (the **Guarantee**) for the due and punctual payment of principal of, and interest on, and any other amounts expressed to be payable under the Notes and/or the due and punctual physical delivery of securities deliverable under or in respect of the Notes for the benefit of the Noteholders.

CONDITION 3 - INTEREST

[(a) *Interest on Fixed Rate Notes*

(i) Unadjusted Fixed Rate Notes

Unless otherwise specified in the applicable Final Terms, each Unadjusted Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except in the case of Notes where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated by applying the Rate of Interest to, in the case of Fixed Rate Notes which are Notes represented by a global Note, the aggregate outstanding nominal amount of the Notes of the relevant Series (or, if they are Partly Paid Notes, the aggregate amount paid up) and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (as defined below) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise as specified in the applicable Final Terms.

(ii) Adjusted Fixed Rate Notes

Unless otherwise specified in the applicable Final Terms, each Adjusted Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms, and such interest will be payable in respect of each Interest Period and in arrear on the Interest Payment Date(s) in each year specified in the applicable Final Terms; provided that (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or

(B) the **Modified Following Business Day Convention**, such Interest Payment Date (or other 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 (or other date) shall be brought forward to the immediately preceding Business Day; or

- (C) the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day,

*[If other Business Day Convention is applicable in respect of the Fixed Rate Notes, give details here and in the applicable Final Terms: [●]]*

and the expression **Interest Payment Date** shall be construed accordingly.

For the purposes of this Condition 3(a):

**Fixed Rate Note** means a Note which bears a fixed rate of interest.

**Unadjusted Fixed Rate Note** means a Fixed Rate Note in respect of which the interest amount and the Interest Payment Date remain unchanged and are calculated as provided in Condition 3(a)(i) above.

**Adjusted Fixed Rate Note** means a Fixed Rate Note in respect of which the interest amount and the Interest Payment Date are subject to modification in accordance with Condition 3(a)(ii) above.

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

**Day Count Fraction** means:

if **30/360** is specified in the applicable Final Terms and the Notes are Fixed Rate Notes, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:

- (A) if the Interest Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Interest Period ends, the number of days in such Interest Period (from and including the first day of such period but excluding the last) divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in Condition 3 (a)) that would occur in one calendar year; or
- (B) if the Interest Period is longer than the Determination Period during which the Interest Period ends, the sum of: (A) the number of days in such Interest Period falling in the Determination Period in which the Interest Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in Condition 3 (a)) and (B) the number of days in such Interest 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 Dates (as specified in Condition 3 (a)) that would occur in one calendar year.

**Interest Period** means, unless otherwise specified in the applicable Final Terms, the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning

on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date or such other period as is specified in the applicable Final Terms;

**Determination Period** means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

**Determination Date** means the date specified as such in the applicable Final Terms.

*[If other Day Count Fraction is applicable in respect of the Fixed Rate Notes, give details here and in the applicable Final Terms: [●]]*

Notes may provide for a method of calculating interest on Fixed Rate Notes which does not require any Day Count Fraction as interest payable on each specified Interest Payment Date is determined by applying a fixed specified percentage to the Specified Denomination as it shall be detailed here in the applicable Final Terms and/or Schedule thereto.]

*[Insert other applicable provisions to Fixed Rate Notes]*

[(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

(A) The Notes bear interest on their principal amount from (and including) *[Insert Interest Commencement Date]* (the **Interest Commencement Date**) to (but excluding) the first Interest Payment Date and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date (each, an **Interest Period**). Interest on the Notes shall be payable in arrears on each Interest Payment Date.

(B) **Interest Payment Date** means:

*[In the case of specified Interest Payment Date(s) and in the case of a short/long first interest period, insert: the first Interest Payment Date and thereafter [each] [Insert specified Interest Payment Date(s)].]*

*[In the case of specified Interest Payment Date(s) and in the case of a short/long last interest period, insert: the last payment of interest preceding the Maturity Date shall be made on [Insert Interest Payment Date preceding the Maturity Date].]*

*[In the case of specified Interest Period(s), insert: each date which (except as otherwise provided in these Conditions) falls [Insert number] [week[s]] [month[s]] [Insert other specified periods] after [the preceding Interest Payment Date] [In the case of the first Interest Payment Date, insert: after the Interest Commencement Date].]*

(C) If (x) there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

*[If Specified Interest Period(s) and Floating Rate Note Convention are specified in the applicable Final Terms, insert: (a), in the case of (x) above, the last day*

that is a Business Day in the relevant month and the provisions of (iv) below shall apply *mutatis mutandis* or (b), in the case of (y) above, postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month. In which event (i) the 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 falls *[[Insert number] months] [Insert other specified periods]* after the preceding applicable Interest Payment Date.]

*[If Following Business Day Convention is specified in the applicable Final Terms, insert: postponed to the next day which is a Business Day.]*

*[If Modified Following Business Day Convention is specified in the Final Terms insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.]*

*[If Preceding Business Day Convention is specified in the Final Terms, insert: the immediately preceding Business Day.]*

Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an **unadjusted** basis, the amount of interest (the **Interest Amount**) payable on any date shall not be affected by the application of such Business Day Convention.

(D) In this Condition 3(b) "**Business Day**" means (unless otherwise stated in the applicable Final Terms) a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in *[Insert all relevant additional financial centre(s)]* and

either (x) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency or (y) in relation to any sum payable in euro, a TARGET2 Business Day.

For the purpose of these Conditions:

**TARGET2 Business Day** means a day on which the TARGET2 System is operating.

**TARGET2 System** means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System.

(ii) *Rate of Interest*

The rate of interest (the **Rate of Interest**) for each Interest Period will be:

**[Alternative 1: if Screen Rate Determination is specified in the applicable Final Terms and except as provided below, insert:**

- (A) the offered quotation (if there is only one offered quotation on the Screen Page (as defined below), or
- (B) if there is more than one offered quotation on the Screen Page (as defined below), the arithmetic mean (rounded if necessary to the nearest *[If the Reference Rate is EURIBOR, insert: one thousandth of a percentage point, with 0.0005]* *[If the Reference Rate is not EURIBOR, insert: one hundred-thousandth of a percentage point, with 0.000005]* being rounded upwards) of such offered quotations, (expressed as a percentage rate per annum) for deposits in the Specified Currency for [that Interest Period] *[Insert other period]* which appears on the Screen Page as of [11:00 a.m. (*[If the Reference Rate is EURIBOR, insert: Brussels]* *[If the Reference Rate is not EURIBOR, insert: London]* *[Insert other relevant location or reference]* time) on the Interest Determination Date (as defined below) *[If margin, insert: [plus] [minus]* the margin (the **Margin**, as defined below)], all as determined by the Calculation Agent. If five or more of such offered quotations are available on the relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

For the purposes of this Condition 3 (b):

**Interest Determination Date** means the *[[second] [Insert other applicable number of days] [TARGET2] [London] [Insert other relevant location or reference]* Business Day prior to the *[[first day] [commencement] [end]* of the relevant Interest Period *[relevant Interest Payment Date]*].

*[In the case of a non-TARGET2 Business Day insert: [London] [Insert other relevant location or reference]* **Business Day** means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in *[London] [Insert other relevant location or reference]*.]

*[If Margin, insert: Margin* means *[•]* per cent. per annum.]

**Screen Page** means *[Insert relevant Screen Page]* or, if discontinued, its successor page.

If the Screen Page is not available or if no such quotation appears (as at such time) the Calculation Agent shall request the principal *[If the Reference Rate is EURIBOR, insert: Euro-Zone] [If the Reference Rate is not EURIBOR, insert: London]* office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the *[If the Reference Rate is not EURIBOR, insert: London]* interbank market *[If the Reference Rate is EURIBOR, insert: of the Euro-Zone]* at approximately [11.00 a.m. (*[If the Reference Rate is EURIBOR, insert: Brussels]* *[If the Reference Rate is not EURIBOR, insert: London]* time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest *[If the Reference Rate is EURIBOR, insert: one thousandth of a percentage point, with 0.0005]* *[If the Reference Rate is not EURIBOR, insert: one hundred-thousandth of a percentage point, with 0.000005]* being rounded upwards) of such offered quotations *[If Margin, insert: [plus] [minus]* the Margin], all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation

Agent determines as being the arithmetic mean (rounded if necessary to the nearest *[If the Reference Rate is EURIBOR, insert: one thousandth of a percentage point, with 0.0005]* *[If the Reference Rate is not EURIBOR, insert: one hundred-thousandth of a percentage point, with 0.000005]* being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at [11.00 a.m. *[If the Reference Rate is EURIBOR, insert: Brussels]* *[If the Reference Rate is not EURIBOR, insert: London]* time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the *[If the Reference Rate is not EURIBOR, insert: London]* interbank market *[If the Reference Rate is EURIBOR, insert: of the Euro-Zone]* *[If Margin, insert: [plus] [minus] the Margin]* or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more bank(s) (which bank(s) is (are) in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the *[If the Reference Rate is not EURIBOR, insert: London]* interbank market *[If the Reference Rate is EURIBOR, insert: of the Euro-Zone]* (or, as the case may be, the quotations of such bank(s) to the Calculation Agent) *[If Margin, insert: [plus] [minus] the Margin]*. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last preceding Interest Determination Date *[If Margin, insert: [plus] [minus] the Margin]* (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

**[Euro-Zone** means the region comprised of member states of the European Union that participate in the European Economic and Monetary Union.]

**Reference Banks** means *[If no other Reference Banks are specified in the Final Terms, insert: the principal Euro-Zone offices of four major banks in the Euro-Zone interbank market as selected by the Calculation Agent]* *[If other Reference Banks are specified in the applicable Final Terms, insert names here]*.

*[If the Reference Rate is other than EURIBOR, insert relevant details in lieu of the provisions of this subparagraph (ii)]*

*[If the Specified Currency is a currency of a country which does not at the date of issue participates in the European Economic and Monetary Union, insert: If the Notes are redenominated from the Specified Currency into Euro and if the rate last displayed on the Screen Page is not substituted by applicable statutory or regulatory law, Screen Page shall mean the reference rate specified as Euro Interbank Offered Rate (EURIBOR) on the monitor page *[Insert the relevant page]* of Reuters or its successor page. This reference rate shall commence to be applicable with respect to the first Interest Period which begins after redenomination of the Specified Currency into Euro. As of such Interest Period each reference in this subparagraph (b) to a local time shall be to Brussels time, each reference to a principal office shall be to the principal Euro-Zone office and each reference to an interbank market shall be to the interbank market of the Euro-Zone.]*

**[Alternative 2:** *if ISDA Determination is specified in the applicable Final Terms, insert: determined by the Calculation Agent as a rate equal to the relevant ISDA Rate *[If margin, insert: [plus] [minus] the margin* *[Insert applicable Margin]* (the **Margin**, as defined below)].*

For the purposes of this paragraph (b):

[If Margin insert: **Margin** means [●] per cent. per annum.]

**ISDA Rate** means, for an Interest Period, the Rate of Interest equal to the Floating Rate that would be determined by the [Calculation] Agent under an interest rate swap transaction [if the Agent is acting as Calculation Agent for that swap transaction] under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

**Floating Rate Option** means [Insert Floating Rate Option]

**Designated Maturity** means [Insert Designated Maturity].

[the relevant] **Reset Date** means [the first day of that Interest Period] [Insert other relevant Reset Date].

For purposes of this sub-paragraph, **Floating Rate**, **[Calculation] Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** shall have the meanings given to those terms in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and as amended and updated as at the issue date of the first Tranche of the Notes of this Series of Notes [and as attached to these Conditions]. [Insert any other relevant provisions here and in the applicable Final Terms]

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

**[Alternative 3: if the Rate of Interest is determined by reference to a formula as specified in the applicable Final Terms, insert: determined by the Calculation Agent in accordance with the following formula: [Insert formula and detailed description of the relevant variables including the relevant fall-back provisions].]**

**[Alternative 4: if other method of calculating interest on Floating Rate Notes is specified in the applicable Final Terms, insert relevant details in addition to, or in lieu of, the provisions of this paragraph (b): [●]]**

(iii) *Determination of Rate of Interest and calculation of Interest Amount*

The [Calculation] Agent will determine the Rate of Interest for the relevant Interest Period, at or as soon as practicable after each time at which the Rate of Interest is to be determined. [The Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.]

The [Calculation] Agent will calculate the Interest Amount payable on the Notes in respect of each Specified Denomination for the relevant Interest Period[s], as the case may be, on or as soon as practicable after each date at which the Rate of Interest is to be determined. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure [If the Specified Currency is Euro insert: to the nearest 0.01 Euro, 0.005 Euro being rounded upwards.] [If the Specified Currency is not Euro insert: to the nearest minimum unit of the Specified Currency, with 0.005 of such unit being rounded upwards.] Where any Interest Period comprises two or more Interest Periods, the Interest Amount payable in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Periods.

(iv) *Minimum and/or Maximum Rate of Interest*

Subject to the provisions of Condition 3(b) (ii) (**Alternative 2**):

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

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

(v) *Notification of Rate of Interest and Interest Amount*

The [Calculation] Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date(s) to be notified to the Issuer and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, and to the Noteholders in accordance with Condition 12 as soon as possible after their determination, but in no event later than the fourth [TARGET2] [London] [*Insert other relevant location or reference*] Business Day (as defined in Condition 3(a) above). Each Interest Amount and 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 any stock exchange on which the Notes are listed and to the Noteholders in accordance with Condition 12.

(vi) *Determinations Binding*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 by the Agent or the Calculation Agent (if applicable) shall (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Agent, the Calculation Agent (if applicable), the Paying Agent(s) and the Noteholders. No liability to the Issuer, the Guarantor or the Noteholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(vii) *Accrual of Interest*

The Notes shall cease to bear interest as from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall not cease to accrue on (and including) the day which precedes the due date, but shall continue to accrue until (and including) the day which precedes actual redemption of the Notes. Interest shall continue to accrue on the outstanding principal amount of the Notes from the due date (inclusive) until the date of redemption of the Notes (exclusive), at the default rate of interest established by law.

[*Insert other applicable provisions to Floating Rate Notes*]

[*In the case of Zero Coupon Notes insert:*

Where a Zero Coupon Note becomes due and repayable and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 5 (f) and notified in accordance with Condition 3(b)(v), *mutatis mutandis*.

[*Insert additional applicable provisions regarding interest here and in the applicable Final Terms*]

[*(Insert relevant paragraph number)*] *Other definitions relating to the Calculation of Interest*

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

**Day Count Fraction** means, with regard to the calculation of interest on any Notes for any Interest Period, *[If Actual/365 or Actual/Actual applies, insert: the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365).]* *[If Actual/365 (Fixed), insert: the actual number of days in the Interest Period divided by 365.]* *[If Actual/360, insert: the actual number of days in the Interest Period divided by 360.]* *[If 30/360, 360/360 or Bond Basis, insert: the number of days in the Interest Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Interest 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).]* *[If 30E/360 or Eurobond Basis, insert: the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered lengthened to a 30-day month).]* *[In the case of Fixed Rate Notes: if the Specified Currency is Euro and if Actual/Actual (ICMA) is applicable, insert:*

- (A) If the Interest Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Interest Period ends, the number of days in such Interest Period (from and including the first day of such period but excluding the last) divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in Condition 3 (a)) that would occur in one calendar year; or
- (B) if the Interest Period is longer than the Determination Period during which the Interest Period ends, the sum of: (A) the number of days in such Interest Period falling in the Determination Period in which the Interest Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in Condition 3 (a)) and (B) the number of days in such Interest 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 Dates (as specified in Condition 3 (a)) that would occur in one calendar year.

**Determination Period** means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).]

*[In the case of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Structured Notes, Partly Paid Notes, Dual Currency Notes, Physical Delivery Notes or Credit Linked Notes, insert any other relevant applicable provisions if necessary here and in the applicable Final Terms: [●]]*

#### CONDITION 4 - PAYMENTS

For the purposes of this Condition 4, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions will, where the context so admits, be deemed also to refer to delivery of the Underlying Asset(s) with respect to any Physical Delivery Amount(s).

- (a) *Payment of Principal*

Payment of principal in respect of the Notes shall be made, subject to subparagraph (c) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

*[In the case of Notes other than Zero Coupon Notes insert the following paragraph (b):*

*(b) Payment of Interest*

Payment of interest on Notes shall be made, subject to subparagraph (c) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

*[In the case of interest payable on a Temporary Global Note insert:*

Payment of interest on Notes represented by the Temporary Global Note shall only be made upon due certification as provided in Condition 1.]

*(c) Manner of Payment*

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency. Should the Specified Currency have been replaced on the due date under any applicable legal provision, payments shall be made in such legally prescribed currency. If, as a result of such legal changes, there are several currencies to choose from, the Issuer shall choose a currency in its reasonable discretion. This shall also apply if payment in the Specified Currency is not possible for any other reason.

*(d) Discharge*

The Issuer shall be discharged by payment to, or to the order of, the relevant Clearing System.

*(e) Payment Business Day*

If the due date for payment of any amount in respect of any Notes is not a Payment Business Day then the Noteholder shall instead be entitled to payment *[If Following Payment Business Day is specified or if no Payment Business Day election is made in the applicable Final Terms, insert: on the next following Payment Business Day in the relevant place.] [If Modified Following Payment Business Day is specified in the applicable Final Terms, insert: on the next following Payment Business Day in the relevant place, unless the date for payment would thereby fall into the next calendar month, in which event such date for payment shall be brought forward to the immediately preceding Payment Business Day in the relevant place.] [If other Business Day Convention is applicable, give details here and in the applicable Final Terms: [●]]*

In the event that any adjustment is made to the date for payment in accordance with this Condition 4(e), the relevant amount due shall not be affected by any such adjustment, unless otherwise specified in the applicable Final Terms.

For the purposes of this Condition 4(e):

**Payment Business Day** means (unless otherwise stated in the applicable Final Terms) a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

either (A) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal

financial centre of the country of the relevant Specified Currency or (B) in relation to any sum payable in Euro, a TARGET2 Business Day.

[In the case of Credit Linked Notes, insert any other applicable provisions, if necessary: [●]]

(f) *References to Principal and Interest*

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

- any additional amounts which may be payable with respect to principal under Condition 6;
- the **Final Redemption Amount** of the Notes (as specified in the applicable Final Terms);
- the **Early Redemption Amount** of the Notes (as specified in the applicable Final Terms);

[If the Notes are redeemable at the option of the Issuer other than for Tax Reasons, insert:]

- the **Optional Redemption Amount(s)** of the Notes (as specified in the applicable Final Terms);

[If the Notes are redeemable at the option of the Noteholder, insert:

- the **Put Redemption Amount(s)** of the Notes (as specified in the applicable Final Terms);]

[In relation to Instalment Notes, insert:

- the **Instalment Amount(s)** of the Notes (as specified in the applicable Final Terms);]

[In relation to Zero Coupon Notes insert:

- the Amortised Face Amount (as defined in Condition 5(f));]
- any premium and any other amounts which may be payable under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 6.

[In the case of Physical Delivery Notes insert:

References in these Conditions to principal and/or interest and Physical Delivery Amount(s) shall mean such amount less any expenses, fees, stamp duty, levies or other amounts payable on or in respect of the relevant Physical Delivery Amount(s).]

(g) *Deposit of principal and interest*

The Issuer may deposit with the *Amtsgericht* in Frankfurt am Main principal or interest not claimed by Noteholders within twelve months after the due date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

[In the case of Notes where a Knock-In/-Out Event is applicable, insert the following paragraph (h):

(h) *Knock-In/-Out Event(s)*

The [redemption amount] [interest amount] [physical delivery amount] due by the Issuer under these Notes is subject to the occurrence of a Knock-In-Event or a Knock-Out Event as specified in the applicable Final Terms.

For the purposes of this Condition 4(h):

**[Knock-In Event] [Knock-Out Event]** means, in respect of an Underlying, that any price or performance or level of such Underlying is [greater than] [greater than or equal to] [less than] [less than or equal to] a predetermined level [a **Knock-In Level**] [a **Knock-Out Level**] during a specified period as specified in the applicable Final Terms.

*[Insert any additional or other provisions relating to Knock-In/-Out Event(s): [●]]*

*[In the case of Physical Delivery Notes, insert: [(Insert relevant paragraph number)] Physical Delivery Notes*

*[Insert relevant provisions relating to the procedure for the delivery of any Physical Delivery Amount in respect of Physical Delivery Notes (including, without limitation, liability for the costs of transfer of Underlying(s)) here and in the applicable Final Terms.]*

*[In the case of Credit Linked Notes, insert any other applicable provisions, if necessary: [●]]*

**CONDITION 5 – REDEMPTION AND PURCHASE**

**(a) Redemption at maturity**

*[In the case of Notes other than Instalment Notes and Open-End Notes, insert: To the extent not previously redeemed in whole or in part, the Notes shall be redeemed at their Final Redemption Amount on [In the case of a specified Maturity Date insert such Maturity Date] [In the case of a redemption month, the following applies: the Interest Payment Date falling in [Insert redemption month] (the **Maturity Date**).*

*[In the case of Credit Linked Notes, insert any other applicable provisions, if necessary: [●]]*

**Final Redemption Amount** means, in respect of each Note, *[If the Notes are redeemed at their principal amount insert: its principal amount] [If the Notes are redeemed at an amount other than the principal amount insert: other Final Redemption Amount] [If Final Redemption Amount is calculated on the basis of a formula insert: an amount calculated by the Calculation Agent in accordance with the following formula [Insert formula] provided always that the Final Redemption Amount shall in no event be less than zero.] [In the case of Table in Condition 1 being applicable, insert: For further details see Table Condition 1.]*

*[In the case of Credit Linked Notes, insert any other applicable provisions, if necessary: [●]]*

*[In the case of Partly Paid Notes, insert the following alternative of Condition 5(a): To the extent not previously redeemed in whole or in part, the Notes will be subscribed at the Part Payment Amounts and on the Part Payment Dates per Specified Denomination set forth below:*

| <b>Part Payment Date(s)</b> | <b>Part Payment Amount(s)<br/>(per Specified Denomination)</b> |
|-----------------------------|--|
| [●]                         | [●]  |
| [●]                         | [●]  |
|                             |  |

*[The obligation to pay an Part Payment Amount on the relevant Part Payment Date is only incurred by the Noteholders on such Part Payment Date.*

The Notes will be redeemed on the Maturity Date at their nominal amount and on any Optional Redemption Date at their paid-up nominal amount as at the date fixed for redemption.

In the event that any Noteholder fails to pay an Part Payment Amount on the relevant Part Payment Date (such date, a **Part Payment Default Date**), any such Notes held by such Noteholder shall automatically be redeemed on the relevant Early Redemption Date, at the Settlement Amount.

For the purposes of this Condition 5(a):

**Early Redemption Date** means, in respect of any Note, the seventh Payment Business Day following a Part Payment Default Date;

**Settlement Amount** means, in respect of any Note, an amount determined by the Calculation Agent in accordance with the following formula: Max [0; [Paid-up Nominal Amount – Unwinding Costs]]

where

**Unwinding Costs** means, in respect of each Note, the pro-rata share of the losses (expressed as a positive number) or the gains (expressed as a negative number) of unwinding all hedging arrangements (taking into account the present value of any Part Payment Amount(s) remaining to be paid in respect of the Notes) entered into or purchased by the Issuer and/or the Guarantor in respect of the Notes; and

**Paid-up Nominal Amount** means, in respect of any Part Payment Date, the paid-up nominal amount of the relevant Note up to (and including) the applicable Part Payment Date. Interest will neither accrue nor be payable in respect of the period from and including the applicable Part Payment Default Date to and including the applicable Early Redemption Date.]

[Insert any other applicable provisions if necessary here and in the applicable Final Terms: [●]]

[In the case of Instalment Notes, insert the following alternative of Condition 5(a): The Notes will be redeemed in the Instalment Amounts and on the Instalment Payment Dates set forth below:

| Instalment Payment Date(s) | Instalment Amount(s) |
|----------------------------|----------------------|
| [●]                        | [●]                  |
| [●]                        | [●]                  |
|                            |                      |

[In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5 (f) below]

[Insert any other applicable provisions if necessary here and in the applicable Final Terms: [●]]

[In the case of Open-End Notes, insert: The Notes are open-ended [and may only be redeemed in accordance with the following provisions of this Condition 5].

[In the case of Physical Delivery Notes, insert any other applicable provisions here and in the applicable Final Terms: [●]]

(b) *Early Redemption for Tax Reasons*

(i) Early Redemption because of a Gross-up Event

If at any time after the issuance of the Notes a Gross up Event (as defined below) occurs, the Notes may be redeemed (in whole but not in part) at the option of the Issuer at their Early Redemption Amount (as defined in Condition 5(f)) [together (if applicable) with accrued interest to but excluding the date of redemption] [In the case of Notes other than Floating Rate Notes or any other interest bearing Notes in respect of which the Rate of Interest is not calculated on a fixed rate basis (variable interest Notes), insert:

at any time] *[In the case of Floating Rate Notes or variable interest Notes insert: on any Interest Payment Date]* upon giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12, provided that no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts.

Any notice given in accordance with the above paragraph shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**Gross up Event** means the occurrence of an event where the Issuer has or will become obliged by a legislative body, a court or any authority to pay Additional Amounts pursuant to Condition 6 or the Guarantor has or will become obliged to pay Additional Amounts in respect of payments due under the Guarantee or the Trust Agreement dated 28 February 2006 between the Issuer and the Guarantor as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or France or any political subdivision or any authority of or in the Federal Republic of Germany or France (each a **Tax Jurisdiction**), or any change in or amendment to any official interpretation or application of those laws or rules or regulations, and that obligation cannot be avoided by the Issuer and/or the Guarantor taking reasonable measures it (acting in good faith) deems appropriate.

(ii) Special Tax Redemption

If the Issuer or, as the case may be, the Guarantor would, on the occasion of the next payment of principal or interest in respect of the Notes, be prevented by the law of a Tax Jurisdiction from causing payment to be made to the Noteholders of the full amount then due and payable, then the Issuer or the Guarantor, as the case may be, shall forthwith give notice of such fact to the Agent and the Issuer or the Guarantor, as the case may be, shall, upon giving not less than seven (7) nor more than forty five (45) days' prior notice to the Noteholders in accordance with Condition 12, forthwith redeem all, but not only some, of the Notes at their Early Redemption Amount, together, if appropriate, with accrued interest, on the latest practicable Interest Payment Date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice to Noteholders shall be the later of:

- (A) the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Notes; and
- (B) fourteen (14) days after giving notice to the Agent as aforesaid.

The Final Terms applicable to the Notes indicate:

- (Y) that the Notes cannot be redeemed prior to their Maturity Date (except as otherwise provided in Condition 5 (b)(i) and 5 (b)(ii) and in Condition 8); or
- (Z) that such Notes will be redeemable at the option of the Issuer and/or the Noteholders prior to such Maturity Date in accordance with the provisions of Condition 5 (c) and 5(d) on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

*[If the Redemption at the option of the Issuer for a reason other than Tax Reasons is specified in the applicable Final Terms, insert the following paragraph (c):*

(c) *Redemption at the option of the Issuer*

The Issuer may, upon having given not less than [thirty (30)] *[Insert Other Minimum Notice Period to Noteholders]* not more than [forty five (45)] *[Insert Other Maximum Notice Period to Noteholders]* days' notice, in accordance with Condition 12, to the Noteholders (which notice shall be irrevocable and shall

specify the date fixed for redemption) redeem [all] [or] [only some] of the Notes outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Optional Redemption Date on the Optional Redemption Date(s).

| Optional Redemption Date(s) | Optional Redemption Amount(s) |
|-----------------------------|-------------------------------|
| [•]                         | [•]                           |
| [•]                         | [•]                           |
|                             |                               |

*[If the Redemption at the option of the Noteholders is also specified in the applicable Final Terms insert:*

In respect of any Note, any notice given by the Issuer pursuant to this Condition 5(c) shall be void and of no effect in relation to that Note in the event that, prior to the giving of such notice by the Issuer, the Noteholder of such Note has already delivered a Put Notice in relation to that Note in accordance with Condition 5 (d).]

The appropriate notice of redemption given by the Issuer to the Noteholders in accordance with Condition 12 shall specify:

- the Tranche or Series of Notes subject to redemption;
- whether such Tranche or Series is to be redeemed in whole or in part only and, if in part only, the aggregate nominal amount of the Notes which are to be redeemed;
- the Optional Redemption Date; and
- the Optional Redemption Amount at which such Notes are to be redeemed.

[In the case of redemption of only some of the Notes, the Notes to be redeemed will be selected in accordance with the rules of the relevant Clearing System.]

The Issuer will inform, if required by the stock exchange on which the Notes are listed, such stock exchange, as soon as possible of such redemption.

*[If the [No] Redemption at the option of the Noteholders is specified in the applicable Final Terms, insert the following paragraph (d):*

(d) *[No] Redemption at the option of the Noteholders*

**[Alternative 1:** *if there is no right to early redemption of the Notes at the option of the Noteholders, the following applies:* The Noteholders shall not be entitled to put the Notes for early redemption otherwise than provided in Condition 8.]

**[Alternative 2:** *If there is a right to early redemption of the Notes at the option of the Noteholders, the following applies:* The Noteholders may require the Issuer to redeem any Note, upon the holder of any Note giving not less than [fifteen (15)] *[Insert Other Minimum Notice Period to the Issuer]* nor more than [thirty (30)] *[Insert Other Maximum Notice Period to the Issuer]* days' notice. The Issuer will, upon the expiry of such notice, redeem in whole (but not in part) such Note on the Put Redemption Date set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

| Put Redemption Date | Put Redemption Amount |
|---------------------|-----------------------|
| [●]                 | [●]                   |

To exercise the right to require redemption of a Note, the Noteholder, if the Note is represented by a Global Note, must, within the notice period, give notice to the Agent of such redemption (a **Put Redemption Notice**) in accordance with the standard procedures of the relevant Clearing System, in a form acceptable to it.

The Put Redemption Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification number of such Notes, if any. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order.

Any Put Redemption Notice given by a Noteholder of any Note pursuant to this Condition 5(d) shall be:

- irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such Noteholder, as its option, may elect by notice to the Issuer to withdraw the Put Redemption Notice given pursuant to this Condition 5(d) and instead declare such Note forthwith due and payable pursuant Condition 8 [ ; and]

*[If Notes are also subject to Redemption at the option of the Issuer the following applies:*

- void and of no effect in relation to such Note in the event that, prior to the giving of such Put Redemption Notice by the relevant Noteholder, the Issuer had notified the Noteholders of its intention to redeem all of the Notes in a Series then outstanding, in each case pursuant to Condition 5(c).

*[If the Notes are subject to repurchase by the Issuer insert the following paragraph (e):*

*(e) Purchase*

The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

*(f) Early Redemption Amount*

**Early Redemption Amount** means [the principal amount of the Notes] [plus accrued interest to but excluding the date of redemption] [and all outstanding Arrears of Interest] [the Amortised Face Amount] *[In the case of Structured Notes or if "Market Value" is specified in the applicable Final Terms, insert: the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes).]* *[Insert other applicable provisions: [●]]*

*[If the Notes subject to early redemption are Zero Coupon Notes, the following paragraphs shall be added to Condition 5(f) to provide for early redemption:*

- (i) Subject to the provisions of subparagraph (ii) below, the **Amortised Face Amount** of any such Note shall be the sum of (x) *[Insert reference price]* (the **Reference Price**) and (y) the product of *[Insert 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.

- (ii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 8 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in subparagraph (i) above, except that such subparagraph shall have effect as though the date fixed for the redemption or the date on which the Note becomes due and payable were the date on which notice of receipt of the full amount has been given to the Noteholders in accordance with Condition 12.

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction (as defined in Condition 3 above).]]

*[In the case of Physical Delivery Notes, insert any other applicable provisions here and in the applicable Final Terms: [●]]*

*[In the case of Structured Notes, insert any other applicable provisions here and in the applicable Final Terms: [●]]*

#### CONDITION 6 – TAXATION

All payments in respect of the Notes or under the Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law.

In the event that any amounts required to be deducted or withheld for, or on behalf of, any Tax Jurisdiction, the Issuer or the Guarantor (as the case may be) shall, to the fullest extent permitted by law, pay such additional amount as may be necessary, in order that each Noteholder, after withholding or deduction of such taxes, duties, assessments or governmental charges, will receive the full amount then due and payable provided that no such additional amount shall be payable with respect to any Note:

- (i) the Noteholder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its being connected with the Federal Republic of Germany or France (as the case may be) other than by the mere holding of such Note; or
- (ii) presented for payment more than thirty (30) days after the Relevant Date (as defined below), except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth (30<sup>th</sup>) day assuming that day to have been a Payment Business Day (as defined in Condition 4(e)); or
- (iii) in respect of an issue of Notes which have been privately placed, if the applicable Final Terms indicate that no such additional amounts shall be payable; or
- (iv) where such withholding or deduction (a) is imposed on a payment to an individual beneficial owner or a residual entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive or (b) is required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the EU Savings Tax Directive or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or
- (v) presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union.

For the purposes of this Condition 6:

**Tax Jurisdiction** means the Federal Republic of Germany or France (as the case may be) or any political subdivision or any authority of the Federal Republic of Germany or France (as the case may be) that has power to tax; and

**Relevant Date** means whichever is the later of the date on which the payment in question first becomes due and, if the full amount payable has not been received by the Agent on or prior to that due date, the date on which notice of receipt of the full amount has been given to the Noteholders in accordance with Condition 12.

CONDITION 7 – PRESENTATION, PRESCRIPTION

(a) *Presentation*

The period for presentation of Notes due, as established in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten (10) years.

(b) *Prescription*

The period for prescription for Notes presented for payment during the presentation period shall be two (2) years beginning at the end of the relevant presentation period.

CONDITION 8 – EVENTS OF DEFAULT

(a) *Events of Default*

Each Noteholder shall be entitled to declare its Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in Condition 5 (f) [, together with accrued interest (if any)]) to the date of repayment, if any of the events below occurs and is continuing:

- (i) the Issuer or the Guarantor fails to pay, for any reason whatsoever, any amount due under the Notes within 30 days from the relevant due date; or
- (ii) the Issuer or the Guarantor is in default in the performance of any other obligation arising from the Notes or the Guarantee, as the case may be, which default is not capable of remedy or, if such default is capable of being remedied by the Issuer or the Guarantor, such default has not been so remedied within 60 days after the Agent has received written notification thereof from a Noteholder; or
- (iii) the Issuer or the Guarantor suspends payment or announces its inability to pay its debts (*Zahlungsunfähigkeit*); or
- (iv) insolvency or court composition proceedings are commenced before a court against the Issuer or the Guarantor, as the case may be, which shall not have been discharged or stayed within 60 days after the commencement thereof, or the Issuer or the Guarantor, as the case may be, institutes such proceedings or suspends payments or offers or makes a general arrangement for the benefit of all its creditors; or
- (v) the Issuer or the Guarantor, as the case may be, enters into a winding up or dissolution or liquidation, unless such a winding up or dissolution or liquidation is to take place in connection with a merger, consolidation or other combination with another company and such company assumes all obligations of the Issuer or the Guarantor, as the case may be, under these Conditions.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(b) Notice

Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) of this Condition shall be made by means of a written declaration in the English language delivered by hand or registered mail to the specified office of the Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes. The Notes shall be redeemed following receipt of the notice declaring Notes due.

CONDITION 9 – LIMITED RECOURSE

The Issuer and the Guarantor have entered into a trust agreement (the **Trust Agreement**) pursuant to which the Issuer shall, *inter alia*, (i) issue and redeem the Notes on a fiduciary basis (*treuhänderisch*) in its own name but for the account of the Guarantor; (ii) collect any proceeds resulting from the issuance of the Notes and forward them to the Guarantor; and (iii) use only the funds made available to it by the Guarantor under the Trust Agreement (which funds shall equal the amount of any payments owed by the Issuer under the Notes as and when such payment obligations fall due and in a manner that allows the Issuer to fulfil its payment obligations in a timely manner) for payments owed under the Notes as and when they fall due and to make such payments on a fiduciary basis in its own name but for the account of the Guarantor. The Issuer's ability to satisfy its payment obligations under the Notes in full is therefore dependent upon it receiving in full the amounts payable to it by the Guarantor under the Trust Agreement.

Any payment obligations of the Issuer under the Notes shall therefore be limited to the funds received from the Guarantor under the Trust Agreement. To the extent such funds prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom shall be extinguished and no Noteholder shall have any further claims against the Issuer, regardless of whether the Issuer would be able to fulfil its payment obligations under the Notes out of its own funds, provided that the foregoing shall be without prejudice to the right to exercise any termination or early redemption rights.

CONDITION 10 – AGENT, [PRINCIPAL] [ADDITIONAL] PAYING AGENT[S] [AND CALCULATION AGENT]

(a) Appointment; Specified Office

The Agent, [the [Principal] [Paying Agent]] [, the additional Paying Agent[s]] [and the Calculation Agent] and [its] [their] initial specified office[s] shall be:

**Agent, [Principal] [additional] [Paying Agent] [Calculation Agent]:** [Name and address]

[If any additional Paying Agent[s] is [are] appointed and the Agent acts as Principal Paying Agent, insert: The Agent shall act as the Principal Paying Agent in respect of the Notes.]

[If the Agent acts as Paying Agent, insert: The Agent shall also fulfil the functions of a Paying Agent in respect of the Notes.]

[If the Agent acts as Calculation Agent, insert: The Agent shall act as Calculation Agent in respect of the Notes.]

**[Calculation Agent:** [If a Calculation Agent other than the Agent is to be appointed, insert: [Name and address]]

**[additional paying agent[s] (the Paying Agent[s],** such expression shall include the Principal Paying Agent, unless the context requires otherwise): [Name[s] and address[es]]

[In the case of Physical Delivery Notes, insert: The Agent may (with the prior written consent of the Issuer and the Guarantor) delegate certain of its functions and duties in relation to the Physical Delivery Notes to a settlement agent (the **Settlement Agent**).

**Settlement Agent:** [Name and address]]

The Agent, the [Principal] Paying Agent [, the additional Paying Agent[s]] [and] [,] the Calculation Agent [and the Settlement Agent] reserve the right at any time to change their specified offices to some other specified office in the same city.

The expression[s] **Agent** [and **Calculation Agent**, respectively,] shall include any additional or successor Agent(s) [or any additional or successor Calculation Agent(s)].

*(b) Variation or Termination of Appointment*

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

- so long as the Notes are listed on any stock exchange or admitted to trading or listing by another relevant authority, there will at all times be a Paying Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange; and
- there will at all times be a Paying Agent (which may be the Agent) with a specified office in a city in Europe; and
- there will at all times be a Paying Agent in a Member State of the European Union (a **Member State**) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive (any such Directive or law, an **EU Savings Directive Tax Law**) to the extent that any Member State does not maintain any obligation to so withhold or deduct pursuant to any EU Savings Directive Tax Law; and
- there will at all times be an Agent.

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 less than thirty (30) or more than forty five (45) days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 12.

*(c) Agents of the Issuer*

In acting under the Agency Agreement, the Agent [and] [,] the [Principal] Paying Agent [and] [,] [the additional Paying Agents] [and] [,] [the Calculation Agent] [and] [the Settlement Agent] as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent. If, in connection with any Series of Notes, the Calculation Agent is Société Générale, its appointment will be governed by the terms of the Calculation Agency Agreement set out in the Appendix to the Agency Agreement. In the event that a Calculation Agent other than Société Générale is appointed in connection with any Series of Notes, the terms of its appointment will be summarised in the applicable Final Terms.

CONDITION 11 – SUBSTITUTION

*(a) Substitution*

The Issuer and/or the Guarantor may, without the consent of the Noteholders, if it is not in default with any payment of principal of [or interest on] any of the Notes, at any time substitute for the Issuer either itself or any Affiliate (as defined below) of the Issuer as principal debtor (the **Substitute Debtor**) in respect of all obligations arising from or in connection with the Notes with the effect of releasing the Issuer of all such obligations, provided that:

- (i) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes and, if service of process *vis-à-vis* the Substitute Debtor would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (ii) the Substitute Debtor has obtained all necessary authorisations and approvals for the substitution and the fulfilment of the obligations in respect of the Notes and may transfer to the Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (iii) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;
- (iv) the Issuer and/or the Guarantor (except in the case that the Guarantor itself is the Substitute Debtor) irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place.

For the purposes of this Condition 11:

**Affiliate** shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz*).

*(b) Notice and Effectiveness of Substitution*

Notice of any such substitution shall be published in accordance with Condition 12 without delay. Upon such Notice, the substitution shall become effective, and the Issuer, and in the event of any repeated application of this Condition 11, any previous Substitute Debtor, shall be discharged from any and all obligations under the Notes. In the event of such substitution, the stock exchange(s), if any, on which the Notes are listed will be notified and a Supplement to the Base Prospectus describing the Substitute Issuer will be prepared.

*(c) Change of References*

In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

- (i) In Condition 5(b) and Condition 6 an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;
- (ii) in Condition 8 (iii) to (v) an alternative reference to the Issuer in its capacity as Guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor; and
- (iii) in Condition 8 a further Event of Default shall be deemed to have been included; such Event of Default shall exist in the case that the Guarantee pursuant to subparagraph (a) (iv) above is or becomes invalid for any reason.

CONDITION 12 – NOTICES

*(a) Publication*

[Notices to Noteholders relating to the Notes will be published [on the website of the Issuer [(http://prospectus.socgen.com)] [www.[insert address]]] [and/or] [in a leading newspaper having general circulation and being a newspaper for statutory stock market notices of the stock exchange on which the Notes are listed, and in any case in accordance with the rules of each stock exchange on which the Notes are listed].

The Issuer shall also ensure that notices are duly published in compliance with the rules and regulations of each stock exchange or any other relevant authority on which the Notes are listed or by which they have been admitted to trading.

[In the case of a listing on the Frankfurt Stock Exchange, insert: So long as the Notes are listed on the Frankfurt Stock Exchange and the rules of the Frankfurt Stock Exchange so require, notices to the Noteholders shall be published in at least one national newspaper recognised (*überregionales Börsenpflichtblatt*) by the Frankfurt Stock Exchange (expected to be the *Börsen-Zeitung*). Any notice so given will be deemed to have been validly given on the date of first such publication.]

[In the case of a listing on the Luxembourg Stock Exchange, insert: So long as the Notes are listed on the official list of [, and admitted to trading on,] the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or, at the option of the Issuer, the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). Any notice so given will be deemed to have been validly given on the date of first such publication.]

[Insert other applicable provision(s)]

(b) *Notification to the Clearing System*

To the extent permissible under applicable laws and other regulations and by the rules and regulations of the relevant Clearing System, the Issuer may, in lieu of the publication set forth in Condition 12(a) above, deliver the relevant notice to the relevant Clearing System, for communication by such relevant Clearing System to the Noteholders, provided that, so long as any Notes are listed on any stock exchange, the rules of such stock exchange permit such form of notice.

Any such notice shall be deemed to have been given to the Noteholders on [If "*Clearing System Delivery Period – Applicable*" is specified in the applicable Final Terms, insert: the fourth day after the day on which the notice was given to the relevant Clearing System] [If "*Clearing System Delivery Period – Not Applicable*" is specified in the applicable Final Terms, insert: the day on which the notice was given to the relevant Clearing System][If otherwise specified in the applicable Final Terms, insert: the [●] the day after the day on which the said notice was given to the relevant Clearing System] [Insert other applicable provision(s)].

CONDITION 13 – RESOLUTIONS OF THE NOTEHOLDERS

(a) *Matters subject to resolutions*

With regard to matters affecting the interests of the Issuer or the Noteholders in relation to the Notes, the Noteholders may agree in accordance with the German Bond Act (*Schuldverschreibungsgesetz*) by majority resolution to amend the Conditions and on all other issues permitted by law. Resolutions affecting the interests of the Issuer require the consent of the Issuer.

(b) *Resolutions of the Noteholders*

The resolutions of the Noteholders are subject to the German Bond Act unless otherwise specified in the Conditions.

(c) *Passing of resolutions*

Noteholders shall pass resolutions by vote taken without a physical meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 of the German Bond Act.

*(d) Proof of eligibility*

Noteholders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the custodian bank (the **Custodian Bank**) in text form, which includes the complete name and full address of the Noteholder, the aggregate nominal amount of Notes which have been, as of the date of such confirmation booked to the account of such Noteholder and by submission of a blocking instruction by the Custodian Bank up to and including the voting period.

CONDITION 14 – FURTHER ISSUES AND CONSOLIDATION

The Issuer shall be at liberty from time to time, without the consent of the Noteholders, to create and issue further Tranche of Notes with identical terms and conditions as the existing Notes in all respects except for the first payment of interest, if any, on them so as to be consolidated and form a single Series with the existing Notes.

For the purposes of this Condition 14:

**Notes** shall also comprise further Notes in the event of further issue.

The Issuer may from time to time on any Interest Payment Date occurring on or after the date specified for a redenomination of the Notes pursuant to Condition 1, on giving prior notice to the Noteholders in accordance with Condition 12, without the consent of Noteholders, consolidate the Notes with one or more issue(s) of other notes issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

CONDITION 15 – ADJUSTMENTS AND DISRUPTION

The Technical Annex will (where stated to be applicable in the applicable Final Terms) contain provisions relating to adjustments with respect to Underlying(s) (as defined in the Technical Annex) as well as settlement disruption and market disruption in respect of such Underlying(s) (including, without limitation and where necessary, appropriate definitions of Potential Adjustment Event(s), Settlement Disruption Event(s) and Market Disruption Event(s) and details of the consequences of such events).

CONDITION 16 – GOVERNING LAW AND SUBMISSION TO JURISDICTION; RESCISSION; MISCELLANEOUS PROVISIONS

*(a) Applicable Law in respect of the Notes and the Guarantee*

The form and content of the Notes as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany. The form and content of the Guarantee as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of France.

*(b) Applicable Law in respect of any non-contractual obligations*

Any non-contractual obligations arising out of or in connection with the Notes shall be governed exclusively by the laws of the Federal Republic of Germany. Any non-contractual obligations arising out of or in connection with the Guarantee shall be governed exclusively by the laws of France.

*(c) Submission to Jurisdiction*

Non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Conditions (except for the Guarantee) is Frankfurt am Main. Place of performance is Frankfurt am Main. The jurisdiction of such court shall be exclusive if proceedings are brought by merchants

(*Kaufleute*), legal persons under public law (*juristische Personen des öffentlichen Rechts*), special funds under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of the Federal Republic of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). Any dispute arising out of or in connection with the validity, interpretation or performance of the Guarantee shall be submitted to the exclusive jurisdiction of the *Tribunal de Commerce de Paris*, France.

(d) *Annulment*

The courts in the Federal Republic of Germany shall have exclusive jurisdiction over the annulment of lost or destroyed Notes.

(e) *Entitlement to declare a Rescission*

The Issuer shall be entitled to declare a rescission (*Anfechtung*) (the **Rescission**) to the Noteholders in the event of (i) a manifest typing or calculation error in the Conditions of the Notes and/or (ii) a manifest error in the Conditions of the Notes similar to (i).

(f) *Declaration of Rescission*

After becoming aware of the reason for the Rescission (*Anfechtungsgrund*) the declaration of Rescission shall be made without undue delay and in accordance with Condition 12. In the event of a Rescission by the Issuer, the Noteholder is entitled to demand repayment of the actual purchase price paid at the time of the first purchase of the Notes delivered for repayment, or if this price cannot be determined, the Issue Price of the Notes (the **Rescission Amount**) by delivery of a duly completed redemption notice (the **Redemption Notice**) in the form available from the specified office of the Agent.

The Issuer shall only be required to redeem Notes in respect of which such redemption is requested against delivery of such Notes to the Issuer or to its order.

The Issuer shall make available the Rescission Amount to the relevant Clearing System[s] for the account of the Noteholders within seven Payment Business Days following receipt of the Redemption Notice and of the delivery of the Notes to the Issuer, whichever receipt is later, whereupon the Agent shall transfer the Rescission Amount to the account specified in the Redemption Notice.

Upon payment of the Rescission Amount, all rights under the Notes delivered shall expire.

(g) *Offer to continue the Notes on the basis of amended Conditions*

The Issuer may combine the declaration of Rescission pursuant to paragraph (e) with an offer to continue the Notes on the basis of amended Conditions. Such an offer and the amended provisions shall be notified to the Noteholders together with the declaration of Rescission in accordance with Condition 12. Any such offer shall be deemed to be accepted by a Noteholder (and the Rescission shall not take effect), unless such Noteholder requests repayment of the Rescission Amount within six (6) weeks following the date on which the offer has become effective in accordance with Condition 12 by delivery of a duly completed Redemption Notice to the Agent and by delivery of the Notes to the Issuer or to its order pursuant to paragraph (f). The Issuer shall refer to this effect in the notification.

(h) *Awareness of errors*

If the Noteholder was aware of typing or calculation errors or similar errors in the Conditions as mentioned in paragraph (e) above at the time of the purchase of the Notes, then, notwithstanding paragraphs (e) – (g), the Noteholder can be bound by the Issuer to the amended Conditions.

(i) *Modifications without the consent of the Noteholders*

The Issuer may in its reasonable discretion (§ 315 of the German Civil Code), without the consent of the Noteholders, agree to:

- (A) modifications to reflect any changes in any Underlying(s) (to the extent they have an effect on these Conditions) or to cure any inconsistencies or add any missing provisions provided that such amendment or modification is, having regard to the interests of the Issuer, not materially detrimental to the legal or economic position of the Noteholders;
- (B) modifications of the Conditions which are of a formal, minor or technical nature or, notwithstanding paragraphs (e) – (g), which are made to correct a manifest error, provided that a correction of such error is acceptable to the Noteholders under the principle of good faith having regard to the interests of the Issuer and the legal or economic position of the Noteholders or to comply with mandatory provisions of the laws of the jurisdictions in which the Issuer and/or the Guarantor are organised. Any such modification shall be binding on all Noteholders and shall be notified to them without undue delay in accordance with Condition 12.

*(j) Severability*

Should any provision of these Conditions be or become void, the other provisions shall remain in force. Such provisions as are void or cannot be given effect shall be replaced in accordance with the meaning and purpose of these Conditions.

*(k) Language*

These Conditions are written in the English language only. The controlling and binding language for these Conditions shall be the English language.

FORM OF FINAL TERMS RELATED TO ITALIAN CERTIFICATES



[Set out below is the form of Final Terms for Certificates which qualify as securities (the **Securities**) to be distributed in Italy (the **Italian Certificates**, which expression shall include the Italian Certificates to be listed on the Italian Exchange and admitted to trading on SeDeX and/or other regulated or unregulated markets with similar listing requirements, the **Italian Listed Certificates**).

This form of Final Terms, subject to amendment of existing provisions and/or deletion, as the case may be, of non-applicable provisions, will be completed for each Tranche of Italian Certificates issued under the Debt Issuance Programme.

The Italian Certificates offered hereby are being issued pursuant to the Base Prospectus.]

**APPLICABLE FINAL TERMS**

Dated [●]

**SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**  
acting in its own name but for the account of Société Générale

[Offer] [Issue] of [Aggregate Number of Securities] of [Specified Currency] [Specified Denomination]

[Applicable in the case of issue of one type of Certificates under the Final Terms:

Series [●], Tranche [●]]

[Only applicable if several Series of Certificates are to be issued or offered simultaneously and consolidated in one set of Final Terms:

| ISIN code | Aggregate Number of Securities | Series Number | Tranche Number |
|-----------|--------------------------------|---------------|----------------|
| [●]       | [●]                            | [●]           | [●]            |

**Unconditionally and irrevocably guaranteed by Société Générale  
under the € 30,000,000,000 Debt Issuance Programme**

## PART A – CONTRACTUAL TERMS

[The Certificates are offered to the public in Italy for subscription from and including [●] to and including [●], save in the case of early ending or prolongation, as the case may be.]

Unless stated otherwise herein, capitalised terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth under the heading “*Terms and Conditions of the Italian Certificates*” (the **Conditions**) in the Base Prospectus dated 19 June 2012 (the **Base Prospectus**) (which [(as supplemented by the supplement[s] dated [●] (the **Supplement[s]**))] constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a Member State)). This document constitutes the final terms (the **Final Terms**) of the Certificates (the **Certificates**) described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with this Base Prospectus and any Supplement[s]; provided, however, that to the extent such Supplement (i) is published after these Final Terms have been signed and (ii) provides for any change(s) to the Conditions as set out under the heading “*Terms and Conditions of the Italian Certificates*”, such change(s) shall have no effect with respect to the Conditions of the Certificates to which these Final Terms relate. Full information on the Issuer, the Guarantor and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. Prior to acquiring an interest in the Certificates described herein, prospective investors should read and understand the information provided in the Base Prospectus and any Supplement(s) and be aware of the restrictions applicable to the offer and sale of such Certificates in the United States or to, or for the account or benefit of, U.S. persons. The Base Prospectus, any Supplement(s) and these Final Terms are available for viewing at [Insert address] and [Insert website] and copies may be obtained free of charge from this address.

*[The following alternative wording applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:*

Unless defined, or stated otherwise herein, capitalised terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Base Prospectus dated [Original date]. This document constitutes the final terms (the **Final Terms**) of the Certificates (the **Certificates**) described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with the Base Prospectus dated 19 June 2012 (the **Base Prospectus**) (which [(as supplemented by the supplement[s] dated [●] (the **Supplement[s]**))] constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**)), save in respect of the Conditions which are extracted from the Base Prospectus dated [Original date]. Full information on the Issuer, the Guarantor and the offer of the Certificates is only available on the basis of the combination of these Final Terms, this Base Prospectus and the Base Prospectus dated [Original date] and any Supplement(s). Copies of the Base Prospectuses, any Supplement(s) and these Final Terms are available for viewing at [address] [and] [website] and may be obtained free of charge from [address].]

[The provisions of the Technical Annex apply to these Final Terms and such documents shall be read together.]

The terms of these Final Terms complete and vary the Conditions of the Certificates set out in the Base Prospectus. The Conditions so completed or varied together with the relevant provisions of these Final Terms will form the Conditions applicable to this Series of Certificates (the **Completed Conditions**).

[Application [has been] [will be] made to list the Certificates on the Italian Exchange [and] [admit to trading] the Certificates on the Securitised Derivatives Market (**SeDeX**), organised and managed by Borsa Italiana S.p.A.

[The Certificates are offered to *[Insert specified investor-category and restrictions, if applicable]*.]

*[In the case of Certificates the terms of which rely in whole or in part on the provisions of the Technical Annex, insert:*

The information included herein with respect to indices and/or formulas comprising, based on or referring to variations in the prices of one or more share(s) in companies, any other equity or non-equity securities, indices, currencies or currency exchange rates, interest rates, dividends, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities or bond or futures contracts, unit linked features (accounting units) or the occurrence or not of certain events not linked to the Issuer or the Guarantor or a basket thereof or any combination thereof to which the Certificates are linked (the **Underlyings**) consists only of extracts from, or summaries of, publicly available information. The Issuer and the Guarantor accept responsibility that such information has been correctly extracted or summarised. No further or other responsibility in respect of such information is accepted by the Issuer and the Guarantor. In particular, the Issuer and the Guarantor [and the Dealer] accept no responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlyings of the Certificates or that there has not occurred any event which would affect the accuracy or completeness of such information.]

No person has been authorised to give any information or to make any representation other than those contained in these Final Terms in connection with the issue or sale of the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Guarantor. The delivery of these Final Terms at any time does not imply that the information in it is correct as any time subsequent to this date.

The purchase of the Certificates issued under the Debt Issuance Programme is associated with certain risks. Each prospective investor in Certificates must ensure that the complexity and risks inherent in the Certificates are suitable for its investment objectives and are appropriate for itself or the size, nature and condition of its business, as the case may be. No person should deal in the Certificates unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective purchaser of Certificates should consider carefully whether the Certificates are suitable for it in the light of its circumstances and financial position.

**The investor should only invest in the Certificates if it is able to understand the Terms and Conditions. All investors should be versed in respect of the Certificates and should particularly understand and comprehend the yield of the Certificates (*Leistungsversprechen*) promised by the Issuer and the Guarantor in its entirety. If this is not the case, an investment in the Certificates is not advised.**

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

[Under normal market conditions, Société Générale will organise a secondary market in respect of the Certificates.]

[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 subparagraphs.

*Italics denote directions for completing the Final Terms.*

[●] denote fields to be filled in.]

1. (i) **Issuer** Société Générale Effekten GmbH
- (ii) **Guarantor** Société Générale [(acting also as placement coordinator ("*responsabile del collocamento*") pursuant to Article 93-*bis* of the Italian Legislative Decree n° 58/1998 (the **Italian Financial Services Act**)]

*[The paragraph 1 will be restated in the Schedule, if any]*

2. (i) **Series Number** [●] [See Table in paragraph 40.]
- (ii) **Tranche Number** [●] [See Table in paragraph 40.]

*[If fungible with an existing Series, give details of that Series, including the date on which the Certificates are expected to become fungible]*

3. **Specified Currency or Currencies** [●] [See Table in paragraph 40.]

*[The paragraph 3 will be restated in the Schedule, if any]*

4. **Aggregate Number of Securities**

- (i) **Tranche** [●] [See Table in paragraph 40.]

*[In the case of an Offer Period prior to the Issue Date insert: Up to [●] [but limited to the amount of the subscriptions actually received at the end of the Offer Period]. The Number of Securities will be determined at the end of the Offer Period [and published in accordance with Condition 12(a)].]*

- (ii) **Series** [●] [See Table in paragraph 40.]

*[In the case of an Offer Period prior to the Issue Date insert: Up to [●] [but limited to the amount of the subscriptions actually received at the end of the Offer Period].] [The Number of Securities will be determined at the end of the Offer Period [and published in accordance with Condition 12(a)].]*

*[Until the fourth Business Day before the Issue Date, the Issuer [, after consultation with the Distributor[s]], may decide to increase the number of Securities. If such is the case, the Issuer will*

publish the information regarding such increase on the website of the Issuer (<http://prospectus.socgen.com>).

*[The paragraph 4 will be restated in the Schedule, if any]*

5. **Issue Price** [[●] per Certificate of [●] Specified Denomination]  
[See Table in paragraph 40.]

*[The paragraph 5 will be restated in the Schedule, if any]*

6. **Specified Denomination(s)** [●] [See Table in paragraph 40.]
- [In respect of Credit Linked Certificates: (●) in relation to each Certificate, and subject to the Technical Annex, the **Nominal Amount**]*

*[Certificates issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.]*

*[The paragraph 6 will be restated in the Schedule, if any]*

7. **Issue Date** [●]

*[The subparagraph 7 will be restated in the Schedule, if any]*

8. **Final Exercise Date** *[Insert date]* [See Table in paragraph 40.] [The Certificates are open-ended and may only be exercised in accordance with the provisions of Condition 5. ]

*[In respect of Credit Linked Certificates:*

*[Specify the Scheduled Final Exercise Date], such date being the **Scheduled Final Exercise Date**), subject to the provisions of paragraph "Credit Linked Certificates Provisions and the Technical Annex]*

*[The paragraph 8 will be restated in the Schedule, if any]*

9. **Final Exercise/Payment Basis** [See paragraphs 17 to 22 below]
- [Credit Linked. Exercise at Final Exercise Amount on the Scheduled Final Exercise Date, subject as otherwise provided in these Final Terms and to the provisions of the Technical Annex]
10. **Change of Final Exercise/Payment Basis** [See paragraphs 18 to 22 below] [Not Applicable]
11. **Call/Put Options** [See paragraphs 18 to 19 below] [Not Applicable]

12. **Status of the Certificates** Unsubordinated

13. **Method of distribution** [Syndicated] [Non-syndicated]

**PROVISIONS RELATING TO INTERIM PAYMENT(S) (IF ANY)**

14. **Fixed Amount Provisions** [Applicable] [Not Applicable]

*[In respect of Credit Linked Certificates: Applicable, subject to the provisions of the paragraph "Credit Linked Note Provisions" and the Technical Annex]*

*[If Not Applicable, delete the remaining subparagraphs of this paragraph]*

(i) Fixed Amount(s) [[•] per Certificate of [•] Specified Denomination]

*[If the Fixed Amounts vary depending on the Fixed Amount Payment Dates, insert:*

[•] on the first Fixed Amount Payment Date,

[•] on the second Fixed Amount Payment Date,

[•] on the [•] Fixed Amount Payment Date]

[Not Applicable] [*Specify other*] [See the Schedule]

(ii) Fixed Amount Payment Date(s) [•] [See the Schedule]

(iii) Business Day Convention [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [*Specify other*] [See the Schedule]

(iv) Other terms relating to the method of calculating Fixed Amount(s) [None] [*Give details*] [See the Schedule]

15. **Interim Amount Provisions** [Applicable] [Not Applicable]

*[In respect of Credit Linked Certificates: Applicable, subject to the provisions of the paragraph "Credit Linked Note Provisions" and the Technical Annex]*

*[If Not Applicable, delete the remaining subparagraphs of this paragraph]*

(i) Index/Formula [•] [See the Schedule]

(ii) Calculation Agent responsible for calculating [Not Applicable] [*Insert name and address*]

Interim Amount (if not the Agent)

- (iii) Provisions for determining Interim Amount where calculation by reference to Index and/or Formula is impossible or impracticable [As provided in the Technical Annex] [Provisions for determining Interest where calculation by reference to Index and/or Formula is impossible or impracticable, if the Underlying is not covered by the Technical Annex, but within the scope of the Base Prospectus, insert: As specified in the Schedule]
- (iv) Interim Amount Payment Date(s) [●]
- (v) Business Day Convention [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [adjusted] [unadjusted bases] [Specify other]
- (vi) Relevant financial centre(s) [●] [Not Applicable]
- (vii) Day Count Fraction [●]

**16. Dual Currency Certificate Provisions** [Applicable] [Not Applicable]

*[If Not Applicable, delete the remaining subparagraphs of this paragraph]*

- (i) Rate of Exchange/method of calculating Rate of Exchange [Give or annex details]
- (ii) Calculation Agent responsible for calculating the Interim Amount (if not the Agent) [Not Applicable] [Insert name and address]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable [●]

**PROVISIONS RELATING TO PHYSICAL DELIVERY**

**17. Physical Delivery Certificate Provisions** [Applicable] [Not Applicable]

*[In respect of Credit Linked Certificates, if applicable: As provided in the Technical Annex]*

*[If Not Applicable, delete the remaining subparagraphs of this paragraph]*

[If Applicable and except as specified below, the relevant provisions are as set out in the Technical Annex]

- |       |  |  |
|-------|--|--|
| (i)   | Underlying Assets and / or Formula to be used to determine principal and/or interest or the Physical Delivery Amount   | [As specified in the Schedule under “Final Exercise Amount” and, if applicable, “Other final terms”, subject to adjustment as provided in the Technical Annex] [If the Underlying is not covered by the Technical Annex, but within the scope of the Base Prospectus, insert: As specified in the Schedule]<br><br>[In respect of Credit Linked Certificates: Portfolio of Specified Deliverable Obligations (as defined in the Technical Annex)]  |
| (ii)  | Settlement by way of cash and/or physical delivery   | [As specified in the Schedule under “Final Exercise Amount” and, if applicable, “Other final terms”, subject to adjustment as provided in the Technical Annex] [Settlement by way of cash and/or physical delivery, if the Underlying is not covered by the Technical Annex, but within the scope of the Base Prospectus, insert: As specified in the Schedule]<br><br>[In respect of Credit Linked Certificates: Physical delivery except for Undeliverable Obligations (see details in the Technical Annex)] |
| (iii) | [Issuer/Holder] option to vary method of settlement and, if yes, method of election, and procedure, for variation of settlement                                  | [Yes [Give details]] [No]<br><br>[In respect of Credit Linked Certificates, if applicable: As provided in the Technical Annex]   |
| (iv)  | If settlement is by way of physical delivery   |  |
|       | (a) method of transfer of Underlying Assets in respect of Physical Delivery Amount (of other than Delivery) and consequences of a Settlement Disruption Event(s) | [●] [As provided in the Technical Annex]<br><br>[In respect of Credit Linked Certificates: Delivery through the Relevant Clearing System unless the Specified Deliverable Obligations are not eligible for clearance by the Relevant Clearing System or otherwise as specified in the Technical Annex, in which case transfer will take place outside the Relevant Clearing System as set out in the Technical Annex]  |
|       | (b) details of how and when Transfer Notice is to be delivered   | [●] [As provided in the Technical Annex]<br><br>[In respect of Credit Linked Certificates: The common procedure of transfer currently in force in the Relevant Clearing System]  |
|       | (c) details of how   | [●] [As provided in the Technical Annex]   |

- |        |   |  |
|--------|---|--|
|        | entitlement to Physical Delivery Amount will be evidenced   | <i>[In respect of Credit Linked Certificates: The account balances appearing in the records of the Relevant Clearing System or, if necessary, the number of Certificates held by each Holder as notified to the Agent by the Relevant Clearing System]</i>   |
| (v)    | The party responsible for calculating the redemption amount and/or interest amount, or the Physical Delivery Amount, payable (if not the Agent)           | <i>[Insert name and address]</i> [Not Applicable]<br><br><i>[In respect of Credit Linked Certificates: Société Générale acting as Calculation Agent 17 cours Valmy 92987 Paris La Défense Cedex]</i>   |
| (vi)   | Provisions where calculation by reference to the Underlying Assets and / or Formula is impossible or impracticable  | [As specified in the Schedule under “Final Exercise Amount” and, if applicable, “Other final terms”, subject to adjustment as provided in the Technical Annex] [Provisions where calculation by reference to the Underlying Assets and / or Formula is impossible or impracticable, if the Underlying is not covered by the Technical Annex, but within the scope of the Base Prospectus, insert: As specified in the Schedule]<br><br><i>[In respect of Credit Linked Certificates: As provided in the Technical Annex]</i> |
| (vii)  | Details of any other relevant terms, any stock exchange requirements / tax considerations (including details of person responsible for transfer expenses) | [●] [As provided in the Technical Annex and as the case may be in the Schedule]<br><br><i>[In respect of Credit Linked Certificates: As provided in the Technical Annex]</i>   |
| (viii) | Method of calculating Early Exercise Amount (if for reasons other than following a redemption for tax reasons or an Event of Default)                     | [●] per Certificate of [●] Specified Denomination [Market Value] [ <i>Specify other</i> ] [As provided in the Schedule]<br><br><i>[In respect of Credit Linked Certificates: As provided in the Technical Annex]</i>   |
| (ix)   | [Credit] Valuation Date(s)  | [●] [As provided in the Schedule]<br><br><i>[In respect of Credit Linked Certificates: As provided in the Technical Annex]</i>   |
| (x)    | Details of Exchanges(s) and Related Exchange(s)   | [●] [As provided in the Schedule]<br><br><i>[In respect of Credit Linked Certificates: Not Applicable]</i>   |
| (xi)   | Such other additional terms or provisions as may be   | [●] [As provided in the Technical Annex and as the case may be in the Schedule]  |

required (including, without limitation, definitions of Settlement Disruption Event(s), Potential Adjustment Events and Market Disruption Events)

*[In respect of Credit Linked Certificates: As provided in the Technical Annex]*

**PROVISIONS RELATING TO EXERCISE**

**18. Exercise at the option of the Issuer (other than for Tax Reasons, if applicable)**

[Applicable] [Not Applicable]

*[If applicable in respect of Credit Linked Certificates: Subject to the provision of notice in accordance with subparagraph (iv) below, the Issuer may redeem the Certificates in whole, but not in part, on [any Business Day/Specify other] from but excluding the Issue Date to but excluding the Scheduled Final Exercise Date]*

*[NB: Exercise at the option of the Issuer (other than for Tax Reasons, as specified in Condition 5 (b), if applicable)]*

*[If Not Applicable delete the remaining subparagraphs of this paragraph]*

*[If Applicable for reasons other than Tax Reasons, the paragraph 18 will be restated and detailed in the Schedule]*

- (i) Optional Exercise Date(s) [●] [See the Schedule]
- (ii) Optional Exercise Amount(s) of each Certificate and method, if any, of calculation of such amount(s) [[●]per Certificate of [●] Specified Denomination] [Market Value] [Specify other] [See the Schedule]
- (iii) If exercisable in part
  - (a) Minimum Exercise Amount [●] [Not Applicable] [See the Schedule]
  - (b) Maximum Exercise Amount [●] [Not Applicable] [See the Schedule]
- (iv) Notice period [As specified in Condition 5(c)] *[If other than as set out in Condition 5(c), insert: [Other Minimum Notice Period to Holders] [Other Maximum Notice Period to Holders]]* [See the Schedule]

*[In respect of Credit Linked Certificates, if applicable: The Issuer shall give not less than [●] Business Days' (as defined in the Technical Annex) notice to the Holders in accordance with*

Condition 12 of the Terms and Conditions (which notice shall be irrevocable and shall specify the date fixed for redemption), provided, however that any such notice shall be deemed to be void and of no effect, if a Credit Event Notice has been, or is, delivered to Holders in accordance with the Conditions at any time on or prior to 5:00 p.m. (Paris time) on the fourth Business Day preceding the date fixed for redemption in accordance with this paragraph 18.]

**19. Exercise at the option of the Holders** [Applicable] [Not Applicable]

[If Not Applicable delete the remaining subparagraphs of this paragraph]

[If Applicable, the paragraph 19 will be restated in the Schedule]

- |       |   |   |
|-------|---|---|
| (i)   | Put Exercise Date(s)  | [●] [See the Schedule]  |
| (ii)  | Put Exercise Amount(s) of each Certificate and method, if any, of calculation of such amount(s) | [[●] per Certificate of [●] Specified Denomination] [Market Value] [Specify other] [See the Schedule]   |
| (iii) | Notice period   | [As specified in Condition 5(d)] [If other than as set out in the Conditions, insert: [Other Minimum Notice Period to Issuer] [Other Maximum Notice Period to Issuer]] [See the Schedule] |

**20. Final Exercise Amount** [●] [principal amount] [Index Linked] [Specify other Final Exercise Amount per Specified Denomination] [See the Schedule]

[NB: Certificates other than Open End Certificates]

[In respect of Credit Linked Certificates: 100 per cent. of the Nominal Amount of each Certificate then outstanding, subject to the provisions of the Technical Annex]

[If Final Exercise Amount is indexed (i.e. Index Linked), the subparagraph 20 (i) will be restated and detailed in the Schedule]

- |       |                       |   |
|-------|-----------------------|---|
| (i)   | Underlying            | [●] [See the Schedule]  |
| (ii)  | Initial Closing Price | [●] [Means the Closing Price of the Underlying on [Insert the relevant Valuation Date specified as such in the Schedule] [See the Schedule] |
| (iii) | Final Closing Price   | [●] [Means the Closing Price of the Underlying on [Insert the relevant Valuation Date specified as such in the Schedule] [See the Schedule] |
| (iv)  | Multiplier            | [●] [Not Applicable] [See the Schedule]   |
| (v)   | Final Exercise Amount | [●] [See subparagraph (vii) below] [See the   |

- |        |  |   |
|--------|--|---|
|        |  | Schedule]   |
| (vi)   | Valuation Date(s)  | [●] [See the Schedule]  |
| (vii)  | Index/Formula  | [●] [See the Schedule]  |
| (viii) | Calculation Agent responsible for calculating the Final Exercise Amount (if not the Agent)   | [●] [As provided in the Technical Annex] [See the Schedule]   |
| (ix)   | Provisions for determining the Final Exercise Amount where calculation by reference to Index and/or Formula is impossible or impracticable | [Give details] [As provided in the Technical Annex and as the case may be in the Schedule] [See the Schedule] |
| (x)    | Automatic Exercise at Final Exercise Date  | [Applicable] [Not Applicable] [See the Schedule]  |

[In the case of Italian Listed Certificates only, insert the following subparagraphs]

- |        |   |  |
|--------|---|--|
| (xi)   | Waiver of Automatic Exercise at Final Exercise Date | [●] [By Notice Date, as specified in Condition 5 (g)] [See the Schedule]   |
| (xii)  | Minimum Trading Lot                                 | [●] [As specified in Condition 5(g) and in accordance with the Listing Rules of Borsa Italiana S.p.A. and/or the rules of other regulated or unregulated markets with similar listing requirements, if applicable.] [See the Schedule] |
| (xiii) | Final Valuation Date                                | [●] [As provided in the Technical Annex] [See the Schedule]  |
| (xiv)  | Final Payment Date                                  | [●] [See the Schedule]   |

**21. Final Exercise Date** [See paragraph 8 above] [Not Applicable]

[NB: Certificates other than Open End Certificates]

[If Not Applicable delete the remaining subparagraphs of this paragraph]

- |      |                               |   |
|------|-------------------------------|---|
| (i)  | Specified Final Exercise Date | [Not Applicable] [Specify Date]           |
| (ii) | Exercise Month                | [Not Applicable] [Specify Month and Year] |

**22. Early Exercise Amount(s) payable on exercise due to Tax Reasons or due to an Event of Default and/or the method of calculating the same (if required or if different from that set out in the Conditions)** [Market Value] [Insert any other applicable provisions] [Not Applicable]

[NB: "Market Value" means the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Certificates immediately prior (and ignoring the circumstances leading) to such early termination [the following statement is not applicable to Italian Listed Certificates: and adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Certificates)].

**23. Credit Linked Certificate Provisions** [Applicable] [Not Applicable]

[If Not Applicable delete the remaining subparagraphs of this paragraph]

- (i) Type of Credit Linked Certificates: [Single Name Certificates] [First-to-Default Certificates] [Basket Certificates] [Tranche Certificates] [Specify other]

[NB: First-to-Default Certificates are also referred to as FTD Certificates.]

- (ii) First Credit Event Occurrence Date: [●] [See the Schedule]

- (iii) Settlement Type [American] [European] [See the Schedule]

- (iv) Settlement Method [Cash Settlement] [or but **ONLY** for Single Name Certificates and FTD Certificates: Physical Settlement] [See the Schedule]

- (v) Reference Entity(-ies) [See the Schedule]

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

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

- (vi) Transaction Type [See the Schedule]

[For Single Name Certificates: As described in the Annex for Credit Linked Certificates hereto]

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

- (vii) Multiple Successor(s) [See the Schedule]

[For Single Name Certificates: Applicable]

[For Basket Certificates (which by definition include

*Tranche Certificates) and FTD Certificates: Not relevant, Part 1 V "Multiple Successors" of the Credit Technical Annex does not apply to the Certificates]*

(viii) Reference Obligation(s) [See the Schedule]

CUSIP/ISIN: [●] [None]

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

(ix) Calculation Agent responsible for calculating the redemption amount (if not the Calculation Agent specified in the Technical Annex) [Not Applicable] *[Insert name and address]*

*[In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Certificates, describe the terms of its appointment and the provisions relating to the termination of its appointment]*

(x) All Guarantees [See the Schedule]

*[For Single Name Certificates: As specified in the Annex for Credit Linked Certificates hereto]*

*For Basket Certificates (which by definition include Tranche Certificates) and FTD Certificates: For each Reference Entity comprised in the Reference Portfolio, as specified in the Annex for Credit Linked Certificates hereto]*

(xi) Credit Events [See the Schedule]

*[For Single Name Certificates: The Credit Events specified in the Annex for Credit Linked Certificates hereto]*

*[For Basket Certificates (which by definition include Tranche Certificates) and FTD Certificates: For each Reference Entity comprised in the Reference Portfolio, the Credit Event(s) specified in the Annex for Credit Linked Certificates hereto]*

(xii) Notice of Publicly Available Information [See the Schedule]

*[For Single Name Certificates: As specified in the Annex for Credit Linked Certificates hereto]*

*[For Basket Certificates (which by definition include*

*Tranche Certificates) and FTD Certificates:* For each Reference Entity comprised in the Reference Portfolio, as specified in the Annex for Credit Linked Certificates hereto]

(xiii) Obligation(s)

Obligation Category

[See the Schedule]

*[For Single Name Certificates:* The Obligation Category specified in the Annex for Credit Linked Certificates hereto]

*[For Basket Certificates (which by definition include Tranche Certificates) and FTD Certificates:* For each Reference Entity comprised in the Reference Portfolio, the Obligation Category specified in the Annex for Credit Linked Certificates hereto]

Obligation Characteristics

[See the Schedule]

*[For Single Name Certificates:* The Obligation Characteristics specified in the Annex for Credit Linked Certificates hereto]

*[For Basket Certificates (which by definition include Tranche Certificates) and FTD Certificates:* For each Reference Entity comprised in the Reference Portfolio, the Obligation Characteristics specified in the Annex for Credit Linked Certificates hereto]

(xiv) Accrual of Interest upon Credit Event

[See the Schedule]

[No Accrued Interest upon Credit Event]

[Accrued Interest upon Credit Event]

[Guaranteed Coupon]

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

*[NB: Guaranteed Coupon only where settlement is European Settlement]*

(xv) Terms relating to Settlement

Final Value

[See the Schedule]

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

*[If Physical Settlement:* Not Applicable]

[Deliverable/Selected]

Obligation(s):

*[If Cash Settlement and Fixed Recovery:* Not Applicable] [See the Schedule]

*If not applicable, delete the subparagraphs "[Deliverable/Selected] Obligation*

Category” and “[Deliverable/Selected] Obligation Characteristics”

[Deliverable/Selected] Obligation Category [See the Schedule]

[For Single Name Certificates: The [Deliverable/Selected] Obligation Category specified in the Annex for Credit Linked Certificates hereto]

[For Basket Certificates (which by definition include Tranche Certificates): For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Category specified in the Annex for Credit Linked Certificates hereto]

[For FTD Certificates: For each Reference Entity comprised in the Reference Portfolio, the [Deliverable] [Selected] Obligation Characteristics specified in the Annex for Credit Linked Certificates hereto]

[Deliverable/Selected] Obligation Characteristics [See the Schedule]

[For Single Name Certificates: The [Deliverable/Selected] Obligation Characteristics specified in the Annex for Credit Linked Certificates hereto]

[For Basket Certificates (which by definition include Tranche Certificates): For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Characteristics specified in the Annex for Credit Linked Certificates hereto]

[For FTD Certificates: For each Reference Entity comprised in the Reference Portfolio, the [Deliverable] [Selected] Obligation Characteristics specified in the Annex for Credit Linked Certificates hereto]

(xvi) First-to-Default [See the Schedule] [Applicable] [Not Applicable]

(xvii) Provisions relating to Basket Certificates [See the Schedule] [Applicable] [Not Applicable]

[If not applicable, delete the remaining subparagraphs (a) to (f) of this subparagraph (xvii)]

[(a) Reference Portfolio Notional Amount [See the Schedule]

[●] [equal to the product of (i)  $P/(M-N+1)$  and (ii) the Aggregate Nominal Amount, if N-to-M-to-Default is specified as Applicable]

(b) Reference Entity Notional Amount [See the Schedule]

[For Each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount]

- (c) Reference Price [See the Schedule]  
[[●] per cent.]
- (d) Reference Entity Weighting [See the Schedule]  
[For Each Reference Entity: [●]/ the amount specified as such in the Annex for Credit Linked Certificates hereto]
- (e) Provisions relating to Tranche Certificates [See the Schedule] [Applicable] [Not Applicable]

*If not applicable, delete the remaining subparagraphs (1), (2) and (3) of this subparagraph (e)*

- (1) N-to-M-Default [See the Schedule] [Applicable] [Not Applicable]  
*[If not applicable delete the three lines below:*  
N = [●]  
M = [●]  
P= [number of Reference Entities within the Reference Portfolio]

- (2) Tranche Notional Amount [See the Schedule] [●]

*[NB: The Tranche Notional Amount should be equal to [portfolio size \* (detachment point- attachment point)]]*

- (3) Tranche Subordination Amount [See the Schedule] [●][equal to the product of (i) the Aggregate Nominal Amount and (ii) (N-1)/(M-N+1), if N-to-M-to-Default is specified as Applicable]

*[Delete this subparagraph (f) UNLESS (1) the Certificates are Basket Certificates with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent. or with a Floating Interest Recovery or (2) the Certificates are Tranche Certificates where N-to-M-to-Default is specified as Not Applicable and with a Fixed Interest Recovery or (3) the Certificates are Tranche Certificates where N-to-M-to-Default is specified as Applicable and with Floating Interest Recovery with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent.]*

- (f) Interest Recovery [See the Schedule] [Fixed Interest Recovery with an Interest Recovery Rate of [●] per cent.] [Floating Interest Recovery]

- (xviii) Provisions relating to other [See the Schedule] [●] [Not Applicable]

Credit Linked Certificates

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

- (a) Interest Calculation [See the Schedule] [●]  
Amount
- (b) Calculation of Cash [See the Schedule] [●]  
Redemption Amount
- (xix) Such other additional terms or [See the Schedule] [●] [Not Applicable]  
provisions as may be required
- (xx) Business Days (for the [See the Schedule] [●]  
purposes of the Technical  
Annex)

**PROVISIONS RELATING TO KNOCK-IN/-OUT EVENTS**

- 24. Knock-In/-Out Event(s)** [Applicable] [Not Applicable][See the Schedule]

**GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES**

- 25. Form of Certificates** [Temporary Global Certificate exchangeable for a  
Permanent Global Certificate] [Permanent Global  
Certificate, which will be deposited in the central  
clearing system managed by Monte Titoli S.p.A.]  
  
[The Certificates will be held in dematerialised  
form in accordance with Italian laws and  
regulations] [*Specify other*]
- 26. Payments on Temporary Global  
Certificates Restricted** [Yes][No] [*Specify other*] [Not Applicable]
- 27. "Payment Business Day" election** [None] [Following Payment Business Day]  
[Modified Following Payment Business Day]  
[*Specify other*]

*[NB: "Payment Business Day" election in accordance with Condition 4(d) or other special provisions relating to Payment Business Days]*

*[Note that this item relates to the date of payment and not Interest Period end dates to which items 14(iii) and 15(v) relate]*

*[Amend "Payment Business Day" definition if payment is to be made on 25 December as Euroclear and Clearstream Banking, Luxembourg do not settle payments on such day.]*

- 28. Financial Centre(s)** [Not Applicable] [*Give details*]  
  
[*In respect of Credit Linked Certificates with  
Physical Settlement: [●] and solely for the  
purposes of physical settlement, if applicable, a*

day in any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligations being Delivered]

[NB: Financial Centre(s) for the purposes of Condition 4(d)]

29. **Redenomination** [Not Applicable] [The provisions of Condition 1 apply]

#### OTHER FINAL TERMS

30. **Other final terms** [Not Applicable] [Give details] [See the Schedule]

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

#### NOTICES

31. **Means of publication** [<http://prospectus.socgen.com>] [Specify other]

[NB: Means of publication in accordance with Condition 12(a)]

32. **Clearing System Delivery Period** [Applicable] [Not Applicable] [Specify other] [Give details]

[NB: Clearing System Delivery Period in accordance with Condition 13(b)]

#### PLAN OF DISTRIBUTION AND ALLOTMENT

33. **Notification Process for allotted amount** [●] [Not Applicable]

34. **Tranche reserved to one of the countries where the Offer is made** [●] [Not Applicable]

#### PLACING AND UNDERWRITING

35. (i) If syndicated, names [and addresses and underwriting commitments] \*\* of Managers [Not Applicable] [Give names [and addresses and underwriting commitments]\*\* of Managers]

[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 on a "best efforts" basis if such entities are not the same as the Managers.]\*\*

- (ii) [Date of Subscription] [Not Applicable] [Insert date\*\*]

Agreement\*\*

- (iii) Stabilising Manager (if any) [Not Applicable] [*Insert name*]
36. **If non-syndicated, name [and address]\*\* of the relevant Dealer** Société Générale  
 [Tours Société Générale  
 17, Cours Valmy  
 92987 Paris-La Défense Cedex 7]\*\*  
 [For the avoidance of doubt, the Dealer does not perform any placement activity of the Certificates to the public in Italy]
- [*Give name [and address] \*\* in the case of a Dealer other than Société Générale*]
37. **Total commission and concession\*\*** [There is no commission and/or concession paid by the Issuer to the Dealer [or the Managers]]  
 [*Give details*]
38. **Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable** [TEFRA D] [TEFRA C] [Not Applicable]  
 [NB: *In case of Certificates for which [TEFRA C / TEFRA D] rules apply:*
- Subject to certain exceptions, Section 4701 of the US Internal Revenue Code imposes an excise tax on non-US issuers of bearer obligations. The amount of the excise tax is one percent of the principal amount of the obligation, multiplied by the number of calendar years until the obligation reaches maturity. Certificates issued on or before 18 March 2012 in accordance with the TEFRA C Rules or TEFRA D rules are exempt from the excise tax. The Hiring Incentives to Restore Employment Act of 2010 (the **HIRE Act**) repealed the TEFRA C rules and TEFRA D rules for Certificates issued after 18 March 2012. Based on Notice 2012-20, the US Department of Treasury and the US Internal Revenue Service intend to provide in regulations that rules identical to the TEFRA C rules and TEFRA D rules will apply for purposes of establishing an exemption from the excise tax. Consequently, Bearer Certificates issued after 18 March 2012 in accordance with the TEFRA C rules or TEFRA D rules should continue to be treated as “foreign targeted obligations” that are exempt from the excise tax.]*
39. **Additional selling restrictions** [Not Applicable] [*Give details*] [In the case of a public offer, consider disapplying the selling restrictions applicable to the jurisdiction(s) where the public offer is to be made (see “Selling Restrictions: European Economic Area”)]
40. **Table** [Applicable (see the Table on the following page)]

[Not Applicable]

**GOVERNING LAW**

**41. Governing Law**

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

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

[Delete the following table as appropriate]

| Series Number | Tranche Number | Specified Currency or Currencies | Aggregate Number of Securities | Issue Price | Specified Denomination(s) | Final Exercise Date | ISIN code | [Common code] | Underlying | [Component of formula / Part 2 Definitions: •] |
|---------------|----------------|----------------------------------|--------------------------------|-------------|---------------------------|---------------------|-----------|---------------|------------|--|
| [•]           | [•]            | [•]                              | [•]                            | [•]         | [•]                       | [•]                 | [•]       | [•]           | [•]        | [•]  |
| [•]           | [•]            | [•]                              | [•]                            | [•]         | [•]                       | [•]                 | [•]       | [•]           | [•]        | [•]  |
|               |                |                                  |                                |             |                           |                     |           |               |            |  |

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for the issue of the Certificates [and] [public offer in Italy] [and] [listing on the Italian Exchange for admission to trading on the [Securitized Derivatives Market (**SeDeX**)] [electronic “Multilateral Trading Facility – MTF” – (the “**EuroTLX**”)] [*Specify other*], organised and managed by [Borsa Italiana] [EuroTLX SIM] [*Specify other*] S.p.A.] [,described herein by Société Générale Effekten GmbH pursuant to its € 30,000,000,000 Debt Issuance Programme for which purpose they are hereby submitted.

**RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms [*In the case of public offer or admission to trading on a regulated market, insert: under § 5 Sec. (4) German Securities Prospectus Act (Wertpapierprospektgesetz)*].

Information or summaries of information included herein with respect to the Underlying(s) has been extracted or obtained, as the case may be, from general databases released publicly or by any other available information. The Issuer and the Guarantor declare that, to the best of their knowledge, the information contained in these Final Terms is accurate and does not contain any material omissions.

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By:

By:

*Duly authorised*

*Duly authorised*

By:

By:

*Duly authorised*

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [None] [Application [has been] [will be] made to list the Certificates on the Italian Exchange.]

[The subparagraph 1(i) will be restated in the Schedule]

- (ii) Admission to trading [Not Applicable] [Application will be made to admit to trading the Certificates on SeDeX, organised and managed by Borsa Italiana S.pA.]

[Where documenting a fungible issue need to indicate that original Certificates are already admitted to trading.]\*\*

- ((iii) Estimate of total expenses related to admission to trading\* [●]

### 2. RATINGS

Ratings [The Certificates to be issued have not been rated.]  
[The Certificates to be issued have been rated by :

[Insert name, address and rating of relevant rating agency: [●]

[The credit rating[s] referred to above [has] [have] been issued by [●] [and [●]], [each of] which is established in the European Union and [is] [has applied to be] registered under Regulation (EC) No 1060/2009 (as amended by Regulation (EU) No. 513/2011), the "**CRA Regulation**".]

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

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

[Not Applicable] [The *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin), Germany, [has been requested to provide] [has provided] the the *Commissione Nazionale per le Società e la Borsa* (CONSOB), Italy with [a] certificate[s] of approval attesting that the Base Prospectus [and the Supplement[s]] [has] [have] been drawn up in accordance with the Prospectus Directive].

[The Issuer and the Guarantor have authorised the use of these Final Terms and the Base Prospectus dated 19 June 2012 by the Dealer/Managers and [the entities in charge of the distribution of the Certificates] [Give name(s) [and address(es)] of other financial intermediary(-ies) involved in the Offer] (the **Distributor[s]** and, together with the Dealer/Managers, the **Financial Intermediaries**) in connection with offers of the Certificates to the public in Italy for the period set out in paragraph 12 below [; being specified that name[s] and address[es] of the

Distributor[s] [, if any,] are available upon request to the Dealer (specified above in the item 36 of the Part A).] \*\*]

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

[Save for any fees payable to the [Dealer] [Distributor(s)] so far as the Issuer is aware, no person involved in the issue of the Certificates has an interest material to the offer.]

[The Issuer and Société Générale expect to enter into hedging transactions in order to hedge the Issuer's obligations under the Certificates. Should any conflicts of interest arise between (i) the responsibilities of Société Générale as Calculation Agent for the Certificates and (ii) the responsibilities of Société Générale as counterparty to the above mentioned hedging transactions, the Issuer and Société Générale hereby represent that such conflicts of interest will be resolved in a manner which respects the interests of the Holders.]

[Amend as appropriate if there are other interests]

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

(i) Reasons for the offer [●] [Not Applicable] [See "Use of Proceeds" wording in the Base Prospectus]

[If reasons for offer are different from making profit and/or hedging certain risks will need to include those reasons here.]

(ii) Estimated net proceeds [●] [Not Applicable]

[If the proceeds are intended for more than one purpose, those purposes should be disclosed in order of priority. If the proceeds will be insufficient to fund all disclosed purposes, state the amount and sources of other funding.]

(iii) Estimated total expenses [●] [Not Applicable]

[Expenses must be broken down into each principal intended "use" and presented in order of priority of such "uses".] [Delete unless the Certificates are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above 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) above are also required regardless of denomination.]

[If the Certificates are derivative securities to which 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.]\*\*

(iv) Taxes and other expenses [Taxes charged in connection with the subscription, transfer, purchase or holding of the Certificates must be paid by the Holders and neither the Issuer nor the Guarantor shall have any obligation in relation thereto; in that respect, Holders shall consult professional tax advisers to determine the tax regime applicable to their own situation. Other expenses that may be charged to the Holders, *inter alia* by Distributors, in relation to the subscription, transfer, purchase or holding of the Certificates, cannot be assessed or influenced by the Issuer or the

Guarantor and are usually based on the relevant intermediary's business conditions.]

[Specify other]

**6. PERFORMANCE OF UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Applicable] [Not Applicable]

*[Include details of where past and future performance and volatility of the index/formula/other variable can be obtained]*

*[Include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances in which the risks are most evident.]*  
*[In case of Certificates with indexed coupons: Under these Certificates, the Holders are entitled to receive indexed coupons totally linked to the performance of the Underlying(s) calculated on pre-determined Valuation Dates.]* *[In case of Certificates with indexed linked final exercise amount: At maturity, the Holders are entitled to receive an amount totally linked to the performance of the Underlying(s).]* *[In case of automatic early exercise: The actual exercise date of these Certificates is directly related to the performance of the Underlying(s): the better the performance, the sooner the exercise date and conversely, the worse the performance the later the exercise date.]* *[In case of Certificates with a barrier: The return depends upon the fact that the performance of the Underlying(s) reaches or does not reach a pre-determined threshold. Accordingly, a small downward or upward movement of the Underlying(s) close to the threshold may result in a significantly larger increase or decrease of the return of the Certificates.]* *[In case of Certificates with an indexed final exercise amount calculated on pre-determined Valuation Dates: The return of these Certificates is linked to the performances of the Underlying(s) as calculated on pre-determined Valuation Dates. As a result, the Closing Price of the Underlying(s) on these dates will affect the value of the Certificates more than any other single factor. Under these Certificates, at maturity, the Holders may not receive the amount initially invested. Holders are entitled to receive a Final Exercise Amount which may, in case of an adverse evolution of the Underlying(s) during the term of the Certificates, be significantly lower than the amount per Certificate initially invested up to a total loss] [specify other: •]]*

*[To the extent not covered by the Technical Annex, need to consider including, pursuant to Annex XII of the Prospectus Directive Regulation, in the Final Terms Part A or in a schedule thereto a description of any market disruption or settlement disruption events that affect the Underlying and any adjustment rules in relation to events concerning the Underlying (if applicable).]*

*[Where the Underlying is an index, include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the Underlying is not an index need to include equivalent information.]*

*[Where the underlying is a security need to include the name of the issuer of the security and the International Securities Identification Number (ISIN) or equivalent identification number. Where the underlying is a basket of underlyings (including in relation to Credit Linked Certificates that are Tranche Certificates), need to include the relevant weightings of each underlying in the basket.]*

**7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Certificates only*)

[Applicable] [Not Applicable]

*[Include details of where performance and volatility from time to time of the relevant rates can be obtained]*

*[Include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances in which the risks are most evident.]*

**8. OPERATIONAL INFORMATION**

(i) ISIN code [●] [See Table in paragraph 40. of Part A - Contractual Terms]

(ii) Common code [●] [See Table in paragraph 40. of Part A - Contractual Terms] [Available upon request, as needed]

(v) Clearing System(s) [Monte Titoli S.p.A., Via Mantegna, 6, 20154 Milano (MI), Italy] [Not Applicable]

*[Give name(s) and address(es) of any other or additional Clearing System(s)]*

**9. Delivery** Delivery [against] [free of] payment

**10. Name(s) and address(es) of Additional Paying Agent(s) and Settlement Agent (if any)** *[Give name(s) and address(es)]* [Not Applicable]

**11. Address and contact details of Société Générale for all administrative communications relating to the Certificates** *[Give name and address]*

Telephone: [●]  
 Facsimile: [●]  
 Attention: [●]  
 Mail: [●]

**12. PUBLIC OFFERS\*\*** [Not Applicable]

This paragraph applies only in respect of any offer of Certificates made in any Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive (each, a **Relevant Member State**), where such offer is not made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Certificates.

(i) Offer Period From [and including] [●] to [and including] [●] in Italy [, save in the case of early termination or postponement].

*[In case the Certificates are placed through "Door-to-door selling" and the period between the end of the Offer Period and the Issue Date is*

*shorter than seven Business Days, insert:* The Offer Period for Certificates placed through “door-to-door selling” (pursuant to Article 30 of the legislative decree n. 58 dated 24.02.1998, as amended, the **Italian Financial Services Act**) shall be from [and including] [●] to [and including] [●], save in the case of early termination or postponement.]

[Pursuant to Article 30, paragraph 6, of the Italian Financial Act, the validity and enforceability of the subscriptions through “door-to-door selling” are suspended for a period of seven days from the date of the subscription. During such period, investors have the right to withdraw from the subscription without any charge or commissions, by means of communication to the relevant Distributor.]

[The Issuer may at any time and for any reasons early terminate or postpone the Offer Period. In such event, a notice to the investors on the early termination or the postponement, as applicable, will be published on the website of the Issuer (<http://prospectus.socgen.com>).]

[Specify other]

[This Offer Period should be from the date of publication of the Final Terms to a specified date (or a formulation such as “the Issue Date” or “the date which falls [●] Business Days thereafter”).]

(ii) Offer Price

[The Issuer has offered the Certificates to the Dealer/Managers at the initial Issue Price of [●] less a total commission of [●].

[or where the price is not determined at the date of the Final Terms:

The Issue Price of the Certificates will be determined by the Issuer and the [Dealer/Managers] on or about [●] in accordance with market conditions then prevailing, including [supply and demand for the Certificates and other similar securities] [and] [the then current market price of [Insert relevant benchmark security, if any].]

[or:

Certificates will be offered at the Issue Price [or at a price equal to [●]] [(of which [a] [an] [maximum] [annual] [●] % is represented by commissions payable to the Distributor[s] [and [●] % is represented by structuring costs])] increased by fees, if any, as mentioned in subparagraph (xii) below.]

[Specify other]

- (iii) Conditions to which the Offer is subject
- [Offers of the Certificates are conditional [on their issue [*only applicable to offers during the Offer Period*]] [and] [on any additional conditions set out in the standard terms of business of the Dealer and the Distributor[s] (together, the **Financial Intermediaries**), notified to investors by such relevant Financial Intermediaries.]
- [The Issuer reserves the right, subject to the agreement of the Distributor[s], to withdraw the Offer and cancel the issuance of the Certificates for any reasons at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Certificates.]
- [In the event of cancel of the Offer, a notice to the investors will be published on the website of the Issuer (<http://prospectus.socgen.com>) and on the website of the Distributor[s].]

[Specify other]

- (iv) Description of the application process
- [●] [Not Applicable] [Offers of the Certificates shall be made by the Issuer through the Distributor[s] in Italy] [Any application for subscription of the Certificates shall be sent to [the relevant Distributor] [Société Générale (see paragraph 11 of Part B above) or any Financial Intermediary]. [The name and address of the Distributor[s] are available upon request to the Dealer (specified above in the paragraph 36 of the Part A.) [The distribution activity will be carried out in accordance with the relevant Distributor's usual procedures.] [Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription of the Certificates.]

[Specify other]

[Not Applicable unless full application process is being followed in relation to the issue]

- (v) Details of the minimum and/or maximum amount of application
- [●] [Not Applicable]
- [Minimum subscription amount per investor: [●]
- Maximum subscription amount per investor: [●]

[The maximum amount of application of Certificates will be subject only to the availability at the time of the application.]

[There are no pre-identified allotment criteria. The Distributor[s] will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Certificates requested through the Distributor[s] during the Offer Period will be assigned up to the maximum of the Offer.]

[In the event that, during the Offer Period, the requests exceed the total amount of the Offer destined to prospective investors, the Issuer may early terminate the Offer Period and will immediately suspend the acceptance of further requests.]

[Specify other]

[Not Applicable unless full application process is being followed in relation to the issue]

- (vi) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants  [Not Applicable] [Specify other]

[Not Applicable unless full application process is being followed in relation to the issue]

- (vii) Details of the method and time limits for paying up and delivering the Certificates [The Certificates will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.] [The settlement of the net subscription moneys and the delivery of the Certificates will be executed through the Dealer mentioned above [only for technical reasons]. [The Certificates will be delivered to the investors by the Distributor[s] on or around the Issue Date.] [Investors will be notified by the relevant Distributor of their allocations of Certificates and the settlement arrangements in respect thereof.]

[However, the Issuer will be the only offeror and as such will assume all the responsibilities in connection with the information contained in these Final Terms together with the Base Prospectus.]

[Specify other]

- (viii) Manner and date in which results of the Offer are to be made  [Not Applicable] [Publication on the website of the Issuer (<http://prospectus.socgen.com>) on

public or around the Issue Date.]

[Not Applicable unless the issue is an “up to” issue when disclosure must be included]

- (ix) Procedure for exercise of any right of preemption, negotiability of subscription rights and treatment of subscription rights not exercised [●] [Not Applicable] [Specify other]

[Not Applicable unless full application process is being followed in relation to the issue]

- (x) Categories of potential investors to which the Certificates are offered [●] [Offers of the Certificates shall be made by the Issuer to the public in Italy [through the Distributor[s]].] [In other EEA countries, offers will only be made pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Directive as implemented in such countries.] [Any investor should contact its financial advisor for more information, and may only purchase Certificates from its financial advisor, bank or financial intermediary.] [Specify other]

- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made [●] [Not Applicable] [Each investor will be notified by the relevant Distributor of its allocation of the Certificates after the end of the Offer Period and before the Issue Date.] [No dealings in the Certificates on a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on Markets in Financial Instruments may take place prior to the Issue Date.] [Specify other]

[Not Applicable unless full application process is being followed in relation to the issue]

- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser [●] [Taxes charged in connection with the subscription, transfer, purchase or holding of the Certificates must be paid by the Holders and neither the Issuer nor the Guarantor nor the Distributor[s] shall have any obligation in relation thereto; in that respect, the Holders shall consult professional tax advisors to determine the tax regime applicable to their own situation. The Holders shall also consult the Taxation section in the Base Prospectus.]

[Additional subscription fees or purchase fees:

[None] [Up to [●]% of the Specified Denomination being specified that the Distributor[s] can waive such fees.]]

[In respect of the Offer Price which includes the

commissions payable to the Distributor[s],  
please see subparagraph (ii) "Offer Price"  
above.]

[Specify other]

**Post-issuance information:** The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Certificates constituting derivative securities.

**Certificates:**

\* *Delete if the minimum denomination is less than [€50,000/€100,000]*

\*\* *Delete if the minimum denomination is [€50,000/€100,000]*

**SCHEDULE**

*(This Schedule forms part of the Final Terms to which it is attached)*

**Part 1:**

|       |      |                                  |  |
|-------|------|----------------------------------|--|
| 1.    | (i)  | Issuer                           | Société Générale Effekten GmbH   |
|       | (ii) | Guarantor                        | Société Générale [(acting also as placement coordinator (“ <i>responsabile del collocamento</i> ”) pursuant to Article 93- <i>bis</i> of the Italian Legislative Decree n° 58/1998 (the <b>Italian Financial Services Act</b> )] |
| 3.    |      | Specified Currency or Currencies | [●] [See Table in paragraph 40. of Part A – Contractual Terms]   |
| 4.    |      | Aggregate Number of Securities   | [●] [See Table in paragraph 40. of Part A – Contractual Terms]   |
|       | (i)  | Tranche                          | [●] [See Table in paragraph 40. of Part A – Contractual Terms]   |
|       | (ii) | Series                           | [●] [See Table in paragraph 40. of Part A – Contractual Terms]   |
| 5.    |      | Issue Price                      | [●] [See Table in paragraph 40. of Part A – Contractual Terms]   |
| 6.    |      | Specified Denomination(s)        | [●][See Table in paragraph 40. of Part A – Contractual Terms]  |
| 7.    |      | Issue Date                       | [●]  |
| 8.    |      | Final Exercise Date              | [●] [See Table in paragraph 40. of Part A – Contractual Terms]   |
| 1.(i) |      | Listing                          | [●]  |

**Part B**

|                                     |            |
|-------------------------------------|------------|
| <b>[14. Fixed Amount Provisions</b> | Applicable |
|-------------------------------------|------------|

*[Delete the paragraph 14 if specified as “Not Applicable” in Part A of the Final Terms]*

|      |                              |     |
|------|------------------------------|-----|
| (i)  | Fixed Amount(s)              | [●] |
| (ii) | Fixed Amount Payment Date(s) | [●] |



- (xi) Such other additional terms or provisions as may be required (including, without limitation, definitions of Settlement Disruption Event(s), Potential Adjustment Events and Market Disruption Events) [●]

[Delete the paragraph 17 if specified as “Not Applicable” in Part A of the Final Terms]

- [18. Exercise at the option of the Issuer (other than for Tax Reasons, as specified in Condition 5 (b), if applicable)]** Applicable

[Delete the paragraph 18 if specified as “Not Applicable” in Part A of the Final Terms]

- (i) Optional Exercise Date(s) [●]
- (ii) Optional Exercise Amount(s) of each Certificate and method, if any, of calculation of such amount(s) [●]
- (iii) If exercisable in part
- (a) Minimum Exercise Amount [●]
- (b) Maximum Exercise Amount [●]
- (iv) Notice period [●]

- [19. Exercise at the option of the Holders]** Applicable

[Delete the paragraph 19 if specified as “Not Applicable” in Part A of the Final Terms]

- (i) Put Exercise Date(s) [●]
- (ii) Put Exercise Amount(s) of each Certificate and method, if any, of calculation of such amount(s) [●]
- (iii) Notice period [●]

- 20. Final Exercise Amount** [●] [principal amount] [Index Linked] [Specify other Final Exercise Amount per Specified Denomination]  
 [NB: Certificates other than Open End Certificates]

- (i) Underlying [●] [See in Part 2 – Definitions below]

- |        |  |  |
|--------|--|--|
| (ii)   | Initial Closing Price  | [●] [Means the Closing Price of the Underlying on <i>[Insert the relevant Valuation Date specified as such in the Schedule]</i> in the Part 2 – Definitions below] |
| (iii)  | Final Closing Price  | [●] [Means the Closing Price of the Underlying on <i>[Insert the relevant Valuation Date specified as such in the Schedule]</i> in the Part 2 – Definitions below] |
| (iv)   | Multiplier   | [●]  |
| (v)    | Final Exercise Amount  | [●] [See subparagraph (vii) below]   |
| (vi)   | Valuation Date(s)  | [●] [See in Part 2 – Definitions below]  |
| (vii)  | Index/Formula  | [●]  |
| (viii) | Calculation Agent responsible for calculating the Final Exercise Amount (if not the Agent)   | [●]  |
| (ix)   | Provisions for determining the Final Exercise Amount where calculation by reference to Index and/or Formula is impossible or impracticable | [●]  |
| (x)    | Automatic Exercise at Final Exercise Date  | [●]  |

*[In the case of Italian Listed Certificates only, insert the following subparagraphs]*

- |        |   |     |
|--------|---|-----|
| (xi)   | Waiver of Automatic Exercise at Final Exercise Date | [●] |
| (xii)  | Minimum Trading Lot                                 | [●] |
| (xiii) | Final Valuation Date                                | [●] |
| (xiv)  | Final Payment Date                                  | [●] |

**[23. Credit Linked Certificate Provisions]** [Applicable] [Not Applicable]

- |       |                                     |     |
|-------|-------------------------------------|-----|
| (i)   | Type of Credit Linked Certificates: | [●] |
| (ii)  | First Credit Event Occurrence Date: | [●] |
| (iii) | Settlement Type                     | [●] |

- |        |   |     |
|--------|---|-----|
| (iv)   | Settlement Method   | [•] |
| (v)    | Reference Entity(-ies)  | [•] |
| (vi)   | Transaction Type  | [•] |
| (vii)  | Multiple Successor(s)   | [•] |
| (viii) | Reference Obligation(s)   | [•] |
| (ix)   | Calculation Agent responsible for calculating the redemption amount (if not the Calculation Agent specified in the Technical Annex)                     | [•] |
| (x)    | All Guarantees  | [•] |
| (xi)   | Credit Events   | [•] |
| (xii)  | Notice of Publicly Available Information  | [•] |
| (xiii) | Obligation(s)   |     |
|        | Obligation Category   | [•] |
|        | Obligation Characteristics  | [•] |
|        |   | [•] |
| (xiv)  | Accrual of Interest upon Credit Event   |     |
| (xv)   | Terms relating to Settlement  |     |
|        | Final Value   | [•] |
|        | [Deliverable/Selected] Obligation(s):   | [•] |
|        | <i>If not applicable, delete the subparagraphs “[Deliverable/Selected] Obligation Category” and “[Deliverable/Selected] Obligation Characteristics”</i> |     |
|        | [Deliverable/Selected] Obligation Category  | [•] |
|        | [Deliverable/Selected] Obligation Characteristics   | [•] |
| (xvi)  | First-to-Default  | [•] |
| (xvii) | Provisions relating to Basket Certificates  | [•] |

*[If not applicable, delete the remaining subparagraphs (a) to (f) of this subparagraph (xvii)]*

- [(a) Reference Portfolio Notional Amount [•]
- (b) Reference Entity Notional Amount [•]
- (c) Reference Price [•]
- (d) Reference Entity Weighting [•]
- (e) Provisions relating to Tranche Certificates [•]

*If not applicable, delete the remaining subparagraphs (1), (2) and (3) of this subparagraph (e)*

- (1) N-to-M-Default [•]
- (2) Tranche Notional Amount [•]
- (3) Tranche Subordination Amount [•]
- (f) Interest Recovery [•]
- (xviii) Provisions relating to other Credit Linked Certificates [•]

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

- (a) Interest Calculation Amount [•]
- (b) Calculation of Cash Redemption Amount [•]
- (xix) Such other additional terms or provisions as may be required [•]
- (xx) Business Days (for the purposes of the Technical Annex) [•]

**[24. Knock-In/-Out Event(s) [•]]**

*[Delete the paragraph 27 if specified as "Not Applicable" in Part A of the Final Terms]*

**30. Other final terms [Applicable] [Not Applicable] [Give details]**

**[Part 2 – Definitions**

Terms used in the formulae above are described in this Part 2.

[•]

**[Part 3 – Information relating to the Underlying(s)]**

[Information or summaries of information included herein with respect to the Underlying(s) has been extracted or obtained, as the case may be, from general databases released publicly or by any other available information. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as they are aware and are able to ascertain from information published, no facts have been omitted which would render the reproduced information, inaccurate or misleading.]

**[Part 4 – Additional information]**

[•]

**[Part 5 – Additional risk factors]**

[Insert additional specific risk factors relating to an Underlying of a particular Tranche of Certificates, provided that these risks are specific to this Underlying and can only be determined at the time of the individual issue.]

**ANNEX FOR CREDIT LINKED CERTIFICATES**

[For Single Name Certificates:

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

[For FTD Certificates:

**Reference Portfolio:**

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

[For Basket Certificates:

**Reference Portfolio:**

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

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

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

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

| <b>Credit Events</b>   | <i>[insert Transaction Type]</i> |
|--|----------------------------------|
| Bankruptcy   | [X]                              |
| Failure to Pay   | [X]                              |
| Grace Period Extension   | [X]                              |
| Notice of Publicly Available Information   | [X]                              |
| Payment Requirement (USD 1,000,000)  | [X]                              |
| Obligation Default   | [X]                              |
| Obligation Acceleration  | [X]                              |
| Repudiation/Moratorium   | [X]                              |
| Restructuring  | [X]                              |
| Restructuring Maturity Limitation and Fully Transferable Obligation                  | [X]                              |
| Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation | [X]                              |
| Multiple Holder Obligation   | [X]                              |
| Default Requirement (USD 10,000,000)   | [X]                              |
| All Guarantees   | [X]                              |

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

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

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

|   |                                  |
|---|----------------------------------|
| Bond or Loan  | [X]                              |
| <b>[Deliverable] [Selected] Obligations Characteristics</b> | <i>[insert Transaction Type]</i> |
| Not Subordinated  | [X]                              |
| Standard Specified Currency                                 | [X]                              |
| Standard Specified Currencies and Domestic Currency         | [X]                              |
| Not Sovereign Lender  | [X]                              |
| Not Domestic Currency                                       | [X]                              |
| Not Domestic Law  | [X]                              |
| Listed  | [X]                              |
| Not Domestic Issuance                                       | [X]                              |
| Not Contingent  | [X]                              |
| Assignable Loan   | [X]                              |
| Consent Required Loan                                       | [X]                              |
| Transferable  | [X]                              |
| Maximum Maturity: 30 Years                                  | [X]                              |
| Not Bearer  | [X]                              |

TERMS AND CONDITIONS OF THE ITALIAN CERTIFICATES

*The following, together with the Technical Annex (if applicable), are the Terms and Conditions (the **Conditions**) of the Italian Certificates to be issued under German law. The applicable Final Terms in relation to any Tranche of Italian Certificates may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, complete the following and meet the purpose of such Italian Certificates.*

*The provisions of these Conditions apply to the Italian Certificates as completed in whole or in part, by the applicable Final Terms, which are attached hereto and which together with the Conditions will apply to the Italian Certificates to be issued under the Debt Issuance Programme and will be endorsed on, attached to or incorporated by reference into each Global Certificate.*

*Without prejudice to the foregoing paragraph, when the Certificates qualify as securities (the **Securities**) to be distributed in Italy, the term “Certificates” shall be deemed to be instead to “Italian Certificates” (the **Italian Certificates**, which expression shall include Italian Certificates to be listed for admission to trading on SeDeX and/or to be admitted to trading on other regulated or unregulated markets with similar listing requirements, the **Italian Listed Certificates**) in all applicable provisions*

This Certificate is one of a Series (as defined below) of Certificates. Reference herein to the **Issuer** shall be references to Société Générale Effekten GmbH, as specified in the applicable Final Terms (as defined below) and in the case of any substitution of the Issuer in accordance with Condition 11, the **Substitute Debtor** as defined in Condition 11).

References herein to the **Certificates** shall be references to the Certificates of this Series and shall mean (i) in relation to any Certificate(s) represented by a global Certificate, units of each Specified Denomination in the Specified Currency of issue and (ii) any global Certificate in bearer form (a **Global Certificate**)

References herein to **Holder** in relation to any Certificates shall mean the holders of the Certificates and shall, in relation to any Certificates represented by a Global Certificate, be construed as provided below.

References herein to “Monte Titoli S.p.A.” (as defined below) 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 and approved by the Issuer, the Guarantor, the Agent, and in the case of Certificates listed in the Italian Stock Exchange, the Italian Stock Exchange.

The final terms for this Certificate (or other relevant provisions thereof) are set out in Part A of the Final Terms that are endorsed on, attached to, incorporated by reference in, this Certificate and which complete these terms and conditions (the **Conditions**). The applicable final terms (or other relevant provisions thereof) complete these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Certificate.

References herein to the **applicable Final Terms** are to Part A of the Final Terms (or other relevant provisions thereof) and, if applicable, the schedule to the applicable Final Terms (the **Schedule**), which applicable Final Terms are endorsed on, attached to, incorporated by reference in, this Certificate.

References herein to **Tranche** shall mean Certificates which are identical in all respects and references herein to **Series** shall mean a Tranche of Certificates together with any further Tranche or Tranches of Certificates which are (a) expressed to be consolidated and form a single Series and (b) identical in all respects except for their respective Issue Date and/or Issue Price.

References herein to **Physical Delivery Certificates** shall mean any Series of Certificates specified as such in the applicable Final Terms in respect of which an amount of principal and/or interim amount

is payable and/or (by reference to any underlying security or asset described in the applicable Final Terms (the **Underlying Asset(s)**) a physical delivery amount (the **Physical Delivery Amount**) (being the number of Underlying Asset(s) plus/minus any amount due to/from the Holder in respect of each Certificate) is deliverable and/or payable, in each case by reference to one or more Underlying Asset(s) as indicated in the applicable Final Terms.

In these Conditions, the **Guarantor** shall mean Société Générale in its capacity as guarantor pursuant to the Guarantee (as defined in Condition 2(b)) in respect of any Certificates issued by the Issuer. Accordingly, references herein to the Guarantor are applicable only in the context of such Certificates.

## **BASIC TERMS**

### **CONDITION 1 - FORM, DENOMINATION, TITLE AND REDENOMINATION**

The Certificates are issued in bearer form in the Specified Currency (the **Specified Currency**) in the Aggregate Number of Securities (the **Aggregate Number of Securities**), divided into Certificates in the Specified Denomination (the **Specified Denomination**) each, specified in the applicable Final Terms. Certificates of one Specified Denomination may not be exchanged for Certificates of another Specified Denomination.

The Certificates may be represented by a permanent global bearer Certificate (a **Permanent Global Certificate**) or initially represented by a temporary global bearer Certificate (a **Temporary Global Certificate**). The Temporary Global Certificate and/or the Permanent Global Certificate shall bear the manual or facsimile signatures of two duly authorised officers of the Issuer.

The Temporary Global Certificate and/or the Permanent Global Certificate will be deposited in the central clearing system managed by Monte Titoli S.p.A. (**Monte Titoli**, also referred to as the **Clearing System**). As better described below, the Certificates will be transferred in accordance with dematerialised securities regulations contained under the Italian legislative decree and subsequent implementing provisions.

The Temporary Global Certificate will be exchangeable, free of charge to the Holder, on or after its Exchange Date (as defined below), in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Certificate for a Permanent Global Certificate (the Temporary Global Certificate and the Permanent Global Certificate, each a **Global Certificate**) without interest coupons.

For the purposes of this Condition:

**Exchange Date** means a day falling not earlier than forty (40) days after the date of issue of the Temporary Global Certificate.

The right of the Holders to require the issue and delivery of definitive Certificates is excluded.

The circulation of Certificates centralised with Monte Titoli will be made pursuant to the Italian legislative decree and subsequent implementing provisions.

The Certificates are freely transferable by way of book entries on the accounts registered on the settlement system of Monte Titoli.

In the case of Italian Listed Certificates, the Certificates may be transferred in lots at least equal to the Minimum Tradable Lot (as defined in Condition 5 (g) or multiples thereof pursuant to the Listing Rules of Borsa Italiana S.p.A. and/or the rules of any other regulated or unregulated markets with similar listing requirements as specified in the applicable Final Terms in relation to each Series.

The Issuer may (if so specified in the applicable Final Terms), on any Fixed Amount Payment Date or Interim Payment Date as specified in the applicable Final Terms, without the consent of the Holders, in

accordance with Condition 12, and on or after the date on which the European Member State in whose national currency the Certificates are denominated has become a participating Member State in the third stage of the European Economic and Monetary Union (as provided in the Treaty on the Functioning of the European Union (the **EU**), as amended from time to time (the **Treaty**)) or events have occurred which have substantially the same effects (in either case, **EMU**), redenominate all, but not only some, of the Certificates of any Series into Euro and adjust the Aggregate Number of Securities and the Specified Denomination(s) set out hereon accordingly, as described above. The date on which such redenomination becomes effective shall be referred to in these Conditions as the **Redenomination Date**.

The redenomination of the Certificates pursuant to the above paragraph shall be made by converting the principal amount of each Certificate from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 140 of the Treaty and rounding the resultant figure to the nearest 0.01 Euro (with 0.005 Euro being rounded upwards), provided that, if the Issuer determines, with the agreement of the Agent that the then market practice in respect of the redenomination in 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 Holders, the stock exchange (if any) on which the Certificates may be listed and the Paying Agents of such deemed amendments.

If the Issuer so elects, the figure resulting from conversion of the principal amount of each Certificate using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Certificates so determined shall be notified to Holders in accordance with Condition 12. Any balance remaining from the redenomination with a denomination higher than 0.01 Euro shall be paid by way of cash adjustment rounded to the nearest 0.01 Euro (with 0.005 Euro being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to Holders by the Issuer.

Upon redenomination of the Certificates, any reference hereon to the relevant national currency shall be construed as a reference to Euro.

Unless otherwise specified hereon, the Issuer may, with prior approval of the Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the Holders, make any changes or additions to these Conditions which it reasonably believes to be necessary or desirable to give effect to the provisions of this Condition or Condition 16 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of the Holders. Any such changes or additions shall, in the absence of manifest error, be binding on and shall be notified to Holders in accordance with Condition 16 as soon as practicable thereafter.

Neither the Issuer nor any Paying Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

## **CONDITION 2 - STATUS OF THE CERTIFICATES AND THE GUARANTEE**

### *(a) Status of the Certificates*

The obligations under the Certificates constitute direct, unconditional, unsubordinated and, subject to the Guarantee, unsecured limited recourse obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves.

The payment obligations of the Issuer under the Certificates (save for certain obligations preferred by mandatory provisions of statutory law) shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

(b) *Guarantee*

The Guarantor has given an unconditional and irrevocable guarantee dated 19 June 2012 (the **Guarantee**) for the due and punctual payment of principal of, and interest on, and any other amounts expressed to be payable under the Certificates and/or the due and punctual physical delivery of securities deliverable under or in respect of the Certificates for the benefit of the Holders.

**CONDITION 3 - INTERIM PAYMENT**

(a) *Fixed Amount(s)*

Unless otherwise specified in the applicable Final Terms, each Certificate shall bear Fixed Amount(s) at a fixed specified percentage per annum per Specified Denomination as it shall be detailed in the applicable Final Terms and/or the Schedule thereto.

The Fixed Amount(s) shall be payable on the Fixed Amount Payment Date(s) specified in the applicable Final Terms.

Certificates may provide for a method of calculating Fixed Amount(s) which does not require any day count fraction as Fixed Amount(s) payable on each specified Fixed Amount Payment Date(s) is determined by applying a fixed specified percentage per Certificate of the Specified Denomination as it shall be detailed in the applicable Final Terms and/or the Schedule thereto.

For the purposes of this Condition 3(a):

**Fixed Amount(s)** means, in respect of each Certificate, the amount(s) specified as such in the applicable Final Terms, payable to the Holders of the Certificates on the relevant Fixed Amount Payment Date(s);

**Fixed Amount Payment Date(s)** means the date(s) specified as such in the applicable Final Terms.

(b) *Interim Amount(s)*

Unless otherwise specified in the applicable Final Terms, each Certificate shall bear Interim Amount(s) calculated by the Calculation Agent specified in, or determined in the manner specified in, the applicable Final Terms and/or the Schedule thereto.

The Interim Amount(s) shall be payable on the Interim Amount Payment Date(s) specified in the applicable Final Terms.

Certificates may provide for a method of calculating Interim Amount(s) which does or does not require any day count fraction as specified in the applicable Final Terms and/or the Schedule thereto.

For the purposes of this Condition 3(b):

**Interim Amount(s)** means, in respect of each Certificate, the amount(s) specified as such in the applicable Final Terms, payable to the Holders of the Certificates on the relevant Interim Amount Payment Date(s);

**Interim Amount Payment Date(s)** means the date(s) specified as such in the applicable Final Terms.

For the purposes of this Condition 3:

Unless otherwise specified in the applicable Final Terms, each Certificate bears Fixed Amount(s) and/or Interim Amount(s), and such Fixed Amount(s) and/or Interim Amount(s) will be payable on the

Fixed Amount Payment Date(s) and/or the Interim Amount Payment Date(s); provided that (x) if there is no numerically corresponding day in the calendar month in which a Fixed Amount Payment Date and/or an Interim Amount Payment Date should occur or (y) if any Fixed Amount Payment Date and/or Interim Amount Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) the **Following Business Day Convention**, such Fixed Amount Payment Date and/or Interim Amount Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (B) the **Modified Following Business Day Convention**, such Fixed Amount Payment Date and/or Interim Amount Payment Date (or other 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 Fixed Amount Payment Date and/or Interim Amount Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (C) the **Preceding Business Day Convention**, such Fixed Amount Payment Date and/or Interim Amount Payment Date (or other date) shall be brought forward to the immediately preceding Business Day,

Otherwise, the applicable Final Terms will specify if other Business Day Convention is applicable in respect of the Certificates.

**Business Day** means (unless otherwise stated in the applicable Final Terms) a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in all relevant additional financial centre(s) and

either (x) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency or (y) in relation to any sum payable in euro, a TARGET2 Business Day.

where

**TARGET2 Business Day** means a day on which the TARGET2 System is operating.

**TARGET2 System** means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System.

#### **CONDITION 4 - PAYMENTS**

For the purposes of this Condition 4, references to payment or repayment (as the case may be) of principal and/or interim amount and other similar expressions will, where the context so admits, be deemed also to refer to delivery of the Underlying Asset(s) with respect to any Physical Delivery Amount(s).

(a) *Payment of Principal*

Payment of principal in respect of the Certificates shall be made, subject to subparagraph (c) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(b) *Manner of Payment*

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Certificates shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency. Should the Specified Currency have been replaced on the due date under any applicable legal provision, payments shall be made in such legally prescribed currency. If, as a result of such legal changes, there are several currencies to choose from, the Issuer shall choose a currency in its reasonable discretion. This shall also apply if payment in the Specified Currency is not possible for any other reason.

(c) *Discharge*

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(d) *Payment Business Day*

If the date for payment of any amount in respect of any Certificate is not a Payment Business Day, the holder thereof shall instead be entitled to payment: (i) on the next following Payment Business Day in the relevant place, if "Following Payment Business Day" is specified in the applicable Final Terms; or (ii) on the next following Payment Business Day in the relevant place, unless the date for payment would thereby fall into the next calendar month, in which event such date for payment shall be brought forward to the immediately preceding Payment Business Day in the relevant place, if "Modified Following Payment Business Day" is specified in the applicable Final Terms; provided that if neither "Following Payment Business Day" nor "Modified Following Payment Business Day" is specified in the applicable Final Terms, "Following Payment Business Day" shall be deemed to apply. In the event that any adjustment is made to the date for payment in accordance with this Condition 5(d), the relevant amount due in respect of any Certificate shall not be affected by any such adjustment, unless otherwise specified in the applicable Final Terms.

For the purposes of this Condition 4(d):

**Payment Business Day** means (unless otherwise stated in the applicable Final Terms) a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

either (A) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (B) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

(e) *Interpretation of Principal or Interim Amount*

Any reference in these Conditions to "principal" in respect of the Certificates shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 6;
- (ii) the **Final Exercise Amount** of the Certificates (as specified in the applicable Final Terms);
- (iii) the **Early Exercise Amount** of the Certificates (as specified in the applicable Final Terms);
- (iv) if the Certificates are exercisable at the option of the Issuer other than for Tax Reasons, the **Optional Exercise Amount(s)** of the Certificates (as specified in the applicable Final Terms);
- (v) if the Certificates are exercisable at the option of the Holder, the **Put Exercise Amount(s)** of the Certificates (as specified in the applicable Final Terms); and

- (vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Certificates.

Any reference in these Conditions to interim payment in respect of the Certificates shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 6.

References in these Conditions to principal and/or interim amount and Physical Delivery Amount(s) shall mean such amount less any expenses, fees, stamp duty, levies or other amounts payable on or in respect of the relevant Physical Delivery Amount(s).

(f) *Deposit of principal and interim amount*

The Issuer may deposit with the *Amtsgericht* in Frankfurt am Main principal or interim amount not claimed by Holders within twelve (12) months after the due date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

(g) *Knock-In/-Out Event(s)*

The exercise amount and/or interim amount and/or physical delivery amount due by the Issuer under these Certificates is subject to the occurrence of a Knock-In-Event or a Knock-Out Event as specified in the applicable Final Terms.

For the purposes of this Condition 4(g):

**Knock-In Event** or **Knock-Out Event** means the event as described in the applicable Final Terms and/or the Schedule thereto.

#### **CONDITION 5 – EXERCISE AND PURCHASE**

(a) *Exercise at maturity*

Certificates other than Open-End Certificates:

Without prejudice to Condition 5 (g), to the extent not previously exercised in whole or in part, each Certificate, other than Open-end Certificate, shall be exercised by the Issuer at its Final Exercise Amount on the Final Exercise Date or on the Interim Amount Payment Date falling in Exercise Month, as specified in the applicable Final Terms.

In the case of Italian Listed Certificates whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana S.p.A., the Final Exercise Amount shall be paid on the Final Exercise Date, if specified as such in the applicable Final Terms, otherwise on the Final Payment Date.

**Final Exercise Amount** means, in respect of each Certificate, (i) if exercised at its principal amount, its principal amount] or (ii) if exercised at an amount other than the principal amount, other Final Exercise Amount or (iii) an amount calculated by the Calculation Agent specified in, or determined in the manner specified in, the applicable Final Terms, provided always that the Final Exercise Amount shall in no event be less than zero.

Open-End Certificates:

The Open-End Certificates may only be exercised in accordance with the following provisions of this Condition 5.

(b) *Early Redemption for Tax Reasons*

- (i) Early Exercise because of a Gross-up Event

If at any time after the issuance of the Certificates a Gross up Event (as defined below) occurs, the Certificates may be exercised (in whole but not in part) at the option of the Issuer at their Early Exercise Amount (as defined in Condition 5(f)) upon giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 12, provided that no such notice of exercise may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts.

Any notice given in accordance with the above paragraph shall be irrevocable, must specify the date fixed for exercise and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**Gross up Event** means the occurrence of an event where the Issuer has or will become obliged by a legislative body, a court or any authority to pay Additional Amounts pursuant to Condition 6 or the Guarantor has or will become obliged to pay Additional Amounts in respect of payments due under the Guarantee or the Trust Agreement dated 28 February 2006 between the Issuer and the Guarantor as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or France or any political subdivision or any authority of or in the Federal Republic of Germany or France (each a **Tax Jurisdiction**), or any change in or amendment to any official interpretation or application of those laws or rules or regulations, and that obligation cannot be avoided by the Issuer and/or the Guarantor taking reasonable measures it (acting in good faith) deems appropriate.

(ii) Special Tax Exercise

If the Issuer or, as the case may be, the Guarantor would, on the occasion of the next payment of principal or interim amount in respect of the Certificates, be prevented by the law of a Tax Jurisdiction from causing payment to be made to the Holders of the full amount then due and payable, notwithstanding the undertaking to pay additional amount contained in Condition 6, then the Issuer or the Guarantor, as the case may be, shall forthwith give notice of such fact to the Agent and the Issuer or the Guarantor, as the case may be, shall, upon giving not less than seven (7) nor more than forty five (45) days' prior notice to the Holders in accordance with Condition 12, forthwith exercise all, but not only some, of the Certificates at their Early Exercise Amount, on the latest practicable payment date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Certificates, provided that if such notice would expire after such payment date, the date for exercise pursuant to such notice to Holders shall be the later of:

(A) the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Certificates; and

(B) fourteen (14) days after giving notice to the Agent as aforesaid.

The Final Terms applicable to the Certificates indicate:

(Y) that the Certificates cannot be exercised prior to their Exercise Date (except as otherwise provided in Condition 5 (b)(i) and 5 (b)(ii) and in Condition 8); or

(Z) that such Certificates will be exercisable at the option of the Issuer and/or the Holders prior to such Exercise Date in accordance with the provisions of Condition 5(c) and 5(d) on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

(c) *Exercise at the option of the Issuer*

If the Issuer is specified in the applicable Final Terms as having an option to exercise, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given not less than thirty (30) nor more than forty five (45) days' notice, in accordance with Condition 12, to the Holders (which notice shall be irrevocable and shall specify the date fixed for exercise), exercise all or only some of the

Certificates outstanding on any Optional Exercise Date(s) and at the Optional Exercise Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms. Any such exercise must be of a nominal amount not less than the Minimum Exercise Amount and not more than the Maximum Exercise Amount, if so specified in the applicable Final Terms.

In respect of any Certificate, any notice given by the Issuer pursuant to this Condition 5(c) shall be void and of no effect in relation to that Certificate in the event that, prior to the giving of such notice by the Issuer, the Holder of such Certificate has already delivered a Put Notice in relation to that Certificate in accordance with Condition 5 (d).

The appropriate notice of exercise given by the Issuer to the Holders in accordance with Condition 12 shall specify:

- the Tranche or Series of Certificates subject to exercise;
- whether such Tranche or Series is to be exercised in whole or in part only and, if in part only, the aggregate number of Certificates which are to be exercised;
- the Optional Exercise Date; and
- the Optional Exercise Amount at which such Certificates are to be exercised.

In the case of an exercise of only some of the Certificates, the Certificates to be exercised will be selected in accordance with the rules of the Clearing System.

The Issuer will inform, if required by the stock exchange on which the Certificates are listed, such stock exchange, as soon as possible of such exercise.

*(d) Exercise at the option of the Holders*

If the Holders are specified in the applicable Final Terms as having an option to require the Issuer to exercise any Certificate, upon the Holder of any Certificate giving to the Issuer in accordance with Condition 12 not less than fifteen (15) nor more than forty thirty (30) days' notice or such other period of notice as is specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, exercise, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on the Put Exercise Date and at the Put Exercise Amount specified in, or determined in the manner specified in, the applicable Final Terms. It may be that before an option can be exercised to require the Issuer to exercise any Certificate, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require exercise of a Certificate, the Holder, if the Certificate is represented by a Global Certificate, must, within the notice period, give notice to the Agent of such exercise (a **Put Exercise Notice**) in accordance with the standard procedures of the Clearing System, in a form acceptable to it.

The Put Exercise Notice must specify (i) the principal amount of the Certificates in respect of which such option is exercised, and (ii) the securities identification number of such Certificates, if any. The Issuer shall only be required to exercise Certificates in respect of which such option is exercised against delivery of such Certificates to the Issuer or to its order.

Any Put Exercise Notice given by a Holder of any Certificate pursuant to this Condition 5(d) shall be:

- irrevocable except where, prior to the due date of exercise, an Event of Default has occurred and is continuing in which event such Holder, as its option, may elect by notice to the Issuer to withdraw the Put Exercise Notice given pursuant to this Condition 5(d) and instead declare such Certificate forthwith due and payable pursuant Condition 8; and

- void and of no effect in relation to such Certificate in the event that, prior to the giving of such Put Exercise Notice by the relevant Holder, the Issuer had notified the Holders of its intention to exercise all of the Certificates in a Series then outstanding, in each case pursuant to Condition 5(c).

(e) *Purchase*

The Issuer may at any time purchase Certificates in the open market or otherwise and at any price. Such acquired Certificates may be cancelled, held or resold.

(f) *Early Exercise Amount(s)*

For the purpose of Condition 5(b) and Condition 8, unless otherwise specified in the applicable Final Terms, the Certificates will be exercised at the Early Exercise Amount calculated as follows:

- in the case of Certificates with a Final Exercise Amount equal to the Issue Price, at the Final Exercise Amount thereof; or
- in the case of Certificates with a Final Exercise Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Certificates are denominated, 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 their nominal amount; or
- in the case of Physical Delivery Certificates, as determined in the manner specified in the applicable Final Terms; or
- if Market Value is specified in the applicable Final Terms as the Early Redemption Amount, at an amount determined by the Calculation Agent, which, on the due date for the exercise of the Certificate, shall represent the fair market value of the Certificates and shall have the effect (after taking into account the costs of unwinding any hedging arrangements entered into in respect of the Certificates) of preserving for the Holders the economic equivalent of the obligations of the Issuer to make the payments in respect of the Certificates which would, but for such early exercise, have fallen due after the relevant early exercise date.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of the Day Count Fraction, if applicable, specified in the applicable Final Terms.

(g) *Final Exercise Amount*

- (i) **Multiplier** means, in respect of each Certificate, the number of Underlying(s).
- (ii) **Final Exercise Amount** means, in respect of each Certificate, an amount calculated by the Calculation Agent in accordance with the formula or the provisions as indicated in Part A paragraph 20 of the applicable Final Terms.
- (iii) **Final Exercise Date** means the date on which the automatic exercise (the **Automatic Exercise**) of the Certificates occurs.
- (iv) **Final Payment Date** means (a) the date specified as such in the applicable Final Terms or (b), in the case of Italian Listed Certificates whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana S.p.A. (such as the FTSE MIB Index), at least five Exchange Business Days following the Final Valuation Date, unless otherwise specified in the applicable Final Terms.
- (v) **Final Valuation Date** means (a) the date specified as such in the applicable Final Terms or (b), in the case of Italian Listed Certificates whose underlying is an index managed by Borsa Italiana S.p.A., the Final Exercise Date or (c), in the case of Italian Listed Certificates whose

underlying is a share listed on the Italian Exchange, the Exchange Business Day preceding the Final Exercise Date, if specified as such in the applicable Final Terms (such date being a Valuation Date as defined in the Technical Annex).

- (vi) **Initial Closing Price** means the amount equal to the Closing Price on the date specified in the applicable Final Terms, as determined by the Calculation Agent and without regard to any subsequently published adjustment(s).
- (vii) **Final Closing Price** means the amount equal to the Closing Price on the date specified in the applicable Final Terms or, for Italian Listed Certificates and whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana S.p.A., on the Final Valuation Date, if specified as such in the applicable Final Terms, as determined by the Calculation Agent and without regard to any subsequently published adjustment(s).
- (viii) **Minimum Trading Lot** means the minimum number of Certificates that may be traded in SeDeX and/or other regulated or unregulated markets with similar listing requirements as determined by Borsa Italiana S.p.A. and/or by other regulated or unregulated markets with similar listing requirements, if applicable.
- (ix) **Notice Date** means 10:00 CET of the Exchange Business Day immediately following the Valuation Date, if not specified differently in the applicable Final Terms.
- (x) **Waive of Automatic Exercise at Final Exercise Date** means the Holder may waive the Automatic Exercise at Final Exercise Date, in whole or in part, by delivering a Waiver Notice that must be received by the Paying Agent by the Notice Date.

The Waiver Notice shall specify:

- (1) the Series Number, the ISIN code and the number of Certificates held by the Holder;
- (2) the number of Certificates, equal at least to the Minimum Exercise Amount and multiples thereof, in respect of which Automatic Exercise is being waived by the Holder;
- (3) the number of the account of the Holder with the intermediary adhering to Monte Titoli or any other relevant Clearing System where the Certificates that are the subject of the waiver are held;
- (4) name, address, telephone and fax number of the Holder.

Any Waiver Notice that has not been delivered in compliance with this paragraph and/or not received by the Paying Agent on or prior to the Notice Date shall be deemed invalid.

If the right to waive the Automatic Exercise is not validly exercised, the Automatic Exercise of the Certificates shall apply on the specified Final Exercise Date in accordance with Condition 5 (a) above.

The Waiver Notice shall be sent via fax to the Paying Agent.

The Waiver Notice shall be deemed to have been received by the Paying Agent at the time indicated on the facsimile transmission report.

An incomplete Waiver Notice or a Waiver Notice which has not been timely sent shall be deemed to be void and ineffective. Any assessment relating to the validity, both from a substantial and a formal perspective, of the Waiver Notice will be performed by the Paying Agent and will be final and binding for both the Issuer and the Holder. Any Waiver Notice which, in accordance with the mentioned above, is deemed to be incomplete or not completed will be considered as void and ineffective.

In the event that such Waiver Notice is subsequently amended in such a way that is satisfactory to the Paying Agent, such Waiver Notice, as amended, will be deemed as a new Waiver Notice filed at the time such amendments are received by the Paying Agent.

When the Paying Agent deems the Waiver Notice to be invalid or incomplete, such Paying Agent undertakes to notify such invalidity or incompleteness to the relevant Holder as soon as practicable.

Notification of the Waiver Notice: the Holder, by way of sending the Waiver Notice, irrevocably exercises the right to waive the Automatic Exercise of the relevant Certificate.

Waiver Notices may not be withdrawn after their receipt by the Paying Agent. After a Waiver Notice is sent, the Certificate to which it refers may no longer be transferred.

#### **CONDITION 6 – TAXATION**

All payments in respect of the Certificates or under the Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law.

In the event that any amounts required to be deducted or withheld for, or on behalf of, any Tax Jurisdiction, the Issuer or the Guarantor (as the case may be) shall, to the fullest extent permitted by law, pay such additional amount as may be necessary, in order that each Holder, after withholding or deduction of such taxes, duties, assessments or governmental charges, will receive the full amount then due and payable provided that no such additional amount shall be payable with respect to any Certificate:

- (i) the Holder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of its being connected with the Federal Republic of Germany or France (as the case may be) other than by the mere holding of such Certificate; or
- (ii) presented for payment more than thirty (30) days after the Relevant Date (as defined below), except to the extent that the Holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth (30<sup>th</sup>) day assuming that day to have been a Payment Business Day (as defined in Condition 4(d)); or
- (iii) in respect of an issue of Certificates which have been privately placed, if the applicable Final Terms indicate that no such additional amounts shall be payable; or
- (iv) where such withholding or deduction (a) is imposed on a payment to an individual beneficial owner or a residual entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive or (b) is required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the EU Savings Tax Directive or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or
- (v) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Certificate to another Paying Agent in a Member State of the European Union.

For the purposes of this Condition 6:

**Tax Jurisdiction** means the Federal Republic of Germany or France (as the case may be) or any political subdivision or any authority of the Federal Republic of Germany or France (as the case may be) that has power to tax; and

**Relevant Date** means whichever is the later of the date on which the payment in question first becomes due and, if the full amount payable has not been received by the Agent on or prior to that due date, the date on which notice of receipt of the full amount has been given to the Holders in accordance with Condition 12.

#### **CONDITION 7 – PRESENTATION, PRESCRIPTION**

(a) *Presentation*

The period for presentation of Certificates due, as established in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten (10) years.

(b) *Prescription*

The period for prescription for Certificates presented for payment during the presentation period shall be two (2) years beginning at the end of the relevant presentation period.

#### **CONDITION 8 – EVENTS OF DEFAULT**

(a) *Events of Default*

Each Holder shall be entitled to declare its Certificates due and demand immediate redemption thereof at the Early Exercise Amount (as described in Condition 5 (f) [, together with accrued interest (if any)]) to the date of repayment, if any of the events below occurs and is continuing:

- (i) the Issuer or the Guarantor fails to pay, for any reason whatsoever, any amount due under the Certificates within 30 days from the relevant due date; or
- (ii) the Issuer or the Guarantor is in default in the performance of any other obligation arising from the Certificates or the Guarantee, as the case may be, which default is not capable of remedy or, if such default is capable of being remedied by the Issuer or the Guarantor, such default has not been so remedied within 60 days after the Agent has received written notification thereof from a Holder; or
- (iii) the Issuer or the Guarantor suspends payment or announces its inability to pay its debts (*Zahlungsunfähigkeit*); or
- (iv) insolvency or court composition proceedings are commenced before a court against the Issuer or the Guarantor, as the case may be, which shall not have been discharged or stayed within 60 days after the commencement thereof, or the Issuer or the Guarantor, as the case may be, institutes such proceedings or suspends payments or offers or makes a general arrangement for the benefit of all its creditors; or
- (v) the Issuer or the Guarantor, as the case may be, enters into a winding up or dissolution or liquidation, unless such a winding up or dissolution or liquidation is to take place in connection with a merger, consolidation or other combination with another company and such company assumes all obligations of the Issuer or the Guarantor, as the case may be, under these Conditions.

The right to declare Certificates due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(b) *Notice*

Any notice, including any notice declaring Certificates due, in accordance with subparagraph (a) of this Condition shall be made by means of a written declaration in the English language delivered by hand or registered mail to the specified office of the Agent together with proof that such Holder at the time of such notice is a holder of the relevant Certificates. The Certificates shall be exercised following receipt of the notice declaring Certificates due.

#### **CONDITION 9 – LIMITED RECOURSE**

The Issuer and the Guarantor have entered into a trust agreement (the **Trust Agreement**) pursuant to which the Issuer shall, *inter alia*, (i) issue and exercise debt instruments on a fiduciary basis (*treuhänderisch*) in its own name but for the account of the Guarantor; (ii) collect any proceeds resulting from the issuance of the debt instruments and forward them to the Guarantor; and (iii) use only the funds made available to it by the Guarantor under the Trust Agreement (which funds shall equal the amount of any payments owed by the Issuer under the debt instruments as and when such payment obligations fall due and in a manner that allows the Issuer to fulfil its payment obligations in a timely manner) for payments owed under the debt instruments as and when they fall due and to make such payments on a fiduciary basis in its own name but for the account of the Guarantor. The Issuer's ability to satisfy its payment obligations under the debt instruments in full is therefore dependent upon it receiving in full the amounts payable to it by the Guarantor under the Trust Agreement.

Any payment obligations of the Issuer under the debt instruments shall therefore be limited to the funds received from the Guarantor under the Trust Agreement. To the extent such funds prove ultimately insufficient to satisfy the claims of all Holders in full, then any shortfall arising therefrom shall be extinguished and no Holder shall have any further claims against the Issuer, regardless of whether the Issuer would be able to fulfil its payment obligations under the debt instruments out of its own funds, provided that the foregoing shall be without prejudice to the right to exercise any termination or early exercise rights.

#### **CONDITION 10 – AGENT, PAYING AGENT(S) AND CALCULATION AGENT**

The names of the initial Agent, the additional Agent(s), and the other Paying Agent(s) and their specified offices are set out below and the name(s) and specified office(s) of the Calculation Agent(s) are specified in the applicable Final Terms. In addition, the Agent may (with the prior written consent of the Issuer and the Guarantor) delegate certain of its functions and duties in relation to Physical Delivery Certificates to a settlement agent (the **Settlement Agent**).

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

- so long as the Certificates are listed on any stock exchange or admitted to trading or listing by another relevant authority, there will at all times be a Paying Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange; and
- there will at all times be a Paying Agent (which may be the Agent) with a specified office in a city in Europe; and
- there will at all times be a Paying Agent in a Member State of the European Union (a **Member State**) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive (any such Directive or law, an **EU Savings Directive Tax Law**) to the extent that any Member State does not maintain any obligation to so withhold or deduct pursuant to any EU Savings Directive Tax Law; and

- there will at all times be an Agent.

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 less than thirty (30) or more than forty five (45) days' prior notice thereof shall have been given to the Holders in accordance with Condition 12.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Holders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent. If, in connection with any Series of Certificates, the Calculation Agent is Société Générale, its appointment will be governed by the terms of the Calculation Agency Agreement set out in the Appendix to the Agency Agreement. In the event that a Calculation Agent other than Société Générale is appointed in connection with any Series of Certificates, the terms of its appointment will be summarised in the applicable Final Terms.

#### **CONDITION 11 – SUBSTITUTION**

##### *(a) Substitution*

The Issuer and/or the Guarantor may, without the consent of the Holders, if it is not in default with any payment of principal of any of the Certificates, at any time substitute for the Issuer either itself or any Affiliate (as defined below) of the Issuer as principal debtor (the **Substitute Debtor**) in respect of all obligations arising from or in connection with the Certificates with the effect of releasing the Issuer of all such obligations, provided that:

- (i) the Substitute Debtor assumes all obligations of the Issuer in respect of the Certificates and, if service of process *vis-à-vis* the Substitute Debtor would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (ii) the Substitute Debtor has obtained all necessary authorisations and approvals for the substitution and the fulfilment of the obligations in respect of the Certificates and may transfer to the Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Certificates;
- (iii) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (iv) the Issuer and/or the Guarantor (except in the case that the Guarantor itself is the Substitute Debtor) irrevocably and unconditionally guarantees, and in the case of Italian Listed Certificates, as evidenced by the declaration of the Issuer filed at the time of the application to the Borsa Italiana S.p.A. and/or the other regulated or unregulated markets with similar listing requirements in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Certificates on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place.

For the purposes of this Condition 11:

**Affiliate** shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz*).

##### *(b) Notice and Effectiveness of Substitution*

Notice of any such substitution shall be published in accordance with Condition 12 without delay. Upon such Notice, the substitution shall become effective, and the Issuer, and in the event of any repeated application of this Condition 11, any previous Substitute Debtor, shall be discharged from any and all obligations under the Certificates. In the event of such substitution, the stock exchange(s), if any, on which the Certificates are listed will be notified and a Supplement to the Base Prospectus describing the Substitute Issuer will be prepared.

*(c) Change of References*

In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

- (i) In Condition 5(b) and Condition 6 an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;
- (ii) in Condition 8 (iii) to (v) an alternative reference to the Issuer in its capacity as Guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor; and
- (iii) in Condition 8 a further Event of Default shall be deemed to have been included; such Event of Default shall exist in the case that the Guarantee pursuant to subparagraph (a) (iv) above is or becomes invalid for any reason.

**CONDITION 12 – NOTICES**

*(a) Publication*

Notices to Holders relating to the Certificates will be published on the website of the Issuer (<http://prospectus.socgen.com>).

So long as the Certificates are listed, notices to the Holders shall be published in accordance with the rules of the Italian Exchange and/or the other regulated or unregulated markets with similar listing requirements as amended from time to time. Any notice so given will be deemed to have been validly given on the date of first such publication.

*(b) Notification to the Clearing System*

To the extent permissible under applicable laws and other regulations and by the rules and regulations of the Clearing System, the Issuer may, in lieu of the publication set forth in Condition 12(a) above, deliver the relevant notice to the Clearing System, for communication by such Clearing System to the Holders, provided that, so long as any Certificates are listed the Italian stock exchange, the rules of such stock exchange permit such form of notice.

Unless otherwise specified in the applicable Final Terms, any such notice shall be deemed to have been given to the Holders on the fourth day after the day on which the notice was given to the Clearing System if "Clearing System Delivery Period" is specified "Applicable" in the applicable Final Terms or the day on which the notice was given to the relevant Clearing System if "Clearing System Delivery Period" is specified "Not Applicable" in the applicable Final Terms.

**CONDITION 13 – RESOLUTIONS OF THE HOLDERS**

(a) *Matters subject to resolutions*

With regard to matters affecting the interests of the Issuer or the Holders in relation to the Certificates, the Holders may agree in accordance with the German Bond Act (*Schuldverschreibungsgesetz*) by majority resolution to amend the Conditions and on all other issues permitted by law. Resolutions affecting the interests of the Issuer require the consent of the Issuer.

(b) *Resolutions of the Holders*

The resolutions of the Holders are subject to the German Bond Act unless otherwise specified in the Conditions.

(c) *Passing of resolutions*

Holders shall pass resolutions by vote taken without a physical meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 of the German Bond Act.

(d) *Proof of eligibility*

Holders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the custodian bank (the **Custodian Bank**) in text form, which includes the complete name and full address of the Holder, the aggregate number of securities which have been, as of the date of such confirmation booked to the account of such Holder and by submission of a blocking instruction by the Custodian Bank up to and including the voting period.

#### **CONDITION 14 – FURTHER ISSUES AND CONSOLIDATION**

The Issuer shall be at liberty from time to time, without the consent of the Holders, to create and issue further Tranche of Certificates with identical terms and conditions as the existing Certificates in all respects except for the first payment of fixed amount, if any, on them so as to be consolidated and form a single Series with the existing Certificates.

For the purposes of this Condition 14:

**Certificates** shall also comprise further Certificates in the event of further issue.

The Issuer may from time to time on any Fixed Amount Payment Date occurring on or after the date specified for a redenomination of the Certificates pursuant to Condition 1, on giving prior notice to the Holders in accordance with Condition 12, without the consent of Holders, consolidate the Certificates with one or more issue(s) of other certificates issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other certificates have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Certificates.

#### **CONDITION 15 – ADJUSTMENTS AND DISRUPTION**

The Technical Annex will (where stated to be applicable in the applicable Final Terms) contain provisions relating to adjustments with respect to Underlying(s) (as defined in the Technical Annex) as well as settlement disruption and market disruption in respect of such Underlying(s) (including, without limitation and where necessary, appropriate definitions of Potential Adjustment Event(s), Settlement Disruption Event(s) and Market Disruption Event(s) and details of the consequences of such events).

#### **CONDITION 16 – GOVERNING LAW AND SUBMISSION TO JURISDICTION; RESCISSION; MISCELLANEOUS PROVISIONS**

(a) *Applicable Law in respect of the Certificates and the Guarantee*

The form and content of the Certificates as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany. The form and content of the

Guarantee as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of France.

(b) *Applicable Law in respect of any non-contractual obligations*

Any non-contractual obligations arising out of or in connection with the Certificates shall be governed exclusively by the laws of the Federal Republic of Germany. Any non-contractual obligations arising out of or in connection with the Guarantee shall be governed exclusively by the laws of France.

(c) *Submission to Jurisdiction*

Non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Conditions (except for the Guarantee) is Frankfurt am Main. Place of performance is Frankfurt am Main. The jurisdiction of such court shall be exclusive if proceedings are brought by merchants (*Kaufleute*), legal persons under public law (*juristische Personen des öffentlichen Rechts*), special funds under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of the Federal Republic of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). Any dispute arising out of or in connection with the validity, interpretation or performance of the Guarantee shall be submitted to the exclusive jurisdiction of the *Tribunal de Commerce de Paris*, France.

(d) *Annulment*

The courts in the Federal Republic of Germany shall have exclusive jurisdiction over the annulment of lost or destroyed Certificates.

(e) *Entitlement to declare a Rescission*

The Issuer shall be entitled to declare a rescission (*Anfechtung*) (the **Rescission**) to the Holders in the event of (i) a manifest typing or calculation error in the Conditions of the Certificates and/or (ii) a manifest error in the Conditions of the Certificates similar to (i).

(f) *Declaration of Rescission*

After becoming aware of the reason for the Rescission (*Anfechtungsgrund*) the declaration of Rescission shall be made without undue delay and in accordance with Condition 12. In the event of a Rescission by the Issuer, the Holder is entitled to demand repayment of the actual purchase price paid at the time of the first purchase of the Certificates delivered for repayment, or if this price cannot be determined, the Issue Price of the Certificates (the **Rescission Amount**) by delivery of a duly completed exercise notice (the **Exercise Notice**) in the form available from the specified office of the Agent.

The Issuer shall only be required to exercise Certificates in respect of which such exercise is requested against delivery of such Certificates to the Issuer or to its order.

The Issuer shall make available the Rescission Amount to the Clearing System for the account of the Holders within seven (7) Payment Business Days following receipt of the Exercise Notice and of the delivery of the Certificates to the Issuer, whichever receipt is later, whereupon the Agent shall transfer the Rescission Amount to the account specified in the Exercise Notice.

Upon payment of the Rescission Amount, all rights under the Certificates delivered shall expire.

(g) *Offer to continue the Certificates on the basis of amended Conditions*

The Issuer may combine the declaration of Rescission pursuant to paragraph (e) with an offer to continue the Certificates on the basis of amended Conditions. Such an offer and the amended provisions shall be notified to the Holders together with the declaration of Rescission in accordance with Condition 12. Any such offer shall be deemed to be accepted by a Holder (and the Rescission

shall not take effect), unless such Holder requests repayment of the Rescission Amount within six (6) weeks following the date on which the offer has become effective in accordance with Condition 12 by delivery of a duly completed Exercise Notice to the Agent and by delivery of the Certificates to the Issuer or to its order pursuant to paragraph (f). The Issuer shall refer to this effect in the notification.

*(h) Awareness of errors*

If the Holder was aware of typing or calculation errors or similar errors in the Conditions as mentioned in paragraph (e) above at the time of the purchase of the Certificates, then, notwithstanding paragraphs (e) – (g), the Holder can be bound by the Issuer to the amended Conditions.

*(i) Modifications without the consent of the Holders*

The Issuer may in its reasonable discretion (§ 315 of the German Civil Code), without the consent of the Holders, agree to:

- (A) modifications to reflect any changes in any Underlying(s) (to the extent they have an effect on these Conditions) or to cure any inconsistencies or add any missing provisions provided that such amendment or modification is, having regard to the interests of the Issuer, not materially detrimental to the legal or economic position of the Holders;
- (B) modifications of the Conditions which are of a formal, minor or technical nature or, notwithstanding paragraphs (e) – (g), which are made to correct a manifest error, provided that a correction of such error is acceptable to the Holders under the principle of good faith having regard to the interests of the Issuer and the legal or economic position of the Holders or to comply with mandatory provisions of the laws of the jurisdictions in which the Issuer and/or the Guarantor are organised. Any such modification shall be binding on all Holders and shall be notified to them without undue delay in accordance with Condition 12.

*(j) Severability*

Should any provision of these Conditions be or become void, the other provisions shall remain in force. Such provisions as are void or cannot be given effect shall be replaced in accordance with the meaning and purpose of these Conditions.

*(k) Language*

These Conditions are written in the English language only. The controlling and binding language for these Conditions shall be the English language.

## TECHNICAL ANNEX

The following shall, if stated to be applicable in the applicable Final Terms, comprise together with the section "*Basic Terms*" of the relevant Terms and Conditions as completed by the applicable Final Terms, which together with the terms and conditions will apply to the Notes to be issued under the Programme.

This Technical Annex shall apply to any Notes and/or Italian Certificates if so specified in the applicable Final Terms.

The payment of any amount(s) in respect of the Notes and/or the Italian Certificates subject to the Technical Annex will be determined or calculated by reference to an index and/or a formula based on or referring to one or more "Underlying(s)".

For the purposes of this Technical Annex, **Underlying** shall mean, as specified in the applicable Final Terms, without limitation, a share in a company, any other equity or non-equity security, an index, a currency, a currency exchange rate, an interest rate, a dividend, a credit risk, a fund unit, a share of an investment company, a term deposit, a life insurance contract, a loan, a commodity, a futures contract, a unit linked feature (accounting unit), an event not linked to the Issuer or the Guarantor, a basket thereof or any combination thereof.

This Technical Annex contains technical provisions relating, *inter alia*, to (i) the adjustments to be made by the Calculation Agent (ii) the way a market disruption event that may affect an Underlying will be treated in the context of the Notes and/or the Italian Certificates, or (iii) mathematical formulas used to calculate amounts due under the Notes.

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## A) EQUITY TECHNICAL ANNEX

In the case of Italian Certificates, all references in this Equity Technical Annex to “Notes”, “Noteholders”, “Maturity Date”, “Early Redemption Amount” and “Final Redemption Amount” shall be deemed to be references to “Italian Certificates”, “Holders”, “Final Exercise Date”, “Early Exercise Amount”, and “Final Exercise Amount”, respectively.

### PART 1 – DEFINITIONS RELATING TO SHARES, ADR, INDICES, SGI INDICES, DIVIDENDS AND ETF

#### I. COMMON DEFINITIONS AND PROVISIONS FOR SHARES, ADR, INDICES, SGI INDICES AND DIVIDENDS

##### I.1 General Definitions

**Averaging Date** means, in respect of a Valuation Date and a Share, an ADR or an Index, each date specified as such in the applicable Final Terms for the purpose of determining an average (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day) unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Part I.3 “Consequences of Disrupted Days for a Share, an ADR or an Index”.

**Basket** means a basket composed of the Shares and/or ADR and/or Indices and/or any other asset (each an Underlying) in the relative proportions or numbers of Shares, ADR, Indices or other asset specified in the applicable Final Terms.

**Business Day** means a “Business Day” as defined in Condition 3 of the Terms and Conditions, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** means:

- A. in respect of a Share:
  - (a) if such Share is traded on the Tokyo Stock Exchange or the Osaka Securities Exchange, the last traded price of such Share for the day quoted by the Exchange, provided however, that if there is a closing special quote on such Share quoted by the Exchange (*tokubetsu kehaine*), such quote shall be deemed to be the relevant Closing Price;
  - (b) if such Share is traded on the Italian Stock Exchange (Borsa Italiana S.p.A.), the *Prezzo di Riferimento*, which means the price as published by the Borsa Italiana S.p.A. at the close of trading and having the meaning ascribed thereto in the Rules of the markets organised and managed by Borsa Italiana S.p.A., as such Rules may be amended by Borsa Italiana S.p.A. from time to time;
  - (c) in any other case, the official closing price of such Share on the relevant Exchange;
- B. in respect of an Index, the official closing level of the Index published and announced by the Index Sponsor;
- C. in respect of an ADR, the official closing price of such ADR on the relevant Exchange;

in any case as adjusted (if applicable) pursuant to the provisions of Part 2 below.

**Company** means, in respect of a Share, the issuer of such Share and, in respect of an ADR, the issuer of the Deposited Securities related to such ADR.

**Exchange(s)** means, in respect of a Share, an ADR or an Index, 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, ADR or Shares underlying such Index, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share, ADR or Shares underlying an Index, on such temporary substitute exchange or quotation system as on the original Exchange). In respect of Deposited Securities, **Exchange** means the primary exchange or market of trading of such Deposited Securities.

**Fx Rate** means, in respect of a date, the currency exchange rate of one currency against another currency, as specified in the applicable Final Terms, quoted by the relevant exchange rate provider on such date, as ascertained by the Calculation Agent on the Reuters page (or any other relevant page of an information provider) specified in the applicable Final Terms. If such Fx Rate cannot be or ceases to be determined, then the Calculation Agent shall select another Reuters page (or any other relevant page of an information provider) or determine in good faith such exchange rate by reference to such sources as it may select in its absolute discretion.

**Related Exchange(s)** means, in respect of a Share, an ADR or an Index (and, in the case the Underlying is an ADR, the Deposited Securities), 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, ADR, Index or Deposited Securities, 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, ADR, Index or Deposited Securities, 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, ADR, Index or Deposited Securities, on such temporary substitute exchange or quotation system as on the original Related Exchange).

**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.

## **I.2 Definitions and provisions relating to valuation and Market Disruption Event**

**Valuation Date** means, in respect of a Share, an ADR or an Index, each date specified as such in the applicable Final Terms (or, if such date is not a Scheduled Trading Day for such Share, ADR or Index, the next following Scheduled Trading Day), unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Part I.3 "*Consequences of Disrupted Days for a Share, an ADR or an Index*".

**Valuation Time** means, in respect of a Share, an ADR or an Index, the Scheduled Closing Time provided however that if the Exchange closes prior to its Scheduled Closing Time, the Valuation Time shall be the actual closing time of the Exchange.

**Market Disruption Event** means, in respect of a Share or an Index, 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 or an Index, 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 the Share on the Exchange or, in the case of an Index, on the relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (b) in futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange;

- B. **Exchange Disruption** means, in respect of a Share or an Index, 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) the Share on the Exchange, or, in the case of an Index, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (b) futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange;
- C. **Early Closure** means, the closure on any Exchange Business Day of (a) (i) in the case of a Share, the relevant Exchange, or (ii) in the case of an Index any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (b) 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.

In the event that the Underlying is in the form of an ADR issued pursuant to a Deposit Agreement (a) references to Share in the definitions of **Market Disruption Event**, **Trading Disruption**, **Exchange Disruption** and **Early Closure** above refer both to the ADR and to the Deposited Securities relating to such ADR, and (b) references to Exchange and Related Exchange in these definitions refer to such exchanges as they relate to both the ADR and to the Deposited Securities relating to such ADR. For the avoidance of doubt, a Disrupted Day will be deemed to have occurred with respect to an ADR if a Disrupted Day has occurred with respect to the related Deposited Securities.

### 1.3 Consequences of Disrupted Days for a Share, an ADR or an Index

If any Valuation Date or Averaging Date specified in the applicable Final Terms (the **Scheduled Valuation Date** and the **Scheduled Averaging Date** respectively), is a Disrupted Day for a Share, an ADR or an Index, the Valuation Date or the Averaging Date for such Share, ADR or Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, ADR or Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or the Scheduled Averaging Date is also a Disrupted Day. In that case:

- A. that eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, for the Share, ADR or Index notwithstanding the fact that such day is a Disrupted Day, and
- B. the Calculation Agent shall determine (a) in respect of a Share or an ADR, its good faith estimate of the value of the Share or ADR as of the Valuation Time on that eighth Scheduled Trading Day or (b) in respect of an Index, the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that 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 security comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day) and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price;

Provided that if the Share, ADR or Index is included in a Basket, the hereabove provisions shall apply only to the Share, ADR or Index affected by the occurrence of a Disrupted Day and the Valuation Date or the Averaging Date for each Share, ADR or Index not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

Provided however that,

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price;
- (b) notwithstanding the foregoing, in respect of any Notes, a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date; if a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) would fall less than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price.

## II. DEFINITIONS SPECIFIC TO SHARES AND ADR

**ADR** means an American Depositary Receipt (or the American Depositary Receipts in the case of a Basket) representing shares issued by a Company and which constitute Deposited Securities, specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of Part 2-1 "*Adjustments and Extraordinary Events Relating to Shares and ADR*".

**ADR Intraday Price** means, in respect of an ADR, the price of such ADR on the relevant Exchange at any time during a trading session on an Exchange Business Day, including the Closing Price.

**Deposit Agreement** means the deposit agreement between the Company that has issued the shares that are Deposited Securities and the Depositary pursuant to which an ADR was issued.

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

**Deposited Securities** means the shares issued by a Company held by the Depositary under the Deposit Agreement pursuant to which an ADR evidencing such Deposited Securities was issued.

**Disrupted Day** means, in respect of a Share or an ADR (or, in the case of a Basket of Shares or ADR, in respect of any Share or ADR 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 Business Day** means, in respect of a Share or an ADR, (or, in the case of a Basket of Shares or ADR, in respect of any Share or ADR comprising the Basket and observed separately) any Scheduled Trading Day on which each relevant Exchange and 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.

**Scheduled Trading Day** means, in respect of a Share or an ADR (or, in the case of a Basket of Shares or ADR, in respect of any Share or ADR comprising the Basket and observed separately), any day on which each Exchange and each Related Exchange, if any, are scheduled to be open for trading for their respective regular trading session.

**Share(s)** means a share of the Company (or the shares of the relevant Company in the case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of Part 2-I "*Adjustments and Extraordinary Events relating to Shares and ADR*".

**Share Intraday Price** means the price of a Share on the relevant Exchange at any time during a trading session on an Exchange Business Day, including the Closing Price.

### III. DEFINITIONS SPECIFIC TO INDICES

**Disrupted Day** means, in respect of an Index, any Scheduled Trading Day on which (a) a relevant Related Exchange fails to open for trading during its regular trading session, (b) a Market Disruption Event has occurred or (c) the Index Sponsor fails to publish the Closing Price of the Index.

**Exchange Business Day** means, in respect of an Index (or, in the case of a Basket of Indices, each Index comprising the Basket and observed separately), any Scheduled Trading Day on which the relevant Related Exchange of the Index is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time and the Index Sponsor publishes the Closing Price of such Index.

**Index** means the index (or the indices in the case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of Part 2-II "*Adjustments and Events relating to Indices*".

**Index Calculation Agent** means the entity in charge of calculating and publishing the Index, if different from the Index Sponsor.

**Index Sponsor** means the corporation or other entity (as specified in the applicable Final Terms) 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/or (b) announces (directly or through an Index Calculation Agent) the level of the relevant Index on a regular basis.

**Index Intraday Price** means, in respect of an Index, the level of such Index on the relevant Exchange at any time during a trading session on an Exchange Business Day including the Closing Price.

**Opening Price** means the value of the FTSE MIB index calculated on the Opening Auction Prices (as defined under Borsa Italiana's Rules) recorded on the Valuation Date provided that this is a trading day on the Borsa Italiana S.p.A. of the financial instruments making up the Index as defined in the article 1.3 of the Borsa Italiana's Rules and calculated following the provisions of the article 4.1.5 of the Borsa Italiana's Rules. If, during the Valuation Date, the Opening Price of the Index cannot be determined for any reason whatsoever, the Calculation Agent shall determine the level of the Index in good faith on that Valuation Date in accordance with the formula for, and method of, calculating that Index last in effect prior to the occurrence of the event that prevents the determination of the Opening Price of the Index and taking into account any other objective element that may be available.

**Scheduled Trading Day** means, in respect of an Index, any day on which (a) the Index Sponsor is scheduled to publish the Closing Price of the Index and (b) the Related Exchange is scheduled to be open for trading during its regular trading session.

#### IV. DEFINITIONS AND PROVISIONS SPECIFIC TO SGI INDICES

##### IV. 1. General Definitions

**Averaging Date** means, in respect of a Valuation Date and a SGI Index, each date specified as such in the applicable Final Terms for the purpose of determining an average (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day) unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Part 1-IV.2 "*Consequences of Disrupted Days for a SGI Index*".

**Basket** means a basket composed of the SGI Indices (each an Underlying) in the relative proportions or numbers of SGI Indices specified in the applicable Final Terms.

**Business Day** means a "Business Day" as defined in Condition 3 of the Terms and Conditions, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** means the official closing level of the SGI Index published by the Index Calculation Agent on the relevant Valuation Date.

**Commodity Disruption Event** means a Market Disruption Event as defined in the Commodities Technical Annex herein.

**Commodity Instrument** means an article of trade or commerce such as aluminium, crude oil, cocoa, corn, cotton, copper, milk, emissions allowances, cattle, gas oil, gold, silver, heating oil, coffee, wheat, lean hogs, natural gas, nickel, orange juice, lead, palladium, platinum, sugar, soybean, and more generally any commodity, any index on the aforementioned or any other similar instrument specified in the Index Rules.

**Debt Instrument** means a bond (including a structured bond), a note (including an Euro Medium Term Note), a money market instrument such as a certificate of deposit, a promissory note, a bill, a deposit, and more generally any other debt instrument representing a debt of an issuer, any index on the aforementioned or any other similar instrument specified in the Index Rules.

**Debt Disruption Event** or **Other Instrument Disruption Event** means the occurrence of any of the following events (a) the non-publication of the closing levels or market value of the relevant Debt Instrument or Other Instrument, (b) the suspension or limitation imposed on trading on the over-the-counter, organised or regulated market(s) on which the relevant Debt Instrument or Other Instrument is traded, (c) any event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, the Debt Instrument or Other Instrument on the over-the-counter, organised or regulated market(s) on which the relevant Debt Instrument or Other Instrument is traded, (d) the unforeseen early closure of the organised or regulated market(s) on which the relevant Debt Instrument or Other Instrument is traded, or (e) the redemption, cancellation or permanent discontinuance of the relevant Debt Instrument or Other Instrument.

**Disrupted Day** means any Scheduled Trading Day on which a Market Disruption Event occurs.

**Equity Disruption Event** means, in respect of an Equity Instrument, 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 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 Shares on the relevant Exchange(s), or (b) futures or options contracts on any relevant Related Exchange relating to (i) Shares (which Shares in the case of (a) and (b)(i) comprise 20 per cent. or more of the level of the SGI Index, either directly or indirectly through

an Underlying Index or an index that is an Index Component of an Underlying Index) or (ii) one or more Underlying Index(ices) or one or more index(ices) that is/are Index Component(s) of an Underlying Index;

- B. **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) Shares on the relevant Exchange(s) or (b) futures or options contracts on any relevant Related Exchange, relating to (i) Shares (which Shares in the case of (a) and (b)(i) comprise 20 per cent. or more of the level of the SGI Index, either directly or indirectly through an Underlying Index or an index that is an Index Component of an Underlying Index) or (ii) one or more Underlying Index(ices) or one or more index(ices) that is/are Index Component(s) of an Underlying Index;
- C. **Early Closure** means the closure on any Exchange Business Day of:
- (a) any relevant Exchange(s) relating to Shares that comprise 20 per cent. or more of the level of the SGI Index (either directly or indirectly through an Underlying Index or an index that is an Index Component of an Underlying Index) or;
  - (b) any Related Exchange for futures or options contracts relating to (i) Shares that comprise 20 per cent. or more of the level of the SGI Index (either directly or indirectly through an Underlying Index or an index that is an Index Component of an Underlying Index) or (ii) one or more Underlying Index(ices) or one or more index(ices) that is/are Index Component(s) of an Underlying Index,

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.

**Equity Instrument** means a Share or an index on Share(s) or an exchange traded fund (ETF).

**Exchange** means the principal exchange or quotation system on which, in the good faith determination of the Calculation Agent, the relevant Index Components are traded and which offers the highest liquidity for such components, or any successor or substitute exchange or quotation system.

**Exchange Business Day** means, in respect of a SGI Index (or, in the case of a Basket of SGI Indices, each SGI Index observed separately), any Scheduled Trading Day on which the Index Calculation Agent publishes the Closing Price.

**Fund Disruption Event** means a Disruption Event as defined in Part 2-III "*Disruption Events relating to any Fund and/or any Fund Unit*" of the Fund Technical Annex.

**Fund Instrument** means a share or a unit in a fund, an investment company or other pooled investment vehicle, any index on the aforementioned or any other similar instrument specified in the Index Rules.

**Index Calculation Agent** means the entity in charge of calculating and publishing the SGI Index, if different from the Index Sponsor.

**Index Component** means an Equity Instrument, a Fund Instrument, a Debt Instrument, a Commodity Instrument, an Other Instrument and/or a Market Data, as specified in the Index Rules. For the purposes of the Notes, the relevant Index Component(s) is/are an Equity Instrument, a Fund Instrument, a Debt Instrument, a Commodity Instrument, an Other Instrument, a Market Data, or any

combination thereof as specified in the Index Rules, which Index Component(s) may be modified from time to time pursuant to such Index Rules.

**Index Component Event** means the occurrence of any of the following events:

- A. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Equity Instrument(s): the occurrence of an Equity Disruption Event in respect of one or more of these Equity Instruments; and
- B. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Fund Instrument(s): the occurrence of a Fund Disruption Event in respect of one or more of these Fund Instruments; and
- C. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Commodity Instrument(s): the occurrence of a Commodity Disruption Event in respect of one or more of these Commodity Instruments; and
- D. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Debt Instrument(s): the occurrence of a Debt Disruption Event in respect of one or more of these Debt Instruments; and
- E. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Other Instrument(s): the occurrence of an Other Instrument Disruption Event in respect of one or more of these Other Instruments; and
- F. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Market Data: the occurrence of a Market Data Disruption Event in respect of one or more of these Market Data; and
- G. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more index(ices) (each an **Underlying Index**) and:
  - (a) if the Underlying Index comprises, without limitation, one or more Equity Instrument(s) the occurrence of an Equity Disruption Event in respect of one or more of these Equity Instruments; and
  - (b) if the Underlying Index comprises, without limitation, one or more Fund Instrument(s): the occurrence of a Fund Disruption Event in respect of one or more of these Fund Instruments; and
  - (c) if the Underlying Index comprises, without limitation, one or more Commodity(ies) Instruments: the occurrence of a Commodity Disruption Event in respect of one or more of these Commodity Instruments; and
  - (d) if the Underlying Index comprises, without limitation, one or more Debt Instrument(s): the occurrence of a Debt Disruption Event in respect of one or more of these Debt Instruments; and
  - (e) if the Underlying Index comprises, without limitation, one or more Other Instrument(s): the occurrence of an Other Instrument Disruption Event in respect of one or more of these Other Instruments; and
  - (f) if the Underlying Index comprises, without limitation, one or more Market Data: the occurrence of a Market Data Disruption Event in respect of one or more of these Market Data;

even if the Closing Price of the SGI Index is published by the Index Calculation Agent on the day on which such event(s) occur(s).

**Index Rules** means the relevant Global Index Methodology as supplemented by the relevant SGI Index rules, both as may be amended, supplemented or superseded from time to time. A summary of the Index Rules applicable to the SGI Index is available either online on the website [www.sgindex.com](http://www.sgindex.com), or if not online, upon written request made to the Index Sponsor.

**Index Sponsor** means the corporation or other entity (as specified in the applicable Final Terms) 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 SGI Index and/or (b) announces (directly or through an Index Calculation Agent) the level of the relevant SGI Index on a regular basis.

**Market Data** means a rate (including an interest rate, a foreign exchange rate or a swap rate), a spread, or any other data specified in the Index Rules.

**Market Data Disruption Event** means the non-publication of the level of the relevant Market Data.

**Market Disruption Event** means the occurrence of any of the following events which has a material effect on the Notes as determined by the Calculation Agent: (a) the non-publication of the Closing Price other than as a result of an Index Disruption (as defined below in Part 2-III "*Adjustments and Events relating to SGI Indices*") or (b) an Index Component Event.

**Other Instrument** means a warrant, an over-the-counter swap, a future or option, a future or option or other contract traded on a regulated or organised market, an index on the aforementioned regardless of the underlying of such Other Instrument, or any other similar instrument specified in the Index Rules.

**Related Exchange** means each exchange or quotation system where, in the good faith determination of the Calculation Agent, trading has a material effect on the overall market for futures and options relating to the relevant Index Components, or any successor or substitute exchange or quotation system.

**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, in respect of a SGI Index, any day on which the Index Calculation Agent is scheduled to publish the Closing Price pursuant to the Index Rules.

**SGI Index** means the Société Générale index (or the SGI Indices in the case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustments pursuant to the provisions of Part 2-III "*Adjustments and Events relating to SGI Indices*".

**Share** means a share of a company.

**Similar Index** means an index whose "main characteristics" are similar to those of the SGI Index, in the determination of the Calculation Agent. The "main characteristics" of an index comprise, without limitation, its strategy, its currency, the asset class and the geographical or economical sectors reflected in such index.

**Valuation Date** means each date specified as such in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Part 2-III "*Consequences of Disrupted Days for a SGI Index*".

**Valuation Time** means the time on the relevant Valuation Date at which the Closing Price is published by the Index Calculation Agent pursuant to the Index Rules.

#### **IV.2. Consequences of Disrupted Days for a SGI Index**

If any Valuation Date or Averaging Date specified in the applicable Final Terms (the **Scheduled Valuation Date or the Scheduled Averaging Date**) is a Disrupted Day for a SGI Index, then the Valuation Date or Averaging Date for such SGI Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that SGI Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or Averaging Date is a Disrupted Day. In that case:

- A. the eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, notwithstanding the fact that such day is a Disrupted Day, and
- B. the Calculation Agent shall determine the level of the SGI Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that SGI Index last in effect prior to the occurrence of the first Disrupted Day, notwithstanding the fact that the Index Calculation Agent has published a Closing Price on such date.

Provided that if the SGI Index is included in a Basket, the hereabove provisions shall apply only to the SGI Index affected by the occurrence of a Disrupted Day and the Valuation Date or Averaging Date for each other underlying comprised in the Basket and not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

*Provided however that,*

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the level of the SGI Index so calculated shall be deemed the Closing Price;
- (b) notwithstanding the foregoing, in respect of any Notes, a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date; if a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) would fall less than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the level of the SGI Index so calculated shall be deemed the Closing Price.

#### **V. DEFINITIONS SPECIFIC TO SHARES OR UNITS OF ETF**

Part 1 - I "*Common definitions and provisions for Shares, ADR, Indices and Dividends*" and II "*Definitions specific to Shares and ADR*" above of this Equity Technical Annex, De-listing Event and any related provisions of Part 2 below of this Equity Technical Annex shall apply to a share or unit of an ETF which for all purposes of these provisions shall be deemed to be a Share and to an ETF which shall be deemed to be a Company.

Part 2 - I. "Adjustments" and Part 2 - II. "Extraordinary Events relating to any Fund and/or any Fund Unit" of the Fund Technical Annex shall apply to an ETF which for all purposes of these provisions shall be deemed to be a Fund.

## VI. DEFINITIONS SPECIFIC TO DIVIDENDS

This section applies to Dividends when they are specified as Underlying(s) in the applicable Final Terms.

**Dividend** means in respect of a Share:

- A. an amount of dividend per Share as declared by the Company, before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an **Applicable Authority**), but which shall not take into account:
  - (a) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the **Credits**); and
  - (b) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (a) above, and/or
- B. an amount per Share being the cash value of any dividend paid in shares (whether or not such dividend comprises shares that are not the ordinary shares of the issuer) declared by the Company (or, if no cash value is declared by the issuer, the cash value of such dividend as determined by the Calculation Agent, calculated by reference to the opening price of such ordinary shares on the Ex-Dividend Date applicable to that dividend) provided that if holders of record of the relevant Share may elect between receiving an amount as defined in (A) above or in this subparagraph (B), the dividend shall be deemed to be an amount as defined in (A) above.

Provided that, this definition shall exclude (a) any dividends in relation to which the Index Sponsor makes an adjustment to the Index when the Share is considered as a component of an Index, or (b) any dividends in relation to which the Related Exchange makes an adjustment to the Designated Contract when the Share is considered individually or as part of a basket (however where the Index Sponsor has adjusted the Index for part of a dividend or as the case may be the Related Exchange, the provisions above shall apply only to the unadjusted part).

**Designated Contract** means an options or futures contract on the Share traded on the Related Exchange with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that matches the relevant Valuation Date specified in the applicable Final Terms.

**Dividend Period** means the period specified as such in the applicable Final Terms.

**Ex-Dividend Date** means in respect of a Dividend the date on which the relevant Share is scheduled to commence trading ex-dividend on the primary exchange or quotation system for such Share, as determined by the Calculation Agent.

**Official Index Divisor** means the value, calculated by the Index Sponsor, necessary to ensure that the numerical value of the Index remains unchanged after a change in the composition of the Index. The value of the Index after any change in its composition is divided by the Official Index Divisor to ensure that the value of the Index returns to its normalised value.

**Official Number** means, in respect of a date, an Index and a Share comprising such Index, the number of free-floating shares relating to such Share comprised in the Index, as calculated and published by the Index Sponsor on such date, subject to "Failure to Publish" under Part 2 - IV.2 below.

**PART 2 – ADJUSTMENTS, EXTRAORDINARY EVENTS, HEDGING DISRUPTION, INCREASED COST OF HEDGING, INSOLVENCY FILING AND CHANGE IN LAW RELATING TO SHARES, ADR, INDICES, SGI INDICES AND DIVIDENDS**

**I. ADJUSTMENTS AND EXTRAORDINARY EVENTS RELATING TO SHARES AND ADR**

**I.1 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 (a) such Shares, (b) 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, (c) 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 (d) 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.

In the event that the Underlying is in the form of an ADR, references to **Share** in the definition of **Potential Adjustment Event** above refer to the Deposited Securities underlying such ADR. In addition, an event that has a diluting or concentrative effect on the Deposited Securities will affect the theoretical value of the ADR unless (and to the extent that) the Company or the Depositary, pursuant to its authority (if any) under the Deposit Agreement, elects to adjust the number of the Deposited Securities that are represented by each ADR such that the price of the ADR will not be affected by any such event (as determined by the Calculation Agent), in which case the Calculation Agent will make no adjustment. If the Company or the Depositary elects not to adjust the number of Deposited Securities that are represented by an ADR or makes an adjustment that the Calculation Agent determines not to have been adequate, then the Calculation Agent may, in its discretion, make the necessary adjustment to the elements relating to the Underlying used to determine any settlement or payment terms under the Notes and/or 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 determine the effective date of that adjustments. The Depositary may also have the ability pursuant to the Deposit Agreement to make adjustments in respect of the ADR for share distributions, rights distributions, cash distributions and distributions other than shares, rights and cash. Upon any such adjustment by the Depositary, the Calculation Agent may, in its discretion, make the necessary adjustments as the Calculation Agent deems appropriate to account for such event.

Definitions applicable to this section:

**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.

**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 Société Générale or one of its affiliates.

## **1.2 Extraordinary Events**

- A. Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date or the last Averaging 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 or an ADR (an **Affected Share** or an **Affected ADR**), then during such Offering Period, the Calculation Agent may decide in good faith to apply Method of Substitution with respect to the Affected Share or Affected ADR.
- B. If the Calculation Agent decides not to apply Method of Substitution during the Offering Period with respect to the Affected Share or Affected ADR, then:
- (a) 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, shall apply either:
    - (i) Share-for-Share Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption;
    - (ii) Share-for-Other Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption; or
    - (iii) Share-for-Combined Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption;

- (b) in the case of a Merger Event affecting two Shares or ADR comprised in a Basket, the Calculation Agent will either:
- (i) continue with the share or ADR resulting from the Merger Event and in order to maintain the original number of companies in the Basket, a Substitute Share or Substitute ADR (as applicable) will be elected and included in the Basket;
  - (ii) substitute both Shares (or ADR) with two Substitute Shares (or ADR) selected as described in the Method of Substitution; or
  - (iii) apply the Early Redemption;
- (c) 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, will either:
- (i) replace the Affected Share or Affected ADR with the shares or ADR of the successor companies;
  - (ii) substitute one or more share(s) resulting from such De-merger Event pursuant to the Method of Substitution; or
  - (iii) apply the Early Redemption;
- 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 or Affected ADR with several shares or ADR resulting from such De-merger Event, such shares or ADR shall be placed in a sub-basket and considered as one component of the Basket;
- (d) 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 or the Early Redemption;
- (e) in respect of an Insolvency, the Calculation Agent will decide, either that:
- (i) the Affected Share or the Affected ADR will be substituted pursuant to the Method of Substitution; or
  - (ii) 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 or the Affected ADR 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 Valuation Date or the last Averaging Date. The determination of the fair market value shall depend upon the liquidity of the market and the trading conditions relating to the Share or ADR affected at the time of calculation; or
  - (iii) the Early Redemption; and
- (f) 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 or Substitute ADR for the Affected Share or the Affected ADR pursuant to the Method of Substitution.

- 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.

Definitions applicable to this section:

**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 (or, in the case of New Shares which are issued in the form of ADR, the issuer of the Deposited Securities related to such ADR) will be deemed the **Shares** (or **ADR**, as the case may be) 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 or ADR 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 or ADR 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** (or **ADR**, as the case may be) and the issuer of the New Shares (or, in the case of New Shares which are issued in the form of ADR, the issuer of the Deposited Securities related to such ADR) 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 or ADR 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 or an ADR, that such Share or ADR (or Deposited Securities related to such ADR): (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 re-quoted 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) or (c) in respect of an Underlying in the form of an ADR, the Deposit Agreement is terminated.

**De-merger Event** means, in respect of any Share or ADR, that the Company relevant to such Share or ADR 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 there will be an Early Redemption of the Notes on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

**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. Société Générale or one of its affiliates sells the Affected Shares, Affected ADR, 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 Société Générale or one 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, Substitute ADR 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, Substitute ADR and/or New Shares traded by Société Générale or one 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 or an ADR, the date upon which holders of the necessary number of the relevant Shares or ADR (other than, in the case of a takeover offer, Shares or ADR 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.

In the event that the Underlying is in the form of an ADR issued pursuant to a Deposit Agreement references to **Share** in this definition refer to the Deposited Securities underlying such ADR.

**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 or an Affected ADR, the Calculation Agent may consider that the Affected Share, the Affected ADR, 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 or ADR of the same economic sector or into a share or ADR issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share or Affected ADR (the **Substitute Share** or the **Substitute ADR**, as the case may be) 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 Affected ADR, the New Shares and/or the Other Consideration shall be deemed to take place during the Fixing Period. The Substitute Share (or the Substitute ADR, as the case may be) and the company issuing such Substituted Share (or, in the case of an ADR, the company issuing the Deposited Securities related to such ADR) 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 or ADR is substituted, on any date "t", with a Substitute Share or Substitute ADR, 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 or Substitute ADR and would mean the closing price of such Substitute Share or Substitute ADR 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 or the Affected ADR on such date "t".

**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 or ADR (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 De-listing 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 or ADR form part of a Basket) takes a stake exceeding 20 per cent. of another Company whose Shares or ADR (which shall be the Affected Share or Affected ADR 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 or ADR consists of Combined Consideration.

**Share-for-Other Merger Event** means, in respect of a Merger Event, that the consideration for the relevant Shares or ADR consists solely of Other Consideration.

**Share-for-Share Merger Event** means, in respect of a Merger Event, that the consideration for the relevant Shares or ADR consists (or, at the option of the holder of such Shares or ADR, may consist) solely of New Shares.

### I.3 Stop-Loss Event relating to a Share or an ADR

If on any Exchange Business Day between the initial Valuation Date (excluded) and the last Valuation Date (included), the Closing Price of a Share or ADR is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **Affected Share** or **Affected ADR** and the event, the **Stop-Loss Event**), then

- A. the Calculation Agent may decide to substitute the Affected Share or Affected ADR by a new share or ADR issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share or Affected ADR (the **Substitute Share** or **Substitute ADR**, as the case may be) and will adjust any relevant terms of the Notes accordingly; or
- B. the Calculation Agent may decide to continue with the Affected Share or Affected ADR; or
- C. if the Calculation Agent has neither retained any Substitute Share or Substitute ADR nor decided to continue with the Affected Share or the Affected ADR, the Issuer may terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

*For information purposes*, it is understood that in all cases described herein where a Share or ADR is substituted, on any date "t", with a Substitute Share or Substitute ADR, 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 or Substitute ADR and would mean that the closing price of such Substitute Share or Substitute ADR 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 or the Affected ADR on such date "t".

### I.4 Correction of the Closing Price of a Share

In the event that any price or level 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.

## II. ADJUSTMENTS AND EVENTS RELATING TO INDICES

### II.1 Adjustments

- A. If an Index is:
  - (a) not calculated and announced by the relevant Index Sponsor or the **Index Calculation Agent** as the case may be, but is calculated and announced by a relevant successor sponsor (the **Successor Sponsor**) or a successor index calculation agent (the **Successor Index Calculation Agent**) acceptable to the Calculation Agent; or
  - (b) replaced by a successor index (the **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 the Index will be deemed to be the index so calculated and announced by the relevant Successor Sponsor or Successor Index Calculation Agent or that Successor Index (as the case may be).

B. If, in the determination of the Calculation Agent:

- (a) on or prior to a Valuation Date or an Averaging Date, the relevant Index Sponsor (or if applicable the Successor Sponsor) makes a material change in the formula for, or the method of calculating, that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent securities and capitalisation and other routine events);
- (b) on or prior to any Valuation Date or Averaging Date, the relevant Index Sponsor (or, if applicable, the relevant Successor Sponsor) or the Index Calculation Agent (or the **Successor Index Calculation Agent**) as the case may be, fails to calculate and publish the level of the Index and such failure is likely to have a material impact on the hedge of Société Générale in connection with the Notes; or
- (c) the Index Sponsor (or, if applicable, the Successor Sponsor) permanently cancels the Index and no Successor Index exists;

then the Calculation Agent shall either:

- (x) calculate the relevant formula used to determine an amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms using, *in lieu* of a published level for the Index, the level of that Index as at the Valuation Time on the relevant Valuation Date or Averaging Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that change, failure or cancellation (other than those securities that have since ceased to be listed on any relevant Exchange); or
- (y) replace the Index by a new index provided that such index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies).

If the Calculation Agent has not retained (x) and if in (y) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of any of the events described in B.(a), B.(b) or B.(c) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

In case of Italian Certificates, the Calculation Agent will adjust any relevant terms of the instruments as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the instruments

C. If an Index merges with another index or if an Index which forms part of the Basket merges with another index which does not form part of the Basket (the **Event**), the Calculation Agent will either:

- (a) continue using the index resulting from the merger; or
- (b) replace the Index with another index (the **New Index**); as long as the New Index is (i) representative of the same economic or geographic sector (as the case may be) and

(ii) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies).

If the Calculation Agent has not retained (a) and if in (b) no index meeting the criteria (i) and (ii) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (C) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

D. In the case of a merger affecting two Indices comprised in a Basket (the **Event**), the Calculation Agent will either:

- (a) continue using the index resulting from the merger and, in order to maintain the same number of indices within the Basket, the Calculation Agent will select a further index (a **New Index**) to be included in the Basket, as long as such New Index is (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies); or
- (b) replace both Indices with two other indices (each a **New Index**); as long as each New Index is (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies).

If the Calculation Agent has not retained (a) and if in (b) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (D) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

E. If an Index is split into two or more new indices (the **Event**), the Calculation Agent will, either:

- (a) use the indices resulting from the split to determine an index equivalent to the one existing prior to the split (provided that the indices resulting from the split will be deemed to form together the **New Index**); or
- (b) replace the split Index with a new index (a **New Index**) as long as such New Index is (i) representative of the same economic or geographic sector (as the case may be), and (ii) to the extent possible representative of shares listed on one or more Exchange(s) of one or more OECD country(ies).

If the Calculation Agent has not retained (i) and if in (ii) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (E) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

F. In the case of a Basket of Indices, in the event that shares forming part of one Index comprising the Basket represent at least 20 per cent. of the capitalisation of another Index forming part of the Basket (the **Affected Index**) (the **Event**), the Calculation Agent may, but is not obliged to, replace such Affected Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies). If no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event, described in this (F),

an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

- G. In the event that an Index ceases to be the underlying of a futures and/or option contract (as the case may be) (the Event), the Calculation Agent may, but is not obliged to, replace such Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies). If no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in this (G), an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

## II.2 Stop-Loss Event relating to an Index

If on any Exchange Business Day after the initial Valuation Date (excluded) and before the last Valuation Date (included), the Closing Price of an Index is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **Affected Index**) and the event, the **Stop-Loss Event**, then:

- A. the Calculation Agent may decide to substitute the Affected Index by a new index representative of the same economic or geographic sector (as the case may be), and to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies) (the **Substitute Index**) and will adjust any relevant terms of the Notes accordingly; or
- B. the Calculation Agent may decide to continue with the Affected Index; or
- C. if the Calculation Agent has neither retained any Substitute Index nor decided to continue with the Affected Index, the Issuer may terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

## II.3 Correction of the Closing Price of an Index

In the event that any price or level published on the Exchange or by the Index Sponsor and which is used 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 or the Index Sponsor 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.

## III. ADJUSTMENTS AND EVENTS RELATING TO SGI INDICES

### III.1 Adjustments

- A. If on any Scheduled Trading Day, a SGI Index is:
- (a) not published by the relevant **Index Calculation Agent**, but is published by a successor index calculation agent (the **Successor Index Calculation Agent**), acceptable to the Calculation Agent; or
- (b) replaced by a Similar Index,

then in each case that index published by the Successor Index Calculation Agent or Similar Index will be deemed to be the SGI Index so calculated and announced.

- B. If, in the determination of the Calculation Agent:
- (a) on or prior to any Valuation Date or Averaging Date, the relevant Index Sponsor and/or Index Calculation Agent announce(s) that it/they will make a material change in the formula for or the method of calculating that SGI Index or in any other way materially modifies that SGI Index (other than a modification prescribed in that formula or method to maintain that SGI Index in the event of changes in Index Components and other routine events) (an **Index Modification**); or
  - (b) the Index Sponsor permanently cancels the SGI Index and no Similar Index exists or the agreement between the Index Calculation Agent and the Index Sponsor is terminated (an **Index Cancellation**); or
  - (c) on any Valuation Date or Averaging Date, the Index Calculation Agent fails to publish the Closing Price of the SGI Index other than as a result of the occurrence of a Market Disruption Event (an **Index Disruption**) and together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**);

then the Calculation Agent shall either:

- (w) calculate the relevant formula used to determine an amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms using, in lieu of a published level for the SGI Index, the level of that SGI Index on the relevant Valuation Date or Averaging Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that SGI Index last in effect prior to that Index Adjustment Event, but using only those Index Components that comprised the SGI Index immediately prior to that Index Adjustment Event (other than those Index Components that have since then ceased to be listed on any relevant Exchange), and adjust, as the case may be, any of the relevant terms of the Notes; or
- (x) replace the SGI Index by a Similar Index; or
- (y) consider such Index Adjustment Event as an event triggering an early redemption of the Notes (hereafter an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and pay to each Noteholder as soon as possible after the occurrence of any of the events described in B.(a), B.(b) or B.(c) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- (z) apply the Monetisation to the Maturity Date (as defined below).

### III.2 Stop-Loss Event relating to a SGI Index

If, on any Exchange Business Day after the initial Valuation Date (excluded) and before the last Valuation Date (included), the Closing Price of a SGI Index is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **Affected SGI Index** and the event, the **Stop-Loss Event**), then the Calculation Agent may decide to:

- A. substitute the Affected SGI Index by a Similar Index and will adjust any relevant terms of the Notes accordingly; or
- B. continue with the Affected SGI Index; or

- C. consider such event as an event triggering an early redemption of the Notes (hereafter an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- D. continue the Notes according to their terms.

### III.3 Correction of the Closing Price of a SGI Index

In the event that any price or level published by the Index Calculation Agent and which is used 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 Index Calculation Agent 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.

### III.4 Monetisation to the Maturity Date

In respect of the Final Redemption Amount the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the Final Terms, but instead will, in full and final satisfaction of its obligations:

- A. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- B. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the

fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

Definitions applicable to this section:

**Associated Costs** means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Calculation Agent in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned pro rata amongst the Specified Denomination of each outstanding Note.

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

where

**Adjusted Calculation Amount** means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

**Compounding Date** means, in respect of a Calculation Period, each Business Day (being a Business Day at Paris) of such Calculation Period;

**Compounding Period** means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

**Compounding Period Amount** means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and

**Day Count Fraction** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360.

**Full Liquidation Date** means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the liabilities of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Calculation Agent.

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Calculation Agent, of one or more (a) position(s) or contract(s) in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities

howsoever described in order to hedge individually or on a portfolio basis the part of the Issuer's obligations under one Note linked to or indexed to the relevant Index due on the Maturity Date.

**Relevant Spot Exchange Rate** means in respect of a date and an amount to be converted in the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency as determined by the Calculation Agent used to convert such amount on such date into the Specified Currency.

#### IV. ADJUSTMENTS AND EVENTS RELATING TO DIVIDENDS

##### IV.1 Adjustments

*Adjustments in relation to an Index the components of which are used to determine the amounts due under Notes indexed on Dividends*

If an event occurs affecting the Index the components of which are used to determine the amounts due under Notes indexed on Dividends, which in the determination of the Calculation Agent has a material effect on the amounts due under the Notes, then the Calculation Agent shall either:

- A. adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
- B. replace the Index by a new index provided that such index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies); or
- C. consider such event as an event triggering an early redemption of the Notes and then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

*Adjustments in relation to a Share the dividend of which is used to determine the amounts due under Notes indexed on Dividends*

If an Extraordinary Event (as defined in Part 2-1.2 above) occurs affecting the Share (the **Affected Share**) the dividend of which is used to determine the amounts due under Notes indexed on Dividends, then the Calculation Agent shall either:

- A. adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
- B. replace the Affected Share by the resulting share or by a new share issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share; or
- C. apply the Early Redemption (as defined in Part 2 - 1.2) above on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

If a Potential Adjustment Event (as defined in Part 2 - 1.1 above) occurs affecting the Share (the **Affected Share**) the dividend of which is used to determine the amounts due under Notes indexed on Dividends, then the Calculation Agent will, subject to the provisions of the last paragraph of the definition of "Dividend" in Part 1 - VI above, adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event.

## IV.2 Extraordinary Events

### *Failure to Publish*

If during the Dividend Period, the Index Sponsor fails (for whatever reason including without limitation, a Market Disruption Event as defined in Part 1 - I "*Common definitions and provisions for Shares, ADR, Indices and Dividends*") to calculate and publish the number of free-float shares in respect of any Share or the Official Index Divisor, then the Calculation Agent shall determine the number of free-float shares in respect of such Share or the Official Index Divisor (as the case may be).

In making any such determination, the Calculation Agent may (but shall not be obliged to) make reference to the formula for and method of calculating the number of free-float shares or the Official Index Divisor (as the case may be) last in effect prior to the failure by the Index Sponsor to make the relevant calculation or publication.

### *Dividend Recovery*

If (a) the amount actually paid or delivered by an issuer to holders of record of the relevant Share in respect of any Dividend declared by such issuer (a **Declared Dividend**) to holders of record of such Share is not equal to such Declared Dividend (a **Dividend Mismatch Event**); or (b) such issuer fails to make any payment or delivery in respect of such Declared Dividend by the third Business Day following the relevant due date, then the Calculation Agent may (but shall not be obliged to) determine any appropriate adjustment to be made to account for such correction or subsequent publication, together with interest, on any amount subsequently due under the Notes.

## IV.3 Corrections

In the event that an Official Index Divisor or number of free floating shares calculated and published by the Index Sponsor (or determined by the Calculation Agent pursuant to the provisions above relating to Part 2-IV.2 "*Failure to Publish*") and utilised for any calculation or determination made in respect of the Notes is subsequently corrected (or, where there has been a Failure to Publish, published by the Index Sponsor) and the correction is published (or, where there has been a Failure to Publish, publication is made) by the Index Sponsor within five Scheduled Trading Days (as defined in the Definitions specific to Indices in Part 1 - III above) after the original publication, the Calculation Agent will adjust the Dividend, as required, to take into account such correction, *provided that* such correction or subsequent publication occurs no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Final Terms).

## V. HEDGING DISRUPTION, INCREASED COST OF HEDGING, INSOLVENCY FILING AND CONSEQUENCES – CHANGE IN LAW AND CONSEQUENCES

### V.1 Hedging Disruption, Increased Cost of Hedging and Insolvency Filing

**Hedging Disruption** means, in respect of Notes that have one or more Share(s), Index(ices), SGI Index(ices), ADR(s), Dividend(s) as Underlying(s), that Société Générale or one of its affiliates is unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Notes or the agreement entered into with Société Générale by the Issuer of the Notes; or (b) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions as the case may be between accounts within the jurisdiction of the Hedge Positions (the **Affected Jurisdiction**) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

**Increased Cost of Hedging** means, in respect of Notes that have one or more Share(s), Index(ices), SGI Index(ices), ADR(s), Dividend(s) as Underlying(s), that Société Générale or one of its affiliates

would incur a materially increased (as compared with circumstances existing on the date(s) on which Société Générale enters into the Hedge Positions in respect of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Notes or (b) freely realize, recover or remit the proceeds of its Hedge Positions.

**Insolvency Filing** means, in respect of Notes that have one or more Share(s), ADR(s) or Dividend(s) as Underlying(s) 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 organisation or the jurisdiction of its head home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Company shall not be deemed an Insolvency Filing.

In the case of the occurrence of a Hedging Disruption or an Increased Cost of Hedging relating to a Share, an Index, a SGI Index, an ADR or Dividend(s) or of the occurrence of an Insolvency Filing relating to a Share, an ADR or Dividend(s) (the **Affected Underlying**), the Calculation Agent may:

- A. consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector and which, in the case of a SGI Index, will be a Similar Index; or
- C. apply the Monetisation to the Maturity Date (as defined above).

For the purpose of this provision:

**Hedge Positions** means any purchase, sale, entry into or maintenance of one or more (a) position(s) or contract(s) in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by Société Générale or one of its affiliates, in order to hedge, individually or on a portfolio basis, the Notes.

## V.2 Change in Law

**Change in Law** means in respect of Notes that have one or more Share(s), Index(ices), SGI Index(ices), ADR(s), or Dividend(s) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Notes (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Société Générale or one of its affiliates to hold, acquire or dispose of Hedge Positions (as defined in Part 2-V.1 above) or to maintain the agreement entered into with Société Générale or one of its affiliates by the Issuer of the Notes, relating to the Underlying of the Notes (the **Affected Underlying**).

Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date or the last Averaging Date of a Change in Law, then the Calculation Agent will decide with regard to the Affected Underlying by such Change in Law, either:

- A. consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector and which, in the case of a SGI Index, will be a Similar Index; or
- C. apply the Monetisation to the Maturity Date (as defined above).

### **PART 3 – CALCULATIONS – PHYSICAL DELIVERY**

#### **I. CALCULATIONS – CALCULATION AGENT**

- A. Unless otherwise specified in the applicable Final Terms, and in respect of Notes to which this Equity Technical Annex applies, the Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Physical Delivery Amount and/or the Early Redemption Amount shall be Société Générale, 17 cours Valmy, 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
- B. Following the occurrence of an event giving rise to an Adjustment which is substantial in the opinion of the Calculation Agent or of an Extraordinary Event affecting an Underlying, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 12 of the Terms and Conditions of the relevant adjustment made or decision taken by the Calculation Agent. Details on such adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

#### **II. PHYSICAL DELIVERY NOTES**

- A. Unless otherwise specified in the applicable Final Terms, the Underlying used to determine the Physical Delivery Amount will be the Underlying(s) specified in the applicable Final Terms.
- B. When the settlement of a Physical Delivery Note is by way of physical delivery, the delivery will be made through Clearstream, Luxembourg or Euroclear or other relevant clearance institution (a **Clearing System**). The Transfer Notice will be delivered using the transfer procedures currently utilised by the relevant Clearing System. A Noteholder's entitlement to any Physical Delivery Amount will be evidenced by the Noteholder's account balance appearing on the records of the relevant Clearing System.
- C. Additional terms applicable to the settlement of the Physical Delivery Amount:
  - (a) The Physical Delivery Amount will be determined subject to the provisions in Part 1 and Part 2 of this Equity Technical Annex, relating to Adjustments and Market Disruption Event. If as a result of an adjustment or otherwise, the number of Underlyings to be delivered is not a whole number, any fraction thereof will be payable in cash, on the basis of the value of such Underlying, converted, as the case may be, into the Specified Currency at the current exchange rate.
  - (b) In addition, if a Settlement Disruption Event does prevent delivery of the Physical Delivery Amount on the Maturity Date, then, such delivery shall occur on the first succeeding day on which delivery of the Physical Delivery Amount can take place

through the relevant Clearing System (the **Settlement Date**) unless a Settlement Disruption Event prevents delivery for a period of 20 Clearing System Days immediately following the original date that would have been the Settlement Date (the **Delivery Period**). In that latter case, the Issuer shall, in lieu of delivering the Physical Delivery Amount, pay, in respect of each Note, the fair market value of the number of Underlying(s) to be delivered (the **Fair Market Value**) converted into the Specified Currency at the current exchange rate, if applicable. The Fair Market Value will be determined by the Calculation Agent on the basis of the market conditions on the first Business Day following the Delivery Period.

- (c) If a dividend is paid in respect of the Underlying from and including the Valuation Date to and, as the case may be, (a) excluding the Delivery Date or (b) including, in the event of a Settlement Disruption Event, the date on which the Fair Market Value is calculated, then, the net dividend amount relating to the number of Underlying(s) to be delivered per Note (excluding any related tax credit) converted into the Specified Currency at the current exchange rate, if applicable, will be paid in cash to the Noteholders as soon as practicable, unless otherwise specified in the applicable Final Terms.
- (d) All stamp duties, or other similar taxes and/or duties, in respect of physical delivery of Underlyings shall be borne by the Noteholders.

D. As used in this paragraph:

**Clearing System Day** means, in respect of a Clearing System, any day on which such Clearing System is open for the acceptance and execution of settlement instructions.

**Delivery Date** means, as the case may be, (a) the Maturity Date or (b) in the event of a Settlement Disruption Event, the Settlement Date (as defined above).

**Settlement Disruption Event** means any event beyond the control of the Issuer as a result of which the relevant Clearing System cannot clear the transfer of the Physical Delivery Amount.

## B) FUND TECHNICAL ANNEX

In the case of Italian Certificates, all references in this Equity Technical Annex to “Notes”, “Noteholders”, “Maturity Date”, “Early Redemption Amount” and “Final Redemption Amount” shall be deemed to be references to “Italian Certificates”, “Holders”, “Final Exercise Date”, “Early Exercise Amount”, and “Final Exercise Amount”, respectively.

### PART 1 - DEFINITIONS SPECIFIC TO FUNDS

**Adjusted Intermediate Payment Date** means the date which is the earlier of (a) the 20th Business Day following the occurrence of the Intermediate Full Liquidation Date and (b) the Maturity Date.

**Adjusted Maturity Date** means the date which is the earlier of (a) the 20th Business Day following the occurrence of the Full Liquidation Date and (b) the Postponed Scheduled Maturity Date.

**Adjusted Optional Redemption Date** means the date which is the earlier of (a) the 20th Business Day following the occurrence of the Optional Full Liquidation Date and (b) the Maturity Date.

**Applicable Method** means in respect of a Valuation Date, either Calculation Method, Execution Method/Subscription, Execution Method/Redemption, Order Method/Subscription or Order Method/Redemption. If in respect of the first Valuation Date to occur on or immediately following the Issue Date of the Notes (the **First Valuation Date**), no Applicable Method is specified in the applicable Final Terms, Order Method/Subscription shall be deemed the Applicable Method. If in respect of any Valuation Date which is not the First Valuation Date, no Applicable Method is specified in the applicable Final Terms, Order Method/Redemption shall be deemed the Applicable Method.

**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 a Hypothetical Investor in connection with the termination, liquidation or re-establishment of the Hypothetical Hedge Positions, such amount to be apportioned pro rata amongst the Specified Denomination of each outstanding Note.

**Basket** means a basket composed of Funds (each an Underlying) in the relative proportions or numbers of Funds specified in the applicable Final Terms.

**Business Day** means a "Business Day" as defined in Condition 3 of the Terms and Conditions, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** means in respect of any Fund (and in each case as determined by the Calculation Agent):

- A. where **Calculation Method** is specified as applicable to a Valuation Date in the applicable Final Terms, 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 Valuation Date; or
- B. where **Execution Method/Subscription** is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit including all costs or fees (if any) that would be paid (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the subscription of Unit(s) 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 Valuation Date; or
- C. where **Execution Method/Redemption** is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit net of all costs or fees (if any) that would be received in cash (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the redemption of Unit(s), 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 Valuation Date; or

- D. where **Order Method/Subscription** is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit including all costs or fees (if any) that would be paid (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the subscription of Unit(s) submitted to and accepted by the Fund on such Valuation Date; or
- E. where **Order Method/Redemption** is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit net of all costs or fees (if any), that would be received in cash (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the redemption of Unit(s) submitted to and accepted by the Fund on such Valuation Date.

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

where:

**Adjusted Calculation Amount** means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

**Compounding Date** means, in respect of a Calculation Period, each Business Day of such Calculation Period;

**Compounding Period** means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

**Compounding Period Amount** means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and

**Day Count Fraction** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360.

**Full Liquidation Date** means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hypothetical Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Fund** means, the fund or the pooled investment vehicle as specified in the applicable Final Terms.

**Fund Business Day** means, in respect of the Fund (or, in the case of a Basket of Funds, in respect of each Fund observed separately), any date on which a Valid Order can be submitted by a Hypothetical Investor pursuant to the Fund Documents prevailing on the Issue Date of the Notes.

**Fund Documents** means, in respect of any Fund, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund.

**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 Unit** or **Unit** means, in respect of any Fund, a share of such Fund or, if interests in such Fund are not denominated as shares, a unit of account of ownership in such Fund.

**Fund Valuation Day** means, in respect of the Fund (or, in the case of a Basket of Funds, in respect of each Fund observed separately), any date as defined in the Fund Documents prevailing on the Issue Date of the Notes in respect of which the official net asset value of such Fund is dated as of such date in accordance with its Fund Documents.

**Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) position(s) or contract(s) in Fund Units, 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 due on the Maturity Date apportioned pro rata to each outstanding Note provided that, if the Intermediate 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 Hypothetical Hedge Positions will include the Intermediate Hypothetical Hedge Positions and/or the Optional Hypothetical Hedge Positions.

**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 Société Générale or one of its affiliates), and deemed, in respect of the Hypothetical Hedge Positions constituted by the Fund Units, to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding Fund Units; (b) in the case of any deemed redemption of such Fund, to have submitted a Valid Order requesting redemption of Fund Units; and (c) in the case of any deemed investment in such Fund, to have submitted a Valid Order requesting subscription of Fund Units.

**Intermediate Amount** means either an Interest Amount or an Instalment Amount.

**Intermediate Full Liquidation Date** means, in respect of any Intermediate Payment Date, the date on which the liquidation proceeds of the Intermediate Hypothetical Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Intermediate Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Intermediate Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) position(s) or contract(s) in Fund Units, 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 due on an Intermediate Payment Date, apportioned pro rata to each outstanding Note.

**Intermediate Payment Date** means either an Interest Payment Date or an Instalment Date specified as such in the Final Terms of the relevant Notes.

**Maturity Date** means the date specified as such in the Final Terms of the relevant Notes.

**Maturity Disruption Event** means that an Intermediate Full Liquidation Date and/or an Optional Full Liquidation Date and/or the Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date.

**Optional Full Liquidation Date** means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hypothetical Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Optional Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) position(s) or contract(s) in Fund Units, 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 due on an Optional Redemption Date, apportioned pro rata to each outstanding Note.

**Optional Redemption Amount** means the amount specified as such in the Final Terms of the relevant Notes.

**Optional Redemption Cut-Off Date** means, with respect to an Optional Redemption Date, the Business Day preceding such Optional Redemption Date by a number of Business Days or calendar days equal to the number of Business Days or calendar days of the notice period (as specified in the applicable Final Terms).

**Optional Redemption Date** means the date specified as such in the Final Terms of the relevant Notes.

**Postponed Scheduled Maturity Date** means, if a Maturity Disruption Event occurs, the date that falls on the second anniversary date of the Maturity Date or if such day is not a Business Day, the immediately following Business Day.

**Relevant Spot Exchange Rate** means in respect of a date and an amount to be converted in the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

**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.

**Valuation Date** means, in respect of the Fund (or, in the case of a Basket of Funds, in respect of each Fund observed separately), each date specified as such in the applicable Final Terms or if, for a Fund, such date is not a Fund Business Day or a Fund Valuation Day (as the case may be), the next

following Fund Business Day or Fund Valuation Day for such Fund (the **Scheduled Valuation Date**), unless such day is a Disrupted Day in which case the Valuation Date shall be determined in accordance with the provisions of Part 2-III "*Disruption Events relating to any Fund and/or any Fund Unit*". Any Initial Valuation Date, Final Valuation Date, annual Valuation Date, quarterly Valuation Date, monthly Valuation Date or weekly Valuation Date specified in the Final Terms shall be deemed to be a Valuation Date for the purposes of this Technical Annex.

## **PART 2 - ADJUSTMENTS, EXTRAORDINARY EVENTS, DISRUPTION EVENTS AND MATURITY DISRUPTION EVENT SPECIFIC TO FUNDS**

### **I. ADJUSTMENTS**

In the case of the occurrence at any time on or after the Issue Date of any event affecting a Fund or the value of the relevant Units including, without limitation:

- A. a subdivision, consolidation or reclassification of the relevant number of Fund Units, 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 the relevant Fund Units of (a) an additional quantity of such Fund Unit, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Units, or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- C. an extraordinary dividend;
- D. a repurchase by the Fund of relevant Fund Units whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Units initiated by an investor in such Fund Units that is consistent with the Fund Documents; or
- E. any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Units or quantity of Fund Units;

the Calculation Agent may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

### **II. EXTRAORDINARY EVENTS RELATING TO ANY FUND AND/OR ANY FUND UNIT**

Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of any of the following events (each an **Extraordinary Event**) on or after the Issue Date:

- A. **Change in Law** means that (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (x) it has become illegal for a Hypothetical Investor to hold, acquire or dispose of the Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions (including the relevant Fund Units) or it has become illegal to maintain the agreement entered into by Société Générale and/or one of its affiliates with the Fund or a Fund Service Provider mentioned in "Breach or Termination of Agreement" in (B) below, or (y) Société Générale

and/or one of its affiliates will incur a materially increased cost in performing its obligations under such Notes or the agreement entered into by Société Générale or the Issuer of the Notes with the Fund or the Fund Service Provider mentioned in "Breach or Termination of Agreement" in (B) below (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

- B. **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 Société Générale and/or one of its affiliates, defining the terms and conditions at which Société Générale and/or one of its affiliates 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 Société Générale and/or one of its affiliates, the termination of such agreement by the Fund or a Fund Service Provider for reasons beyond the control of Société Générale or its affiliates 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;
- C. **Closure of the Fund** means liquidation, winding up or dissolution of the Fund for any reason other than those mentioned in (F) or (K) below;
- D. **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);
- E. **Fund Hedging Disruption** means that a Hypothetical Investor is unable or it is impractical for a Hypothetical Investor, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions or (b) realise, recover or remit the proceeds of any such Hypothetical Hedge Positions, without limitation, where such inability or impracticability has arisen by reason of (i) the transfer of all illiquid assets of the Fund being all or part of the Intermediate and/or Optional Hypothetical Hedge Positions to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units (side pocket), (ii) the restriction on the amount or number of redemptions or subscriptions that the Fund (or the Fund Service Provider generally in charge of accepting the redemption or subscriptions orders) will accept in relation to a single date on which the Fund normally accepts redemption orders (a gate), (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 the 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 (holdback), or increase in charges or fees imposed by the relevant Fund or (v) any mandatory redemption, in whole or in part, of such Fund Unit imposed by the relevant Fund, in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Notes or are already envisaged by the Fund Documents on the Issue Date of the Notes and are solely implemented by the Fund after such date;
- F. **Fund Insolvency Event** means, in respect of any Fund Unit, that the related Fund (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (b) makes a general assignment or arrangement with or for the benefit of its creditors, (c) (i) 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 (ii) 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 (i) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (e) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (e) through (f) above;

- G. **Fund Modification** means any change or modification of the related Fund Documents prevailing on the Issue Date of the Notes, that could reasonably be expected to affect the value of such Fund Unit or the rights or remedies of any holders thereof (including but not limited to an open-end fund that becomes a closed-end fund), as determined by the Calculation Agent;
- H. **Fund Service Provider Event** means (a) a change, resignation, termination or replacement of any Fund Service Provider, (b) a change of control or indirect control of any Fund Service Provider, (c) 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 (F) above, except that Fund is replaced by Fund Service Provider or (d) in the reasonable opinion of the Calculation Agent, any of the Fund Service Providers is no longer deemed able to carry out its business with the standard of care which was prevailing on the Issue Date or the resignation, termination, replacement, or death of any person deemed to be key in the management of the Fund has occurred;
- I. **Holding Ratio** means the reduction of the Fund's aggregate net asset value under an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the Fund and/or its operating expenses or would increase the proportion of Fund Units held, or likely to be held, by a Hypothetical Investor, or any funds managed by Société Générale and/or one of its affiliates, 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;
- J. **Increased Cost of Hedging** means that a Hypothetical Investor would incur a materially increased (as compared with circumstances existing on the Issue Date of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions or (b) realise, recover or remit the proceeds of any such Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions, provided that, assuming the Hypothetical Investor is Société Générale, any such materially

increased amount that is incurred solely due to the deterioration of the creditworthiness of the Société Générale or one of its affiliates shall not be deemed an Increased Cost of Hedging;

- K. **Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (a) all the Fund Units of that Fund are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Fund Units of that Fund become legally prohibited from transferring or redeeming them;
- L. **Liquidity Modification** means that the Fund modifies the terms and conditions at which subscription and/or redemption orders can be submitted or are settled by the Fund as provided in the Fund Documents as of the Issue Date of the Notes or implements a modification of the conditions at which subscription and/or redemption orders can be submitted or are settled by the Fund regardless as to whether the principle of such modification was already envisaged in the Fund Documents as of the Issue Date of the Notes;
- M. **Merger Event** means the conversion of the Fund Unit 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;
- N. **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;
- O. **Regulatory Action** means, with respect to any Fund Unit, (a) cancellation, suspension or revocation of the registration or approval of such Fund Unit or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Unit or Fund, (b) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Service Provider that is reasonably likely to have an adverse impact on the value of such Fund Unit or on any investor therein (as determined by the Calculation Agent), or (c) the related 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;
- P. **Reporting Disruption** means, in respect of any Fund Unit, any failure of the related 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 Units;
- Q. **Strategy Breach** means (a) any breach or violation of any strategy or investment guidelines stated in the related Fund Documents, that is reasonably likely to affect the value of the Fund Units or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent or (b) any material modification, as determined by the Calculation Agent, of the risk profile of the Fund from its risk profile prevailing on the Issue Date of the Notes by reason of, but not limited to, the modification of the proportions, or reduction of diversification, of the type of assets in which the Fund invests or a reduction of the average liquidity of the assets of the Fund;

then the Calculation Agent may:

- X. consider such Extraordinary Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event

occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or

- Y. in the case of (M) above only, replace the Fund Unit by the kind and number of units or other securities and property receivable on such conversion, split, consolidation, merger, sale or conveyance by a holder of Fund Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Fund Unit and make any adjustment (if necessary) to the value of such Fund Unit; or
- Z. determine that the Issuer will apply one of the following methods:

(a) **Monetisation to the Maturity Date**

- (i) in respect of the Intermediate Amount(s), and the Issuer shall no longer be liable for the payment, on any Intermediate Payment Date following the occurrence of the Extraordinary Event, of the Intermediate Amount(s) initially scheduled to be paid on such Intermediate Payment Date(s), but instead will, in full and final satisfaction of its obligations:

- (1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (b) on the Maturity Date an amount per Note, determined by the Calculation Agent,

equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

and/or,

- (ii) in respect of the Final Redemption Amount and the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
  - (1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**)

between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (2) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

- (b) **Postponement to the Adjusted Intermediate Payment Date** and the Issuer shall no longer be liable for the payment, on the Intermediate Payment Date(s) following the occurrence of the Extraordinary Event, of the Intermediate Amount(s) initially scheduled to be paid on such Intermediate Payment Date(s), but instead will, in full and final satisfaction of its obligations:
- (i) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation

Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (ii) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (b) on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision) and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero

or,

- (c) **Substitution** and the Calculation Agent shall (i) identify a Fund (the **New Fund**) having an investment strategy similar to the investment strategy of the Fund affected by the Extraordinary Event (the **Affected Fund**) and (ii) may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

### III. DISRUPTION EVENTS RELATING TO ANY FUND AND/OR ANY FUND UNIT

Upon the occurrence or the likely occurrence, as determined by the Calculation Agent, of any of the following events (each a **Disruption Event**) in respect of a Valuation Date (the **Disrupted Day**) and a Fund or Fund Unit:

- A. **Calculation and/or Publication Disruption** means the occurrence of an event, beyond the control of a Hypothetical Investor (including in the case of any gate, deferral, suspension or other provisions in the Fund Documents permitting the Fund to delay or refuse subscription and/or redemption orders) which precludes the calculation and/or publication of the official net asset value per Unit of the Fund by the Fund (or the Fund Service Provider generally in charge of calculating such official net asset value); or
- B. **Fund Settlement Disruption** means 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 for the Calculation Agent to determine the Closing Price, including without limitation due to (a) 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 (side pocket), (b) 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 (a gate), (c) 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 (d) 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 (holdback), in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Notes or are already envisaged by the Fund Documents on the Issue Date of the Notes and are solely implemented by the Fund after such date; or
- C. **NAV Determination Disruption Event** means the occurrence of any event (beyond the control of a Hypothetical Investor) other than the events mentioned in "*Calculation and/or Publication Disruption*" in (A) above or "*Fund Settlement Disruption*" in (B) above affecting such Fund which, in the determination of the Calculation Agent, makes it impossible or impracticable for the Calculation Agent to determine the Closing Price,

the Valuation Date, in respect of the Affected Fund, shall be postponed to the immediately following Fund Business Day or Fund Valuation Day (as specified to be applicable in relation to such Valuation Date in the Final Terms) that is no longer affected by a Disruption Event for such Affected Fund.

If a Disruption Event has occurred or is continuing on each of the five scheduled Fund Business Days or Fund Valuation Days, as the case may be, following the Scheduled Valuation Date or if no Fund Business Day or Fund Valuation Day, as the case may be, that is not affected by a Disruption Event has occurred at the latest on the thirty-fifth calendar day following the Scheduled Valuation Date, then the Calculation Agent may either:

- X. determine its good faith estimate of the net asset value per Unit of such Fund which shall be deemed to be the Closing Price in respect of such Valuation Date provided that if the Calculation Agent decides to make such determination, the Valuation Date shall occur no later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of such determination; or
- Y. consider such Disruption Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- Z. determine that the Issuer will apply one of the following methods:
- (i) In respect of the Intermediate Amount,

- (1) the **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Intermediate Payment Date related to the Disrupted Day, of the Intermediate Amount initially scheduled to be paid on such Intermediate Payment Date, but instead will, in full and final satisfaction of its obligations:
- (1.1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- (1.2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (b) on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which,

converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

(2) the **Postponement to the Adjusted Intermediate Payment Date** and the Issuer shall no longer be liable for the payment, on such Intermediate Payment Date, of the Intermediate Amount initially scheduled to be paid on such Intermediate Payment Date, but instead will, in full and final satisfaction of its obligations:

(2.1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2.2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount

per Note equal to the Minimum Intermediate Amount and (b) on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision) and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

and/or,

- (ii) in respect of the Final Redemption Amount, the **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
  - (1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under

its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (2) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

- (iii) **Substitution** and the Calculation Agent shall (1) identify a Fund (the **New Fund**) having an investment strategy similar to the investment strategy of the Fund affected by the Extraordinary Event (the **Affected Fund**) and (2) may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

Notwithstanding the foregoing, in respect of any Notes, a Valuation Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date; if a Valuation Date (postponed as the case may be pursuant to the provisions above) would fall less than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date, then that fourth Business Day shall be deemed the Valuation Date and the Calculation Agent shall make the determinations described in (X) above on such fourth Business Day and the good faith estimate of the net asset value of the Fund so calculated shall be deemed the Closing Price.

#### IV. OCCURRENCE OF AN EXTRAORDINARY EVENT OR A DISRUPTION EVENT IN RELATION TO AN OPTIONAL REDEMPTION

If "Redemption at the option of the Noteholders" or "Redemption at the option of the Issuer" is specified as being applicable in the Final Terms of the relevant Notes:

- A. Upon the occurrence or likely occurrence of an Extraordinary Event or a Disruption Event, the Put Notices or the exercise by the Issuer of its right of optional redemption relating to an Optional Redemption Date with an Optional Redemption Cut-Off Date falling after the date of such occurrence shall be null and void.
- B. Upon the occurrence or likely occurrence of an Extraordinary Event or a Disruption Event, with respect to Put Notices or the exercise by the Issuer of its right of optional redemption relating to an Optional Redemption Date with an Optional Redemption Cut-Off Date falling on or before the date of such occurrence, the Calculation Agent will determine which one of the following method the Issuer will apply:
- (a) **Early Redemption Event** and the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- (b) **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Optional Redemption Date, of the Optional Redemption Amount, but instead will, in full and final satisfaction of its obligations:
- (i) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in the case of a Disruption Event), the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- (ii) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an

amount strictly positive (the **Optional Minimum Redemption Amount**), pay (a) on the Optional Redemption Date an amount per Note equal to the Optional Minimum Redemption Amount and (b) on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in the case of a Disruption Event), the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Optional Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

or,

- (c) **Postponement to the Adjusted Optional Redemption Date** and the Issuer shall no longer be liable for the payment, on the Optional Redemption Date, of the Optional Redemption Amount, but instead will, in full and final satisfaction of its obligations:
- (i) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Optional Redemption Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in the case of a Disruption Event) the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a **Calculation Amount** for the purposes of this provision); for the avoidance of

doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (ii) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Optional Minimum Redemption Amount**), pay (a) on the Optional Redemption Date an amount per Note equal to the Optional Minimum Redemption Amount and (b) on the Adjusted Optional Redemption Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in the case of a Disruption Event) the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a **Calculation Amount** for the purposes of this provision) and (ii) an amount equal to the Optional Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

#### V. MATURITY DISRUPTION EVENT RELATING TO ANY FUND AND/OR ANY FUND UNIT

Upon the occurrence or the likely occurrence, as determined by the Calculation Agent, of a Maturity Disruption Event:

- A. the Issuer shall consider such Extraordinary Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- B. the Maturity Date of the Notes shall be postponed to the Adjusted Maturity Date; and
- C. the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Intermediate Amount and/or Optional Redemption Amount and/or Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
  - (a) in respect of the Intermediate Amount and/or Optional Redemption Amount,
    - (i) in respect of the redemption of Notes whose Intermediate Amount and/or Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Maturity Date an amount per Note,

determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event that gives rise to the Maturity Disruption Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Intermediate Payment Date and/or the Optional Redemption Date in the case of a Disruption Event giving rise to the Maturity Disruption Event) the Intermediate and/or Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate or Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate and/or Optional Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate and/or Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate and/or Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (ii) in respect of the redemption of Notes whose Intermediate Amount and/or Optional Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Payment Amount**), pay (a) on the Maturity Date an amount per Note equal to the Minimum Payment Amount and (b) on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event that gives rise to the Maturity Disruption Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to Intermediate Payment Date and/or the Optional Redemption Date in the case of a Disruption Event giving rise to the Maturity Disruption Event) the Intermediate and/or Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate or Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate and/or Optional Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation**

**Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate and/or Optional or Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate and/or Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero,

and/or,

- (b) in respect of the Final Redemption Amount,
  - (i) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating (pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the last Valuation Date) the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
  - (ii) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay (a) on the Maturity Date an amount per Note equal to the Minimum Redemption Amount and (b) on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating (pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the last Valuation Date) the Hypothetical

Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

- D. If the Full Liquidation Date has not occurred, at the latest on the fourth Business Day preceding the Postponed Scheduled Maturity Date, as determined by the Calculation Agent, the amount paid by the Issuer on the Postponed Scheduled Maturity Date pursuant to (B) or (C) above, shall be determined by the Calculation Agent on the basis of (a) the net positive cash amount that a Hypothetical Investor would be left with on such fourth Business Day preceding the Postponed Scheduled Maturity Date as a result of liquidating (pursuant to the provisions above) the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such the Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the fourth Business Day preceding the Postponed Scheduled Maturity Date, is a **Calculation Amount** for the purposes of this provision), for the avoidance of doubt, the liquidation proceeds of any assets held by the Hypothetical Investor under its Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

### **PART 3 - CALCULATIONS - PHYSICAL DELIVERY**

#### **I. CALCULATIONS – CALCULATION AGENT**

- A. Unless otherwise specified in the applicable Final Terms, and in respect of Notes to which this Fund Technical Annex applies, the Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Physical Delivery Amount and/or the Early Redemption Amount shall be Société Générale of 17 cours Valmy F 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
- B. Following the occurrence of an event giving rise to an Adjustment which is substantial in the opinion of the Calculation Agent or of an Extraordinary Event affecting an Underlying, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 12 of the Terms and Conditions of the relevant adjustment made or decision taken by the Calculation Agent. Details of such

adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

## II. PHYSICAL DELIVERY NOTES

- A. Unless otherwise specified in the applicable Final Terms, the Underlying used to determine the Physical Delivery Amount will be the Underlying(s) specified in the applicable Final Terms.
- B. When the settlement of a Physical Delivery Note is by way of physical delivery, the delivery will be made through Clearstream, Luxembourg or Euroclear or other relevant clearance institution (a **Clearing System**). The Transfer Notice will be delivered using the transfer procedures currently utilised by the relevant Clearing System. A Noteholder's entitlement to any Physical Delivery Amount will be evidenced by the Noteholder's account balance appearing on the records of the relevant Clearing System.
- C. Additional terms applicable to the settlement of the Physical Delivery Amount:
- (a) The Physical Delivery Amount will be determined subject to the provisions in Part 1 and Part 2 (above) of this Fund Technical Annex, relating to Adjustments and Market Disruption Event. If as a result of an adjustment or otherwise, the number of Underlyings to be delivered is not a whole number, any fraction thereof will be payable in cash, on the basis of the value of such Underlying, converted, as the case may be, into the Specified Currency at the current exchange rate.
  - (b) In addition, if a Settlement Disruption Event does prevent delivery of the Physical Delivery Amount on the Maturity Date, then, such delivery shall occur on the first succeeding day on which delivery of the Physical Delivery Amount can take place through the relevant Clearing System (the **Settlement Date**) unless a Settlement Disruption Event prevents delivery for a period of 20 Clearing System Days immediately following the original date that would have been the Settlement Date (the **Delivery Period**). In that latter case, the Issuer shall, in lieu of delivering the Physical Delivery Amount, pay, in respect of each Note, the fair market value of the number of Underlying(s) to be delivered (the **Fair Market Value**) converted into the Specified Currency at the current exchange rate, if applicable. The Fair Market Value will be determined by the Calculation Agent on the basis of the market conditions on the first Business Day following the Delivery Period.
  - (c) If a dividend is paid in respect of the Underlying from and including the Valuation Date to and, as the case may be, (a) excluding the Delivery Date or (b) including, in the event of a Settlement Disruption Event, the date on which the Fair Market Value is calculated, then, the net dividend amount relating to the number of Underlying(s) to be delivered per Note (excluding any related tax credit) converted into the Specified Currency at the current exchange rate, if applicable, will be paid in cash to the Noteholders as soon as practicable, unless otherwise specified in the applicable Final Terms.
  - (d) All stamp duties, or other similar taxes and/or duties, in respect of physical delivery of Underlyings shall be borne by the Noteholders.
- D. As used in this paragraph:

**Clearing System Day** means, in respect of a Clearing System, any day on which such Clearing System is open for the acceptance and execution of settlement instructions.

**Delivery Date** means, as the case may be, (a) the Maturity Date or (b) in the event of a Settlement Disruption Event, the Settlement Date (as defined above).

**Settlement Disruption Event** means any event beyond the control of the Issuer as a result of which the relevant Clearing System cannot clear the transfer of the Physical Delivery Amount.

## C) COMMODITIES TECHNICAL ANNEX

In the case of Italian Certificates, all references in this Commodities Technical Annex to “Notes”, “Noteholders”, “Maturity Date”, “Early Redemption Amount” and “Final Redemption Amount” shall be deemed to be references to “Italian Certificates”, “Holders”, “Final Exercise Date”, “Early Exercise Amount”, and “Final Exercise Amount”, respectively.

### PART 1 – DEFINITIONS

#### I. COMMODITY REFERENCE PRICES

**Commodity Reference Price** means any of (a) the prices specified for the relevant Commodity below, (b) the Closing Price for the relevant Index specified in the applicable Final Terms or (c) any other price specified in the applicable Final Terms:

**AL** for a date means the settlement price per tonne of high grade *primary aluminium* at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**BL** for a date means the settlement price per barrel of the Brent blend crude oil on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the ICE for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CC** for a date means the settlement price per metric tonne of Cocoa Bean on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the ICE for that date (available on page "CCc1" for a First Nearby Month Futures Contract and "CCc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CL** for a date means the settlement price per barrel of the West Texas Intermediate light sweet crude oil on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms) stated in USD, as determined and made public by the NYMEX for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CO** for a date means the settlement price per bushel of No.2 Yellow Corn on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the CBOT for that date (available on page "Cc1" for a First Nearby Month Futures Contract and "Cc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CT** for a date means the settlement price per pound of Cotton No.2 on the ICE of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page "CTc1" for a First Nearby Month Futures Contract and "CTc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CU** for a date means the settlement price per tonne of copper Grade A at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final

Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**DA** for a date means the settlement price per 100 pounds of Class III Milk on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the CME for that date (available on page "DAc1" for a First Nearby Month Futures Contract and "DAc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**EU2** for a date means the settlement price per emissions allowance (such emissions allowance being an entitlement to emit one tonne of carbon dioxide equivalent gas) on the ICE of the ICE ECX CFI December Futures Contract which first expires on or following that date (unless otherwise provided for in the applicable Final Terms), stated in EUR, as determined and made public by the ICE for that date (available on page "0#CFI: " of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**FC** for a date means the settlement price per pound of Feeder Cattle on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page "FCc1" for a First Nearby Month Futures Contract and "FCc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**GL** for a date means the settlement price per metric ton of the gas oil on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the ICE for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**GO** for a date, means the afternoon (unless otherwise provided for in the applicable Final Terms) Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in USD, as determined and made public by the London Gold Market for that date (available on page "GOFO" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**HO** for a date means the settlement price per US Gallon of the heating oil on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**KC** for a date means the settlement price per pound of Arabica Coffee on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page "KCc1" for a First Nearby Month Futures Contract and "KCc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**KW** for a date means the settlement price per bushel of Hard Red Winter Wheat on the KBOT of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the KBOT for that date (available on page "KWc1" for a First Nearby Month Futures Contract and "KWc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**LC** for a date means the settlement price per pound of Live Cattle on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page "LCc1" for a First Nearby Month Futures Contract and "LCc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**LH** for a date means the settlement price per pound of Lean Hogs on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page "LHc1" for a First Nearby Month Futures Contract and "LHc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**NG** for a date means the settlement price per MMBTU of natural gas on the NYMEX of the Henry Hub Natural Gas of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page "SETNGS" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**NI** for a date means the settlement price per tonne of Primary Nickel at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Rates and on the relevant page of the Bloomberg terminal).

**OJ** for a date means the settlement price per pound of Frozen Concentrated Orange Juice on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page "OJc1" for a First Nearby Month Futures Contract and "OJc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal)

**PB** for a date means the settlement price per tonne of the Standard Lead at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**PD** for a date, means the afternoon (unless otherwise provided for in the applicable Final Terms) Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in USD, as determined and made public by the LPPM for that date (available on page "STBL" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**PT** for a date means the afternoon (unless otherwise provided for in the applicable Final Terms) Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in USD, as determined and made public by the LPPM for that date (available on page "STBL" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**RB** for a date means the settlement price per US Gallon of the reformulated gasoline blendstock for oxygen blending on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SB** for a date means the settlement price per pound of Sugar #11 on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the ICE for that date (available on page "SBc1" for a First Nearby Month Futures Contract and "SBc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SI** for a date means the Silver fixing price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. cents, as determined and made public by the London Silver Market for that date (available on page "SIFO" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SM** for a date means the settlement price per metric ton of Soybean Meal on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the CBOT for that date (available on page "SMc1" for a First Nearby Month Futures Contract and "SMc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SO** for a date means the settlement price per bushel of Soybean on the CBOT of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the CBOT for that date (available on page "Sc1" for a First Nearby Month Futures Contract and "Sc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**WH** for a date means the settlement price per bushel of deliverable grade wheat on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CBOT for that date (available on page "Wc1" for a First Nearby Month Futures Contract and "Wc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**ZN** for a date means the settlement price per tonne of Special High Grade Zinc at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Rates Service and on the relevant page of the Bloomberg terminal).

## II. PRICE SOURCES

**Price Source** means, with respect to a Commodity Reference Price, the Exchange, Index Sponsor or other entity, as specified in the definition of that Commodity Reference Price as the entity which determines and makes public the relevant price.

**APX** means the Amsterdam Power Exchange N.V. or its successor.

**CBOT** means the Chicago Board of Trade or its successor.

**CME** means the Chicago Mercantile Exchange or its successor.

**COMEX** means the Commodity Exchange Inc., New York or its successor.

**ICE** or **Futures ICE** means the Intercontinental Exchange, Inc. or its successor.

**KBOT** means the Kansas City Board of Trade or its successor.

**LBMA** means the London Bullion Market Association or its successor.

**LME** means the London Metal Exchange Limited or its successor.

**London Gold Market** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Gold.

**London Silver Market** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Silver.

**LPPM** means the London Platinum and Palladium Market or its successor.

**NORDPOOL** means the Nord Pool ASA (The Nordic Power Exchange) or its successor.

**NYMEX** means the New York Mercantile Exchange or its successor.

**OMLX** means the OM London Exchange Ltd. or its successor.

**SIMEX** means the Singapore International Monetary Exchange, Inc. or its successor.

### III. OTHER DEFINITIONS

**Barrier Level** means the level specified as such in the applicable Final Terms.

**Barrier Date** means a date with respect to which the Calculation Agent determines whether a Barrier Level is reached or any other condition has occurred, and which includes each date specified as such in the applicable Final Terms. If a date is specified in the applicable Final Terms as both a Barrier Date and a Valuation Date, it will be considered as a Valuation Date. With respect to a Commodity, Barrier Date is subject to Commodity Business Day Adjustment. With respect to an Index, Barrier Date is subject to Index Business Day Adjustment. Unless otherwise specified in the applicable Final Terms, Common Commodity Business Day or Common Index Business Day, as relevant, is applicable to Barrier Dates.

**Basket** means a basket of Commodities specified in the applicable Final Terms.

**Business Day** means a "Business Day" as defined in Condition 3 of the Terms and Conditions, as relevant, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** for a date means, with respect to an Index, the closing level of the Index determined and made public by the Index Sponsor for that date.

**Commodity** means any of the commodities referenced in the relevant Commodity Reference Price, commodities comprised in an Index or any Underlying Index, if applicable or any commodity otherwise specified in the applicable Final Terms.

**Commodity Business Day** means (a) when the Commodity Reference Price is a price determined and made public by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a scheduled trading day on that Exchange and, (b) when the Commodity Reference Price is not a price determined and made public by an Exchange, a day with respect to which the relevant Price Source is scheduled to make public a price.

**Common Commodity Business Day** means, with respect to a Barrier Date, a day which is a Commodity Business Day with respect to all Commodity Reference Prices specified in the applicable Final Terms.

**Common Index Business Day** means, with respect to a Barrier Date, a day which is an Index Business Day with respect to all Indices specified in the applicable Final Terms.

**Commodity Intraday Price** means, with respect to a Commodity and a day, any price at which such Commodity has been traded on the relevant Exchange at any time during that day, as determined by the Calculation Agent, such price to include the Commodity Reference Price.

**Exchange** means the exchange or principal trading market specified in the applicable Final Terms, provided that with respect to an Index, **Exchange** means the exchange or quotation system on which the commodities comprised in the Index are traded, or any successor exchange or quotation system or any substitute exchange or quotation system acceptable to the Calculation Agent, in particular by reason of comparable liquidity relative to the relevant Commodities.

**Final Valuation Date** means the date specified as such in the applicable Final Terms.

**Futures Contract** means, with respect to a Commodity Reference Price and a Valuation Date or a Barrier Date, a standardised contract, traded on the Exchange referenced in that Commodity Reference Price, for future delivery of a contract size of the Commodity referenced in that Commodity Reference Price, as specified in the applicable Final Terms, provided that, (a) if a particular date or month is specified in the applicable Final Terms, the relevant Futures Contract will be the Futures Contract providing for delivery on that date or month, (b) if First Nearby Month, Second Nearby Month etc. is specified in the Final Terms, the relevant Futures Contract will be respectively the first Futures Contract, the second Futures Contract etc. to expire on the relevant Valuation Date or Barrier Date.

**Gold Intraday Price** means the Gold Intraday Price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in USD, for that date available on page "XAU=EBS" (or any succeeding page) of the Reuters Monitor Money Rates Service (or any succeeding page).

**Index** means the index on commodities specified in the applicable Final Terms.

**Index Business Day** means, with respect to an Index, any day (a) on which the Index Sponsor and the Underlying Index Sponsor are scheduled to determine and make public the Closing Price of the Index and Underlying Index, as applicable, on the relevant Index Sponsor's and Underlying Index Sponsor's website and (b) which is a trading day on the relevant Exchange for all Relevant Futures Contracts.

**Index Sponsor** means the corporation or other entity as specified in the applicable Final Terms which (a) is responsible for establishing and reviewing the rules, procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) makes public (directly or through an agent) the level of the relevant Index on a regular basis.

**Index Disruption Event** means, with respect to an Index, any of the following events:

- A. the failure by the Index Sponsor to make public the Closing Price on the relevant Index Sponsor's website or, with respect to a Barrier Date, the failure of the Index Sponsor to make public the Closing Price by 8:30 am New York time on the next following London and/or New York Business Day, as applicable.
- B. the failure by the Underlying Index Sponsor to make public the Closing Price of the Underlying Index on the relevant Underlying Index Sponsor's website.
- C. the failure by the relevant Exchange to determine or make public the settlement price for a Relevant Futures Contract, provided however that this Index Disruption Event shall not apply to a Barrier Date.
- D. the material suspension of trading (**Trading Suspension**) or the material limitation imposed on trading (**Trading Limitation**) (whether by reason of movements in price reaching limits established by the relevant Exchange within which the price of the relevant Futures Contract may fluctuate (**Limit Price**) or otherwise) in the Relevant Futures Contract on the relevant

Exchange; provided however that, with respect to Barrier Dates only, the settlement price reaching the upper or lower limit of the Limit Price for a Relevant Futures Contract will not be considered as an Index Disruption Event.

**Initial Valuation Date** means the date specified as such in the applicable Final Terms.

**Market Disruption Event** means, with respect to a Commodity, any event that, in the reasonable opinion of the Calculation Agent, disrupts or impairs the determination of the price of such Commodity for a Valuation Date or a Barrier Date, as relevant, and includes, without limitation:

- A. the failure by the relevant Price Source to make public the relevant price for a Valuation Date or, with respect to a Barrier Date, the failure of such relevant Price Source to make public the relevant price by 8:30 am New York time on the next following London and/or New York Business Day, as applicable, or the temporary or permanent discontinuance or unavailability of the Price Source.
- B. the Trading Suspension or the Trading Limitation (whether by reason of movements in price reaching the limits of the Limit Price or otherwise) in the relevant Commodity on the relevant Exchange; provided however that, with respect to Barrier Dates only, the settlement price reaching the upper or lower limit of the Limit Price will not be considered as a Market Disruption Event.

The occurrence of a Market Disruption Event is determined by the Calculation Agent in good faith.

**MMBTU** means one million British thermal units.

**Observation Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks are open for business either in London or in New York.

**Observation Barrier Period** means, unless otherwise specified in the applicable Final Terms, the period from and including the first Valuation Date to and including the last Valuation Date.

**Relevant Futures Contract** means each futures contract comprised in the Index or in the Underlying Index.

**Roll Adjustment** means any of the following roll rules:

**Roll Adjustment 1:** For a Valuation Date falling on a day which is the last trade date of the First Nearby Month Futures Contract, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

**Roll Adjustment 2:** For a Valuation Date falling after a day which is the standard (last) expiration date of the First Nearby Month Futures option contract, traded on the Exchange referred to in the relevant Commodity Reference Price, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

**Roll Adjustment 3:** For a Valuation Date falling on or after the first notice date of the First Nearby Month Futures Contract traded on the Exchange referred to in the relevant Commodity Reference Price, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

**Silver Intraday Price:** means the Silver Intraday Price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in USD, for that date available on page "XAG=EBS" of the Reuters Monitor Money Rates Service (or any succeeding page).

**Strike Price** means the price specified as such in the applicable Final Terms.

**Underlying Index** means each index comprised in an Index.

**Underlying Index Sponsor** means the corporation or other entity as specified in the applicable Final Terms which (a) is responsible for establishing and reviewing the rules, procedures and the methods of calculation and adjustments, if any, related to the relevant Underlying Index and (b) makes public (directly or through an agent) the level of the relevant Underlying Index on a regular basis.

**Valuation Date** means a date with respect to which a Commodity Reference Price is determined and includes the Initial Valuation Date and the Final Valuation Date, as the case may be, and/or each date specified as such in the applicable Final Terms. With respect to a Commodity, Valuation Date is subject to Commodity Business Day Adjustment. With respect to an Index, Valuation Date is subject to Index Business Day Adjustment. Unless otherwise specified in the applicable Final Terms, neither Common Commodity Business Day nor Common Index Business Day, as relevant, is applicable to Valuation Dates.

## **PART 2 – PROVISIONS APPLICABLE TO COMMODITIES (OTHER THAN INDICES)**

### **I. COMMODITY BUSINESS DAY ADJUSTMENT**

- A. If a Valuation Date is not a Commodity Business Day with respect to a Commodity Reference Price, then the Valuation Date for such Commodity Reference Price shall be postponed to the next day which is a Commodity Business Day with respect to such Commodity Reference Price, subject to valuation deadline provisions in C below.
- B. If a Barrier Date is not a Common Commodity Business Day, then such Barrier Date shall be postponed to the next day which is a Common Commodity Business Day, subject to determination deadline provisions in C below.
- C. Notwithstanding the foregoing, a Valuation Date or a Barrier Date shall occur not later than the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date or Barrier Date, as the case may be. Such fourth Business Day shall be deemed to be the Valuation Date or Barrier Date, as relevant, and the Calculation Agent shall determine in good faith the fair market value of the Commodity or Commodities for which that fourth Business Day is not a Commodity Business Day.

### **II. CONSEQUENCES OF MARKET DISRUPTION EVENTS**

- A. If a Market Disruption Event occurs or is continuing with respect to a Commodity Reference Price on a Valuation Date, then the price of such Commodity with respect to such Valuation Date will be:
  - (a) the Commodity Reference Price for such Valuation Date published by the relevant Exchange on the next Commodity Business Day on which there is no Market Disruption Event (the **Determination Day**), provided that such Determination Day shall fall within a period of five Observation Business Days from and including such Valuation Date.
  - (b) If the Commodity Reference Price is not determined as per paragraph (a) above or is a Limit Price, the Commodity Reference Price published by the relevant Exchange for the next Commodity Business Day on which there is no Trading Limitation or Trading Suspension, provided that such Determination Day shall fall within a period of five Observation Business Days from and including the relevant Valuation Date.

The determination of the Commodity Reference Price in (a) and (b) above is subject to determination deadline provisions in B below.

(c) If there is no Determination Day within a period of five Observation Business Days following the Valuation Date, then the prices for such Valuation Date shall be determined, in good faith, by the Calculation Agent on such fifth Observation Business Day, using:

(i) with respect to the Commodity or Commodities which are not affected by a Market Disruption Event on the fifth Observation Business Day, the relevant Commodity Reference Price for that fifth Observation Business Day and

(ii) with respect to the Commodity or Commodities which are affected by a Market Disruption Event on the fifth Observation Business Day, the fair market value of such Commodity or Commodities.

B. Notwithstanding the foregoing, the prices for a Valuation Date shall be determined by the Calculation Agent at the latest on the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date. This Part 2-II shall not apply to a Barrier Date.

### **III. CONSEQUENCES OF EXTRAORDINARY EVENTS AFFECTING THE COMMODITIES OR COMMODITY REFERENCE PRICES**

If, in the determination of the Calculation Agent:

A. the relevant Commodity Reference Price disappears or permanently discontinues or otherwise becomes unavailable; or

B. at any time following the first Valuation Date, a material change in the formula or the calculation method for the relevant Commodity Reference Price occurs; or

C. at any time following the first Valuation Date, a material change in the content, the composition or the constitution of the relevant Commodity occurs,

then the Calculation Agent will be entitled to either:

Y. determine in good faith the fair market value of the relevant Commodity for the relevant Valuation Date or Barrier Date; or

Z. replace, to the extent possible, the affected Commodity Reference Price with a similar price.

If the Calculation Agent does not make a determination in accordance with Y above and if in the determination of the Calculation Agent, no price meets the criteria to be an appropriate replacement price in accordance with Z above, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

### **IV. CONSEQUENCES OF ADJUSTMENT EVENTS AFFECTING THE COMMODITY REFERENCE PRICE**

If a Commodity Reference Price made public on the relevant Price Source's page and utilised in any calculation or determination made under the Notes is subsequently corrected and the correction is made available to the public on the relevant Price Source's page after the original publication but no later than four Commodity Business Days or Index Business Days, as applicable, prior to the Maturity Date or any payment date(s) (as set out in the applicable Final Terms), the Calculation Agent will determine in its sole discretion whether adjustments to the terms of the Notes are necessary to account for such correction. Any adjustment resulting from such correction shall be made in the Calculation Agent's sole discretion.

### **PART 3 - PROVISIONS APPLICABLE TO INDICES ON COMMODITIES**

#### **I. INDEX BUSINESS DAY ADJUSTMENT**

- A. If a Valuation Date is not an Index Business Day with respect to an Index, then the Valuation Date for such Index shall be postponed to the next day which is an Index Business Day with respect to such Index, subject to valuation deadline provisions in C below.
- B. If a Barrier Date is not a Common Index Business Day, then such Barrier Date shall be postponed to the next day which is a Common Index Business Day, subject to determination deadline provisions in C below.
- C. Notwithstanding the foregoing, a Valuation Date or a Barrier Date shall occur not later than the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date or Barrier Date; as the case may be. Such fourth Business Day shall be deemed to be the Valuation Date or Barrier Date, as relevant, and the Calculation Agent shall determine in good faith the fair market level of the Index or Indices for which that fourth Business Day is not an Index Business Day.

#### **II. CONSEQUENCES OF INDEX DISRUPTION EVENTS**

- A. If a Valuation Date specified in the Final Terms is subject to an Index Disruption Event for an Index and any Underlying Index, as applicable, the level of such Index or Underlying Index shall be determined by the Calculation Agent in good faith in accordance with the formula and calculation method for that Index and Underlying Index, as applicable, last in effect prior to the occurrence of the first Index Disruption Event (subject to determination deadline provisions in B below), using:
- (a) with respect to each commodity comprised in the Index or any Underlying Index for which no Relevant Futures Contract is affected by an Index Disruption Event, its settlement price as determined and made public by the relevant Exchange for the Valuation Date; and
  - (b) with respect to each commodity comprised in the Index or any Underlying Index for which one or more Relevant Futures Contract(s) is affected by an Index Disruption Event:
    - (i) the settlement price of Relevant Futures Contracts related to such commodity as determined and made public by the relevant Exchange on the Valuation Date or retrospectively within five Observation Business Days from and including the relevant Valuation Date;
    - (ii) if the settlement price is not determined as per (i) above or is a Limit Price, the settlement price of all Relevant Futures Contract related to such commodity published by the relevant Exchange for the next Commodity Business Day with respect to all Relevant Futures Contracts and on which the Index Disruption Event ceases to exist; or
    - (iii) if the settlement price of one or more Relevant Futures Contract(s) is not determined as per (i) or (ii) above, the fair market value of all Relevant Futures Contracts on that fifth Observation Business Day.
- B. Notwithstanding the foregoing, the date on which the value of a Commodity comprised in the Index and the level of Index are determined shall occur not later than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such date.

### III. CONSEQUENCES OF EXTRAORDINARY EVENTS AND ADJUSTMENTS TO INDICES

A. If an Index is:

- (a) not calculated and made public by the relevant Index Sponsor but is calculated and made public by a relevant successor sponsor (the **Successor Sponsor**) acceptable to the Calculation Agent, or
- (b) 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 the Index will be deemed to be the index so calculated and made public by the relevant Successor Sponsor or that successor index (as the case may be).

B. If, in the determination of the Calculation Agent:

- (a) the relevant Index Sponsor (or if applicable the Successor Sponsor) makes a material change in the formula of an Index or in any other way materially modifies an Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in commodities comprised in the Index and capitalisation and other routine events), or
- (b) the Index Sponsor (or, if applicable, the Successor Sponsor) permanently cancels an Index and no successor index exists;

then the Calculation Agent will be entitled to either:

- Y. determine the level of that Index for the relevant Valuation Date or Barrier Date in accordance with the formula and calculation method for that Index last in effect prior to that change, failure or cancellation. The Index so calculated will be used in lieu of the Closing Price made public by the Index Sponsor for the determination of an amount to be paid under the Notes or to determine whether a condition, if any, has occurred or not, or
- Z. replace the Index with a new index to the extent possible, representative of the similar type of commodities comprised in the Index and traded on one or more Exchange(s).

If the Calculation Agent does not make a calculation in accordance with (Y) above and if, in the determination of the Calculation Agent, no index meets the criteria to be an appropriate replacement index in accordance with (Z) above, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

### PART 4 - HEDGING DISRUPTION, CHANGE IN LAW AND CONSEQUENCES THEREOF

**Change in Law** means, with respect to Notes that have one or more Commodity(ies) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Notes, due to:

- A. the adoption of, or any change in, any applicable law (including without limitation, any Commodity Futures Trading Commission or tax law) or any regulation, rule or procedure of any exchange or principal trading market on which a Commodity or any component thereof is traded (together the **Applicable Regulation**); or

- B. the promulgation of, or any change in the published interpretation by any court, tribunal or regulatory authority with competent jurisdiction or supervisory duty, of any Applicable Regulation (including any action taken by a taxing authority),

the Calculation Agent determines in good faith that:

- Y. it has become illegal or contrary to any Applicable Regulation for Societe Generale or one of its affiliates to (a) hold, acquire or dispose of any Hedge Position (as defined below) or (b) maintain the agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes or to perform its obligations or exercise its rights thereunder; or
- Z. Societe Generale or one of its affiliates incurs or there is a substantial likelihood that Societe Generale or one of its affiliates will incur increased costs, fees or charges in (a) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any Hedge Position or (b) maintaining any agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes or performing its obligations thereunder.

**Hedging Disruption** means, with respect to Notes that have one or more Commodity(ies) or one or more Index(ices) as Underlying(s), that, as determined in good faith by the Calculation Agent, Societe Generale or one of its affiliates is unable, after using commercially reasonable efforts, to either:

- A. acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Position; or
- B. freely realise, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Position or any agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes.

For the purpose hereof, **Hedge Position** means one or more position(s) in or contract(s) related to commodities, over-the-counter or exchange-traded commodity derivative transactions, foreign exchange transactions or other instruments or arrangements (howsoever described) necessary to hedge, individually or on a portfolio basis or otherwise, the risks of Societe Generale or one of its affiliates of (a) issuing and performing any of the obligations with respect to the Notes or (b) entering into and performing the obligations under the agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes.

Upon the occurrence, as determined by the Calculation Agent in good faith, of a Hedging Disruption or a Change in Law (the relevant Commodity(ies) as Underlying being the **Affected Underlying**), the Calculation Agent may:

- X. consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). In that case, where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount based on the Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- Y. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector.

**PART 5 - CALCULATIONS BY THE CALCULATION AGENT**

- A. Unless otherwise specified in the applicable Final Terms, and with respect to Notes to which this Commodities Technical Annex applies, the Calculation Agent responsible for determining the Commodity Reference Price and calculating the Rate of Interest, the Final Redemption Amount, interest payable and the Early Redemption Amount shall be Societe Generale of 17 cours Valmy F 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
  
- B. Following the occurrence of an event giving rise to an adjustment which is substantial in the opinion of the Calculation Agent or of an extraordinary event affecting an Underlying in respect of this Commodities Technical Annex, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders, pursuant to the provisions of Condition 12 in respect of the Terms and Conditions, of the relevant adjustment made or decision taken by the Calculation Agent. Details of such adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

## D) CREDIT TECHNICAL ANNEX

Capitalised terms used but not defined in this Part 1 shall have the meanings given to them in Part 2 of this Credit Technical Annex save to the extent it is supplemented or modified in the applicable Final Terms.

In the case of Italian Certificates, all references in this Commodities Technical Annex to “Notes”, “Noteholders”, “Maturity Date”, “Scheduled Maturity Date”, “Early Redemption Amount” and “Final Redemption Amount” shall be deemed to be references to “Italian Certificates”, “Holders”, “Final Exercise Date”, “Scheduled Final Exercise Date”, “Early Exercise Amount”, and “Final Exercise Amount”, respectively.

### PART 1 – CREDIT EVENT PROVISIONS

#### I. PHYSICAL SETTLEMENT

***If the Notes are Single Name Notes or First-to-Default Notes and the Settlement Method specified in the related Final Terms is Physical Settlement***

##### 1. Physical Settlement

- 1.1 If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable, a Notice of Publicly Available Information are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders’ information, then (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, Deliver or procure Delivery of the Physical Delivery Amount to the Noteholders during the Physical Settlement Period, subject to the next following paragraph and the cash settlement provisions hereafter and (ii) the Interest Period(s) and/or the Interest Calculation Amount shall be specified in Section III below.

The Delivery of the Specified Deliverable Obligations (or the payment of the Cash Redemption Amount as the case may be) is subject to the prior delivery by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders’ information, of a Notice of Physical Settlement between the Credit Event Determination Date and the Latest Notification Date (both dates inclusive).

- 1.2 Following the occurrence of a Credit Event with respect to a Reference Entity, the Issuer has sole and absolute discretion to select the Specified Deliverable Obligations.
- 1.3 The Issuer will not necessarily Deliver all the Specified Deliverable Obligations on the same date, and may Deliver Specified Deliverable Obligations to different Noteholders on different dates or to the same Noteholder on different dates.
- 1.4 The Issuer is not obliged to Deliver the same type and proportion of Deliverable Obligations to each Noteholder and a Noteholder may receive various types of Deliverable Obligations.
- 1.5 If any or all of the Specified Deliverable Obligations are not eligible for clearance by the Relevant Clearing System, then the Issuer may, at its discretion but upon prior notice to the Noteholders, arrange:
- (i) Delivery of those Specified Deliverable Obligations, if any, that are eligible for clearance by the Relevant Clearing System in the Relevant Clearing System and Delivery of those Specified Deliverable Obligations that are not eligible for clearance by the Relevant Clearing System outside the Relevant Clearing System; or

- (ii) Delivery of all the Specified Deliverable Obligations (whether or not those Specified Deliverable Obligations are eligible for clearance) outside the Relevant Clearing System.

The Relevant Clearing System will then be instructed to block and, upon confirmation by the Issuer that delivery has taken place, cancel the Noteholders' positions in its books and the Agent in turn will cancel the outstanding Notes. If Delivery is to take place outside the Relevant Clearing System, the Issuer must receive the relevant Noteholders' transfer instructions in terms that are satisfactory to the Issuer sufficiently before the Latest Permissible Physical Settlement Date to allow for physical settlement, otherwise the cash settlement provisions set out below will apply.

## **2. Cash Settlement**

- 2.1** If, on the Latest Permissible Physical Settlement Date, the Calculation Agent (acting on behalf of the Issuer) determines that it is Illegal or Impossible for the Issuer to Deliver all or part of the Specified Deliverable Obligations to all or some of the Noteholders or if the Issuer does not receive transfer instructions as described in the last sentence of clause 1.5 above, then the Calculation Agent will calculate in respect of such part of the Specified Deliverable Obligations which are Undeliverable Obligations a Cash Redemption Amount and the Issuer will, on the Cash Redemption Date, pay or procure payment of a Cash Redemption Amount to the relevant Noteholders in final and full satisfaction of its obligations in respect of the Undeliverable Obligations.
- 2.2** The Issuer must notify the relevant Noteholders through the Relevant Clearing System that there are Undeliverable Obligations and the reasons why it is Illegal or Impossible to Deliver such Specified Deliverable Obligations.
- 2.3** If, before the Latest Permissible Physical Settlement Date, the Calculation Agent determines that the Delivery of all of the Specified Deliverable Obligations is Illegal or Impossible; and it deems in good faith that such Delivery is to remain Illegal or Impossible until the Latest Permissible Physical Settlement Date, then the Calculation Agent may give notice thereof to the Relevant Clearing System for the attention of the Noteholders. The Credit Valuation Date will then be the date that is two Business Days after the date on which the Calculation Agent delivers such notice to the Relevant Clearing System, and the Issuer will pay the Noteholders a Cash Redemption Amount on the Cash Redemption Date in full and final satisfaction of its obligations in respect of the Undeliverable Obligations.
- 2.4** If Delivery is partially Illegal or Impossible, the Issuer may, for each Noteholder, Deliver Specified Deliverable Obligations and pay a Cash Redemption Amount. The Issuer is not obliged to ensure that each Noteholder receives the same type and proportion of Deliverable Obligations and the same proportion of Deliverable Obligations and Cash Redemption Amount as each other Noteholder.
- 2.5** If clause 2.1 or clause 2.3 of this Part 1 applies, the Issuer may arrange that all settlements hereunder be made outside the Relevant Clearing System in the manner described in clause 1.5 above provided that the Issuer receives transfer instructions in terms that are satisfactory to the Issuer to allow for such settlements.
- 2.6** The Calculation Agent will inform the Noteholders via the Relevant Clearing System of the Cash Redemption Amount by sending a Final Valuation Notice.

## II. CASH SETTLEMENT

### ***If the Settlement Method specified in the related Final Terms is Cash Settlement:***

1. If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable, a Notice of Publicly Available Information are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Noteholders, then (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, pay or procure payment of the Cash Redemption Amount on the Cash Redemption Date (subject as specified in clause 2 below) and (ii) the Interest Period(s) and or the Interest Calculation Amount shall be specified in Section III below. The Selected Obligations, the Cash Redemption Amount and the Cash Redemption Date shall be notified to the Noteholders in the Final Valuation Notice on the Final Valuation Notice Receipt Date.
2. In the case of Basket Notes or Tranche Notes, if an Unsettled Credit Event has occurred, a Preliminary Cash Redemption Amount will be payable on the Scheduled Maturity Date and a Residual Cash Redemption Amount will be payable on the Maturity Date.
3. For the avoidance of doubt, under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

## III. PROVISIONS RELATING TO INTEREST

Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1.

### **1. Single Name Notes and First-to-Default Notes**

- (a) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date, and the last Interest Payment Date will be the earlier of the Interest Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.
- (b) *If (i) the Accrual of Interest upon Credit Event option specified is Accrued Interest upon Credit Event and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the earlier of the Interest Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such

Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (c) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in the case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date.
- (d) *If (i) the Accrual of Interest upon Credit Event option specified is No Accrued Interest upon Credit Event and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date.

Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Interest Payment Date shall be the Scheduled Maturity Date.

Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in the case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (e) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date, and the Interest Payment Date will be the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.
- (f) *If (i) the Accrual of Interest upon Credit Event option specified is Accrued Interest upon Credit Event, (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in*

*the related Final Terms and (iii) there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (g) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms as No Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.

*Only if European Settlement is specified in the related Final Terms:*

- (h) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Guaranteed Coupon:* The last Interest Period will end on, but exclude, the Scheduled Maturity Date and the interest shall accrue in respect of each Interest Period on the Aggregate Nominal Amount.

## **2. Basket Notes and Tranche Notes**

In the case of Basket Notes and Tranche Notes, the last (or if there is only one, the only) Interest Period will end on (but exclude) the earlier of the Maturity Date and the Scheduled Maturity Date and the Interest Calculation Amount will be as specified below.

- (a) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event:* In respect of each Interest Period, the Interest Calculation Amount will be calculated on the fourth Business Day preceding the relevant Interest Payment Date and be an amount equal to (i) the sum, for each day of such Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in such Interest Period.
- (b) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event:* In respect of each Interest Period, the Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Business Day preceding the relevant Interest Payment Date.
- (c) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Calculation Amount will be an amount, calculated on the fourth Business Day preceding the Interest Payment Date equal to (i) the sum, for each day of the Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in the Interest Period.

- (d) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Business Day preceding the Interest Payment Date.

*Only if European Settlement is specified in the related Final Terms:*

- (e) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Guaranteed Coupon:* The Interest Calculation Amount will be the Daily Interest Calculation Amount as at the Issue Date.

For the avoidance of doubt, except in the case of a Guaranteed Coupon, if a Notice of Pending Credit Event is delivered to the Noteholders, payment of interest on the Notes, or, in the case of Basket Notes or Tranche Notes, on the portion of the Interest Calculation Amount relating to the relevant Reference Entity, will be deferred until:

- (i) if a Credit Event Notice is delivered in relation to the relevant event, the Maturity Date, or in the case of Basket Notes or Tranche Notes, the Scheduled Maturity Date or the Maturity Date, as the case may be; or
- (ii) the date that is 10 Business Days following the publication of a DC No Credit Event Announcement;
- (iii) if no DC No Credit Event Announcement is published and no Credit Event Notice is delivered in relation to the relevant event, the date that is 110 Business Days following the Credit Event Resolution Request Date (all as defined in Part 2 *Definitions* below).

For the avoidance of doubt, (x) should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer may deduct from the Cash Redemption Amount or the Physical Delivery Amount, as the case may be, the amount of overpaid interest; and (y) if payment of interest is deferred following the delivery of a Notice of Pending Credit Event, no additional interest will be payable on the Suspended Amounts for the period of the deferral.

In relation to Notes which are not Single Name Notes or First-to-Default Notes or Basket Notes or Tranche Notes (all as defined in Part 2 *Definitions* below), the provisions relating to interest will be specified in the related Final Terms.

#### **IV. CREDIT EVENT NOTICE AFTER RESTRUCTURING**

Upon the occurrence of a Restructuring in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date if either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the related Final Terms:

##### **(1) Single Name Notes and First-to-Default Notes**

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

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the Partial Redemption Amount) that is less than the Nominal Amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Section I or Section II to this Part 1 shall be deemed to apply to the Partial Redemption Amount only and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount);

- (b) for the avoidance of doubt (i) the Nominal Amount of each such Note not so redeemed in part shall remain outstanding and, if applicable, interest shall accrue on the Nominal Amount outstanding of such Note as provided in the related Final Terms (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of Section I or Section II to this Part 1 shall apply to such Nominal Amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity; and
- (c) on redemption of part of each Note the relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.

For the avoidance of doubt, the outstanding Nominal Amount of each Note in respect of which no Credit Event Notice has been delivered during the Notice Delivery Period (and, if applicable, no Potential Repudiation/Moratorium or Potential Failure to Pay has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date), will be redeemed on the Scheduled Maturity Date.

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

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the “**Partial Redemption Amount**”) that is less than the Nominal Amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Section I or Section II to this Part 1 shall apply to the Partial Redemption Amount; and
- (b) for the avoidance of doubt the provisions of Section I or Section II to this Part 1 shall apply to the Nominal Amount of each Note outstanding after reduction by such Partial Redemption Amount in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity.

## **(2) Basket Notes and Tranche Notes**

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the “**Partial Restructuring Notional Amount**”) that is less than the Reference Entity Notional Amount of the relevant Reference Entity immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Section II to this Part 1 shall apply to the Partial Restructuring Notional Amount instead of the Reference Entity Notional Amount; and
- (b) for the avoidance of doubt, following such Restructuring, the provisions of this Credit Technical Annex shall apply in respect of the relevant Reference Entity with such Reference Entity's Reference Entity Notional Amount being reduced by the Partial Restructuring Notional Amount. In the event of the occurrence of further Restructurings with respect to such Reference Entity, the relevant Reference Entity Notional Amount will be further reduced by the relevant Partial Restructuring Notional Amount.

## **V. MULTIPLE SUCCESSORS**

*If the Notes are Single Name Notes and if Multiple Successor is specified as Applicable in the related Final Terms the following shall apply:*

Where, pursuant to the definition of “**Successor**” (see Part 2 of this Credit Technical Annex), more than one Successor has been identified, each such Successor (a “**Multiple Successor**”) shall be a Reference Entity for the purposes of the Conditions, but only in respect of a principal amount of each Note equal to the Nominal Amount divided by the number of Multiple Successors to such Reference

Entity (the “**Multiple Successor Notional Amount**”) as determined by the Calculation Agent. Where Multiple Successors to such Reference Entity (each, a “**Sub-Multiple Successor**”) have been identified in respect of a Reference Entity (an “**Original Multiple Successor**”) that is itself a Multiple Successor, each such Sub-Multiple Successor shall be a Reference Entity for the purposes of the Conditions, but the Multiple Successor Notional Amount in respect of a Sub-Multiple Successor shall be equal to the Multiple Successor Notional Amount in respect of such Original Multiple Successor divided by the number of Sub-Multiple Successors to such Original Multiple Successor. Following the delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information, in respect of a Multiple Successor, the Notes will not be redeemed in whole but an amount shall be deliverable or, as the case may be, payable in respect of each Note (an “**Instalment Amount**”) which amount shall be determined in the same manner, *mutatis mutandis*, as the Physical Delivery Amount or Cash Redemption Amount that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity, except that it shall be in respect of a principal amount of each Note equal to the relevant Multiple Successor Notional Amount only. The date of delivery or payment, as the case may be, of any such Instalment Amount (an “**Instalment Date**”) shall be determined in the same manner, *mutatis mutandis*, as the Physical Settlement Date or Cash Redemption Date that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity. More than one Instalment Amount may be delivered or payable on the same day in respect of different Multiple Successors, but not more than one Credit Event Notice may be delivered in relation to a single Multiple Successor unless a Restructuring occurs in relation to a Multiple Successor, in which case the provisions of Section IV of this Part 1 will apply in respect of each such Multiple Successor. Upon the determination by the Calculation Agent of the identity of Multiple Successors, the Calculation Agent shall determine the modifications required to be made to the Conditions and any other related documents, to preserve substantially the economic effect for a Noteholder of a holding of the Notes and the Issuer shall use its reasonable endeavours to effect such modifications.

*If American Settlement is specified as Applicable in the related Final Terms:*

Following delivery or payment of an Instalment Amount in respect of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each Note shall be correspondingly reduced by the proportion of such principal amount so redeemed and, if applicable, interest on each Note shall accrue on the reduced Nominal Amount of each Note from the date on which it would otherwise have ceased to accrue following delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information in relation to the original Reference Entity.

*If the Notes are Single Name Notes and if Multiple Successor is specified as Not Applicable in the related Final Terms the following provisions shall apply:*

Should more than one Successor succeed to the Reference Entity and a Credit Event occur in respect of any one of them, the Notes will be early redeemed in whole in accordance with the paragraph “Settlement Method”, as if First-to-Default was specified as Applicable in the related Final Terms.

*Section V of this Part 1 will not apply to First-to-Default Notes, Basket Notes and Tranche Notes.*

## **VI. NOTIFICATION OF POTENTIAL FAILURE TO PAY**

In the case of the occurrence of a Potential Failure to Pay, as determined by the Issuer in its sole and absolute discretion, the Issuer, or any entity acting on its behalf, shall use its reasonable endeavours to notify the Noteholders as soon as reasonably practical of such occurrence, pursuant to Condition 12 of the Terms and Conditions.

## **VII. PARTIAL REDEMPTION AND FURTHER ISSUES**

Following any partial redemption of the Notes pursuant to Condition 5 of the Terms and Conditions or any further issue pursuant to Condition 14 of the Terms and Conditions, each of the following amounts will be multiplied by the ratio of (i) the number of Notes in circulation after such partial redemption or further issue divided by (ii) the number of Notes in circulation just before such partial redemption or further issue:

- (a) for Single Name Notes and First-to-Default Notes, the Aggregate Nominal Amount;
- (b) for Basket Notes which are not Tranche Notes, (i) the Aggregate Nominal Amount, (ii) the Reference Portfolio Notional Amount and (iii) the Aggregate Loss Amount;
- (c) for Tranche Notes, (i) the Aggregate Nominal Amount, (ii) the Reference Portfolio Notional Amount, (iii) the Aggregate Loss Amount, (iv) the Tranche Notional Amount and (v) the Tranche Subordination Amount.

*Legend:*

*\*: delete if the Settlement Method specified in the related Final Terms is Physical Settlement*

*\*\* : delete if the Settlement Method specified in the related Final Terms is Cash Settlement*

## **VIII. HEDGING DISRUPTION, INCREASED COST OF HEDGING – CHANGE IN LAW AND CONSEQUENCES**

### **1 Hedging Disruption, Increased Cost of Hedging**

**Hedging Disruption** means, in respect of Notes that have one or more Reference Entity, that, as determined in good faith by the Calculation Agent, Société Générale or one of its affiliates is unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk (or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk) of entering into and performing its obligations with respect to the Notes or any agreement entered into with the Issuer of the Notes in relation to the Notes; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its affiliates in relation to the Notes.

**Increased Cost of Hedging** means, in respect of Notes that have one or more Reference Entity, that Société Générale or one of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Société Générale enters into the Hedge Positions in respect of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk of entering into and performing its obligations with respect to the Notes or any agreement entered into with the Issuer of the Notes in relation to the Notes or (b) freely realize, recover or remit the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its affiliates in relation to the Notes.

### **2 Change in Law**

**Change in Law** means in respect of Notes that have one or more Reference Entity that, on or after the first to occur of (a) the Issue Date and (b) the trade date of any Hedge Position (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Société Générale or one of its affiliates to hold, acquire or dispose of Hedge Positions (as defined in Part 1-VIII.3 below) or to maintain the agreement entered into with Société Générale or one of its affiliates by the Issuer of the Notes.

### 3 Consequences

Upon the occurrence, as determined by the Calculation Agent in good faith, on or prior to the fifth Business Day before the Maturity Date of a Hedging Disruption, an Increased Cost of Hedging or Change in Law, then the Calculation Agent may decide, either:

consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 5 of the Terms and Conditions of the Notes; or

if the Hedging Disruption, Increase Cost of Hedging and/or Change in Law is related to one or several affected Reference Entities (the **Affected Reference Entity(ies)**), replace the Affected Reference Entity(ies) by a new reference entity (or new reference entities, as relevant) which is (respectively are each) a Similar Reference Entity ; or

apply the Monetisation to the Maturity Date.

Following the occurrence of an Hedging Disruption, an Increased Cost of Hedging or Change in Law, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 12 of the Terms and Conditions of the relevant adjustment made or decision taken by the Calculation Agent. Details on any adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

### 4 Monetisation to the Maturity Date

The Issuer will no longer be liable for any payment, on the Maturity Date or any Interest Payment Date , but instead will, in full and final satisfaction of its obligations:

- A. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, with a minimum of zero, based on (a) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b) each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded) ; for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- B. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum

Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (2) the Associated Costs (the result of this difference a minus b, each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

Definitions applicable to this section:

**Associated Costs** means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Calculation Agent in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned pro rata amongst the Specified Denomination of each outstanding Note.

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

**Adjusted Calculation Amount** means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

**Compounding Date** means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

**Compounding Period** means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

**Compounding Period Amount** means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; notwithstanding this, the Compounding Rates related to the last four Compounding Periods in the Calculation Period shall be that of the fifth Compounding Period before the Maturity Date; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and

**Day Count Fraction** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360.

**Full Liquidation Date** means, the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the liabilities of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Calculation Agent.

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Calculation Agent, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the Notes.

**Relevant Spot Exchange Rate** means in respect of a date and an amount to be converted in the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency as determined by the Calculation Agent used to convert such amount on such date into the Specified Currency.

**Similar Reference Entity** means a reference entity with an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available), and to the extent possible as secondary criteria geographic and Transaction Type proximity.

For the purposes of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

## PART 2 – DEFINITIONS

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

**Accreting Obligation** means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such

additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable. With respect to any Accreting Obligation, **outstanding principal balance** means the Accreted Amount thereof.

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

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

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

**Aggregate Loss Amount** means at any time:

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

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

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

**Bankruptcy** means a Reference Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) 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;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (vii) (inclusive) of this definition of Bankruptcy.

**Basket Note** means a Credit Linked Note indexed on several Reference Entities.

**Best Available Information** means:

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

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

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

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

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

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

**Calculation Agent** means Société Générale. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer and the Noteholders in the absence of manifest error.

**Cash Redemption Amount** means:

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

In respect of each Note for which physical settlement is partially or totally Illegal or Impossible, an amount equal to the sum of each Cash Redemption Amount per Undeliverable Obligation; or

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

(i) In respect of Single Name Notes and First-to-Default Notes, an amount equal to the product of the Final Value multiplied by the Nominal Amount of each Note; or

(ii) In respect of Basket Notes and Tranche Notes, an amount equal for each Note to the Relevant Proportion of the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount as at the Maturity Date.

In relation to Notes which are not Single Name Notes or First-to-Default Notes or Basket Notes or Tranche Notes, the provisions relating to the Cash Redemption Amount will be specified in the related Final Terms.

**Cash Redemption Amount per Undeliverable Obligation** means, in respect of one Note and an Undeliverable Obligation, the product of (i) the outstanding principal balance of such Undeliverable Obligation and (ii) the final price of such Undeliverable Obligation determined in accordance with Quotation Dealers Method (save as provided below), divided by the number of Notes in respect of which there are such Undeliverable Obligation.

For the avoidance of doubt, where Illegal or Impossible means the inability to purchase the Specified Deliverable Obligations despite the Issuer's reasonable efforts, the final price of the Undeliverable Obligation will be determined in accordance with Auction Method. If no Transaction Auction Settlement Terms are published on or prior to the Credit Valuation Date, such final price will be deemed to be zero.

**Cash Redemption Date** means:

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

The day that is four Business Days following the Final Valuation Notice Receipt Date, or in relation to Basket Notes and to Tranche Notes, following the last Final Valuation Notice Receipt Date.

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

The later of (a) the Scheduled Maturity Date and (b) the day that is four Business Days following the Final Valuation Notice Receipt Date, or in the case of Basket Notes and Tranche Notes, following the last Final Valuation Notice Receipt Date.

**Conditionally Transferable Obligation** means:

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

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

Where Modified Restructuring Maturity Limitation applies and a Deliverable Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date (in which case it shall be deemed to have been refused), the cash settlement provisions described in Part 1 of this Credit Technical Annex shall apply.

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

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

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

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

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

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

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

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

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

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

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

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

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

**Credit Event Notice** means an irrevocable notice that is effective during the Notice Delivery Period delivered by or on behalf of the Issuer to the Noteholders informing the Noteholders that describes a Credit Event that occurred on or prior to the Last Credit Event Occurrence Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of a Credit Event Notice need not be continuing on the Credit Event Determination Date. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

**Credit Event Resolution Request Date** means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve (as defined in the Rules):

- (a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions (as defined in the Rules).

**Credit Valuation Date** means:

- (a) *If the Settlement Method is specified as Cash Settlement and Final Value is specified as Fixed Recovery in the related Final Terms:*

The date on which the Credit Event Notice is delivered to the Relevant Clearing System for the information of the Noteholders.

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

The date that is two Business Days after the Latest Permissible Physical Settlement Date, subject, as the case may be, to clause 2.3 of Part 1 Section I of this Credit Technical Annex. PROVIDED THAT if the Calculation Agent is unable to determine the final price of the Undeliverable Obligation on the Credit Valuation Date (the "**Original Credit Valuation Date**"), the Credit Valuation Date will be such later date, within the fifteen (15) Business Days' period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine such final price.

- (c) *If the Settlement Method is specified as Cash Settlement and Final Value is specified as Floating Recovery in the related Final Terms:*

- (i) If the Final Value is to be determined pursuant to Auction Method, the auction date or any other date specified by the relevant Transaction Auction Settlement Terms; or
- (ii) If no Transaction Auction Settlement Terms are published before 140 Business Days after the Credit Event Determination Date, or if the Final Value is to be determined pursuant to Quotation Dealers Method, the Calculation Agent will select in its own

discretion a date that is on or before the 160th Business Day following the Credit Event Determination Date (the “**Original Credit Valuation Date**”),

PROVIDED THAT if the Calculation Agent is unable to determine the Final Value at the latest on the Original Credit Valuation Date, the Credit Valuation Date will be such later date, within the fifteen Business Day period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine the Final Value,

PROVIDED FURTHER THAT under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

**Daily Interest Calculation Amount** means, in respect of any day during an Interest Period:

- (a) *If the Notes are Basket Notes (which are not Tranche Notes) Interest Recovery will be Fixed Interest Recovery unless otherwise specified in the related Final Terms:*

the sum of (a) the product of (i) the Interest Recovery Rate and (ii) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to such day and (b) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which no Credit Event Determination Date has occurred on or prior to such day.

- (b) *If the Notes are Basket Notes (which are not Tranche Notes) and if Interest Recovery is specified as Floating Interest Recovery in the related Final Terms or if the Notes are Tranche Notes where N-to-M-to-Default is specified as Not Applicable in the related Final Terms (unless Fixed Interest Recovery is specified in the related Final Terms) or where N-to-M-to-Default is specified as Applicable and Floating Interest Recovery is specified in the related Final Terms:*

an amount equal to the Aggregate Nominal Amount minus the Aggregate Loss Amount, provided that any Loss Amount that has not been determined on or before such day, shall be deemed to be equal to the relevant Reference Entity Notional Amount. The difference between the Interest that would have been payable if the Loss Amount had been determined on such date and the Interest actually paid shall be payable following the determination of such Loss Amount and paid either on the first Interest Payment Date after the fourth Business Day following the Credit Valuation Date, or if, such determination occurs after the last Interest Payment Date, on the fourth Business Day following the Credit Valuation Date.

- (c) *If the Notes are Tranche Notes and if Interest Recovery is specified as Fixed Interest Recovery in the related Final Terms or if the Notes are Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms:*

an amount equal to the Aggregate Nominal Amount minus an amount equal to the Aggregate Loss Amount that would be calculated if the Final Value for all Reference Entities in respect of which a Credit Event has occurred was deemed to be equal to the Interest Recovery Rate.

**DC No Credit Event Announcement** means with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

**Default Requirement** means, unless specified otherwise in the related Final Terms, USD 10,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event.

**Deliver** means to deliver, novate, transfer (including in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Specified Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Specified Deliverable Obligations to the relevant Noteholder or Noteholders free and clear of any and all liens, charges, claims and encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set out in subparagraphs (b)(i) to (v) of the definition of Deliverable Obligation below) or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that the Deliverable Obligations consist of Qualifying Guarantees, Deliver means to Deliver both the Qualifying Guarantee and the Underlying Obligation. **Delivery** and **Delivered** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

**Deliverable Obligation** means, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or (the provisions contained in the Definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (a) the Reference Obligation(s) (if any);
- (b) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Deliverable Obligation Category specified in the related Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the related Final Terms that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, (ii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement and (iii) is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:
  - (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Deliverable Obligations;
  - (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Deliverable Obligations, however described;
  - (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
  - (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (c) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii)

is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraphs (b)(i) to (iv) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(d) any other obligation of a Reference Entity specified as such in the related Final Terms.

(i) *If the Notes described in the related Final Terms are denominated in Euros:*

Where a Specified Deliverable Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the mean price as displayed on Reuters Page ECB37 as of London 12:00 pm on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

(ii) *If the Notes described in the related Final Terms are denominated in United States Dollars:*

Where a Specified Deliverable Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

(iii) *If the Notes described in the related Final Terms are denominated in Hong Kong Dollars:*

Where a Specified Deliverable Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

**Deliverable Obligation Category** means any one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms. In the case of Reference Obligation Only, no Deliverable Obligation Characteristics shall be applicable.

**Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Sovereign Lender, Not Domestic Law, Listed, Not Contingent,

Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Deliverable Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

**Domestic Currency** means the currency specified as such in the related Final Terms and any successor currency. If no currency is specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (or any successor currency to any such currency).

**Downstream Affiliate** means an entity, whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 percent owned, directly or indirectly, by the Reference Entity.

**Due and Payable Amount** means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the [Physical Settlement Date]\*\*[Credit Valuation Date]\*, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts). When used in connection with Qualifying Guarantees, the term Due and Payable Amount is to be interpreted to be the then Due and Payable Amount of the Underlying Obligation which is supported by a Qualifying Guarantee.

**Eligible Transferee** means each of the following:

- (i) (A) any bank or other financial institution; (B) an insurance or reinsurance company; (C) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (iii) (A) below); and (D) a registered or licensed broker or dealer (other than a natural person or proprietorship); provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- (ii) an Affiliate of an entity specified in the preceding paragraph (i);
- (iii) each of a corporation, partnership, proprietorship, organisation, trust or other entity: (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000; (B) that has total assets of at least USD 500,000,000; or (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in clauses (i), (ii), (iii) (B) or (iv) of this definition; and
- (iv) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition of Eligible Transferee to USD include equivalent amounts in other currencies.

**Enabling Obligation** means an outstanding [Deliverable]\*\* [Selected]\* Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled

Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

**Equity Securities** means (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time and (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

**Exchangeable Obligation** means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation). With respect to any Exchangeable Obligation that is not an Accreting Obligation, **outstanding principal balance** shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Exercise Cut-off Date** means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or such Credit Event is a Restructuring but neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms), either:
  - (i) the Relevant City Business Day (as defined in the Rules) prior to the Auction Final Price Determination Date (as specified in the relevant Transaction Auction Settlement Terms), if any;
  - (ii) the Relevant City Business Day prior to the Auction Cancellation Date (as specified in the relevant Transaction Auction Settlement Terms), if any; or
  - (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any; or
- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms, and:
  - (i) the relevant Credit Derivatives Determination Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the date on which ISDA publishes the Final List (as defined in the Rules) applicable to such Transaction Auction Settlement Terms in accordance with the Rules; or
  - (ii) a No Auction Announcement Date occurs, the date that is 21 calendar days following such No Auction Announcement Date.

**Extension Date** means the fourth Business Day following the Last Credit Event Occurrence Date, or, in the event of delivery of a Notice of Pending Credit Event, the date that is 110 Business Days following the Credit Event Resolution Request Date.

**Failure to Pay** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment

Requirement under one or more Obligation(s), in accordance with the terms of such Obligations at the time of such failure.

**Final Price** means, in respect of a [Selected]\* [Undeliverable]\*\*Obligation, a quotation (expressed as a percentage) of such [Selected]\* [Undeliverable]\*\* Obligation, obtained from Quotation Dealers in the manner provided below. The Calculation Agent will determine, based on the then current market practice, whether such quotations will include or exclude accrued but unpaid interest and all quotations will be obtained in accordance with this determination. The Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at approximately 11.00 a.m. London time or 11.00 a.m. New York time, as the case may be. To such end:

- (i) If the Calculation Agent obtains more than three Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations, disregarding the Full Quotations with the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (ii) If the Calculation Agent is unable to obtain more than three Full Quotations, but obtains exactly three Full Quotations on the Credit Valuation Date, the Final Price will be the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (iii) If the Calculation Agent is unable to obtain three Full Quotations, but obtains exactly two Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations.
- (iv) If the Calculation Agent is unable to obtain two Full Quotations, but obtains a Weighted Average Quotation on the Credit Valuation Date, the Final Price will be such Weighted Average Quotation.
- (v) If the Calculation Agent obtains fewer than two Full Quotations and no Weighted Average Quotation on the Credit Valuation Date, then the Final Price will be an amount as determined by the Calculation Agent on the next Business Day on which the Calculation Agent obtains two or more Full Quotations or a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the Credit Valuation Date, the Final Price will be deemed to be zero.

**Final Valuation Notice** means the notice delivered on the Final Valuation Notice Receipt Date, specifying:

- (a) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*
  - (i) except if the Final Value is specified as Fixed Recovery in the related Final Terms or if the Final Value is specified as Floating Recovery and Auction Method is applicable in the related Final Terms, the Selected Obligations (with an outstanding principal balance, excluding accrued interest, equal to the Aggregate Nominal Amount);
  - (ii) the Cash Redemption Amount; and
  - (iii) the Cash Redemption Date.
- (b) *If the Settlement Method specified in the related Final Terms is Physical Settlement and provisions of Clause 2 (Cash Settlement) of Section I apply:*

the Cash Redemption Amount per Undeliverable Obligation (if any).

**Final Valuation Notice Receipt Date** means the day (such day being expected to be no later than the 7<sup>th</sup> Business Day following the Credit Valuation Date) on which the Calculation Agent delivers the Final Valuation Notice on behalf of the Issuer to the Relevant Clearing Systems, for the information of the Noteholders.

**Final Value** means, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, either:

(a) *If Final Value is specified as Fixed Recovery in the related Final Terms:*

The percentage specified as such in the related Final Terms; or

(b) *If Final Value is specified as Floating Recovery in the related Final Terms:*

(i) If Auction Method is specified as applicable in the related Final Terms and therefore the Final Value is to be determined pursuant to a Transaction Auction Settlement Terms and if a Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date, that provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred, the Auction Final Price (as specified in the relevant Transaction Auction Settlement Terms and expressed as a percentage) determined, if any, under such Transaction Auction Settlement Terms and applicable to the status of the Reference Obligation (subordinated or senior or any other applicable status as the case may be); or

(ii) If (i) Auction Method is specified in the related Final Terms but no Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date or (ii) Quotation Dealers Method is specified in the related Final Terms, the amount determined by the Calculation Agent on the Credit Valuation Date as follows:

(y) the Final Price if there is only one Selected Obligation; or

(x) the weighted average of the Final Prices of the Selected Obligations if the latter are a portfolio,

in each case, minus the Valuation Hedging Cost for such Selected Obligation(s).

**First Credit Event Occurrence Date** is the date specified as such in the related Final Terms.

**First Ranking Interest** means a charge, security interest (or other type of interest having similar effect) (an **LPN Interest**), which is expressed as being “first ranking”, “first priority”, or similar (**First Ranking**) in the document creating such LPN Interest (notwithstanding that such LPN Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

**First-to-Default Note** means a Credit Linked Note indexed on two or more Reference Entities and in respect of which the First-to-Default Reference Entity will be treated as if it were the sole Reference Entity.

**First-to-Default Reference Entity** means the first Reference Entity in respect of which a Credit Event occurs and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, have been sent in accordance with the provisions of Part 1 of this Credit Technical Annex. If First-to-Default is specified as Applicable in the related Final Terms, the definitions of Obligation or [Deliverable Obligation]\*\* [Selected Obligation]\* shall be construed as though such definitions had been specified only with respect to the First-to-Default Reference Entity.

**Full Quotation** means each firm bid quotation obtained from a Quotation Dealer for an amount equal to the Quotation Amount. It is understood that a Full Quotation shall be based, with respect to any Accreting Obligation on the Accreted Amount thereof.

**Fully Transferable Obligation** means a [Deliverable]\*\* [Selected]\* Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any [Deliverable]\*\* [Selected]\* Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a [Deliverable]\*\* [Selected]\* Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a [Deliverable]\*\* [Selected]\* Obligation shall not be considered to be a requirement for consent for purposes of this definition.

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

**Governmental Authority** means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**Grace Period** means:

- (i) subject to paragraphs (ii) and (iii), the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if Grace Period Extension is specified as Applicable in the related Final Terms, a Potential Failure to Pay has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms)), Tokyo time)), and the applicable grace period cannot, by its terms, expire on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms)), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days or such other period specified in the related Final Terms; and
- (iii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that; unless Grace Period Extension is specified as Applicable in the related Final Terms, such deemed Grace Period shall expire no later than the Last Credit Event Occurrence Date.

**Grace Period Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

**Grace Period Extension Date** means, if (a) Grace Period Extension is specified as Applicable in the related Final Terms and (b) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean

Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

If Grace Period Extension is specified as Not Applicable in the related Final Terms, Grace Period Extension shall not apply to the Notes.

If (i) Grace Period Extension is specified as Applicable in the related Final Terms, (ii) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), and (iii) a Credit Event Determination Date in respect of that Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the date falling four Business Days after the Grace Period Extension Date will be the Maturity Date (even if a Failure to Pay occurs after the fourth Business Day immediately preceding the Scheduled Maturity Date).

**Greenwich Mean Time (GMT)** means the mean solar time at the Greenwich meridian, in Greenwich, London.

**Illegal or Impossible** means, in respect of the Delivery of any Specified Deliverable Obligations, that it is illegal or impossible for the Issuer to Deliver or for a Noteholder to take Delivery of all or part of such Specified Deliverable Obligations because of:

- (i) any legal, contractual or other restrictions or constraints affecting the Delivery of the Specified Deliverable Obligations (including, without limitation, any laws, regulations, court orders, other governmental or regulatory constraints, the specific terms or conditions of the Specified Deliverable Obligations or failure to obtain the relevant consents, including but not limited to the consent of the Reference Entity and the guarantor (if any) of the Reference Entity or the consent of the applicable borrower in the case of a Specified Deliverable Obligation guaranteed by the Reference Entity); or
- (ii) any event which is beyond the control of the Issuer (including, without limitation, failure of the Relevant Clearing System or the refusal by a Noteholder to take Delivery of any of the Specified Deliverable Obligations), or the inability to purchase the Deliverable Obligations despite the Issuer's reasonable efforts); or
- (iii) any event which is beyond the control of a Noteholder due to its specific situation.

**Interest Calculation Amount** means, in respect of Basket Notes and Tranche Notes, the amount for the purposes of calculating the interest payable under the Notes on any Interest Payment Date determined by the Calculation Agent in accordance with the provisions of Part 1 of this Credit Technical Annex.

For the avoidance of doubt, the interest amount payable under the Notes shall be equal to the Relevant Proportion of the product of (a) the Rate of Interest, (b) the Interest Calculation Amount and (c) the applicable Day Count Fraction.

**Interest Recovery Rate** means:

in respect of Basket Notes which are not Tranche Notes or in respect of Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms, zero per cent. unless otherwise specified in the related Final Terms.;or

in respect of Tranche Notes where Interest Recovery is specified as Fixed Interest Recovery in the related Final Terms, the value specified in such Final Terms.

**ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement** means the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published on 12 March 2009, as amended from time to time.

**Last Credit Event Occurrence Date** means the latest of:

- (i) the fourth Business Day immediately preceding the Scheduled Maturity Date;
- (ii) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms:*

the Repudiation/Moratorium Evaluation Date, or, in the case of Basket Notes and Tranche Notes, the last Repudiation/Moratorium Evaluation Date, if (a) the Credit Event that is the subject of a Credit Event Notice is a Repudiation/Moratorium, (b) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date and (c) the Repudiation/Moratorium Extension Condition is satisfied; and

- *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms:*

the Grace Period Extension Date, or, in the case of Basket Notes and Tranche Notes, the last Grace Period Extension Date, if (a) the Credit Event that is the subject of a Credit Event Notice is a Failure to Pay and (b) the Potential Failure to Pay with respect to such Failure to Pay has occurred on or prior to the to the fourth Business Day immediately preceding the Scheduled Maturity Date.

**Latest Notification Date** means the 30th Business Day following the Exercise Cut-Off Date provided that it will be no later than the 180th Business Day after the Credit Event Determination Date.

**Latest Permissible Physical Settlement Date** means the day that is 60 Business Days after the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System.

**Limitation Date** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: two and a half years (the **2.5-year Limitation Date**), five years (the **5-year Limitation Date**), seven and a half years, ten years, twelve and a half years, fifteen years, or twenty years (the **20-year Limitation Date**) as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless the related Final Terms specified that it shall be so adjusted in accordance with a specified Business Day Convention.

**Listed** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange. Unless otherwise specified in the related Final Terms:

- (i) if the Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category; and
- (ii) if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Loan** means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

**Loss Amount** means:

(a) *In respect of Basket Notes and Tranche Notes if N-to-M-to-Default is specified as Not Applicable in the related Final Terms*, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.

(b) *In respect of Tranche Notes if N-to-M-to-Default is specified as Applicable in the related Final Terms*, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred:

- which has a Ranking strictly lower than N: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the Reference Price.
- which has a Ranking higher than or equal to N and lower than or equal to M: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.
- which has a Ranking strictly higher than M: an amount equal to zero.

**LPN Reference Obligation** means each Reference Obligation other than any Additional Obligation. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation. Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference Entity. For the purposes of the Notes each such loan shall be an Underlying Loan. For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

**Maturity Date** means:

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

- (i) the date specified as such in the related Final Terms (the **Scheduled Maturity Date**);  
or
- (ii) the [Physical Settlement Date]\*\* [Cash Redemption Date]\* if a Credit Event Notice is delivered during the Notice Delivery Period; or
- (iii) the later of
  - (A) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms*: the day that is four Business Days following the Repudiation/Moratorium Evaluation Date, or in the case of First-to-Default Notes, Basket Notes and Tranche Notes, the last Repudiation/Moratorium Evaluation Date, if:
    - (1) a Potential Repudiation/Moratorium occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date;
    - (2) the Repudiation/Moratorium Extension Condition is satisfied;

- (3) such Repudiation/Moratorium Evaluation Date falls after the Scheduled Maturity Date; and
  - (4) no Credit Event Notice in respect of such Potential Repudiation/Moratorium is delivered during the Notice Delivery Period; and
- (B) *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms: the day that is four Business Days following the Grace Period Extension Date, or, in the case of First-to-Default Notes, Basket Notes and Tranche Notes, the last Grace Period Extension Date if*
- (1) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date;
  - (2) such Grace Period Extension Date falls after the Scheduled Maturity Date; and
  - (3) no Credit Event Notice in respect of such Potential Failure to Pay is delivered during the Notice Delivery Period.
- (b) *If European Settlement is specified in the related Final Terms:*
- the later of the dates set out in paragraphs (a)(i), (ii) and (iii) above.

PROVIDED that, in all cases, if a Notice of Pending Credit Event in relation to a Reference Entity is delivered prior to the Scheduled Maturity Date and is still effective on the Scheduled Maturity Date, the Maturity Date will be either the date on which the Suspended Amounts are paid to the Noteholders or, if a Credit Event Notice relating to the event in the Notice of Pending Credit Event is delivered, the [Physical Settlement Date]\*\* [Cash Redemption Date]\*.

PROVIDED FURTHER that, with respect to Basket Notes and Tranche Notes in relation to which an Unsettled Credit Event exists, a Preliminary Cash Redemption Amount will be paid on the Scheduled Maturity Date in relation to the portion of the Nominal Amount of Notes not affected by the Unsettled Credit Event and,

- (i) if the Retained Amount is equal to zero, the Maturity Date will be the Scheduled Maturity Date; or
- (ii) in all other cases, the Maturity Date will be as defined in paragraph (a) and (b) above.

**Maximum Maturity** means an obligation that has a remaining maturity from the [Physical Settlement Date]\*\* [Credit Valuation Date]\* of not greater than the period specified in the related Final Terms.

**Modified Eligible Transferee** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation** means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]\*\* [Selected]\* Obligation may be specified in the [Notice of Physical Settlement]\*\* [Final Valuation Notice]\* only if (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit

Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Notes, the condition set out in subparagraph (ii) above shall not be applicable.

**Modified Restructuring Maturity Limitation Date** means, with respect to a [Deliverable]\*\* [Selected]\* Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists.

Where "Modified Restructuring Maturity Limitation" and "Conditionally Transferable Obligation" are specified as Applicable in the related Final Terms and where the Scheduled Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (a) on or prior the 2.5-year Limitation Date or (b) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (i) the 2.5-year Limitation Date and no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this subparagraph (ii) of this definition of Multiple Holder Obligation; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as "Standard Emerging European Corporate LPN" or "Emerging European Corporate LPN", Multiple Holder Obligation shall be deemed as Not Applicable with respect to any Reference Obligation (and any Underlying Loan).

**No Auction Announcement Date** means with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms, and if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms only, no Transaction Auction Settlement Terms will be published but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determination Committee had Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

**Nominal Amount** means the Specified Denomination of one Note as specified in the related Final Terms subject, as the case may be, to the provisions of Part 1 of this Credit Technical Annex.

**Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Clearstream, Luxembourg, Euroclear or any other internationally recognised clearing system. Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Not Bearer is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Not Contingent** means any obligation having as of the [Physical Settlement Date]\*\*[Credit Valuation Date]\* and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment or, in the case of any Qualifying Guarantee, the beneficiary's giving notice that a payment is due under such Qualifying Guarantee or any other similar procedure requirement). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent [Deliverable]\*\*[Selected]\* Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the [Physical Settlement Date]\*\* [Credit Valuation Date]\*.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a [Deliverable]\*\*[Selected]\* Obligation only if the rights referred to in paragraphs (A) and (B) of this definition of Not Contingent have not been exercised (or such exercise has been effectively rescinded) on or before [Physical Settlement Date]\*\*[Credit Valuation Date]\*.

**Not Domestic Currency** means any obligation that is payable in any currency other than the Domestic Currency.

**Not Domestic Issuance** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for primarily in the domestic market of the Reference Entity.

**Not Domestic Law** means any obligation that is not governed by the laws of (A) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (B) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign. Unless otherwise specified in the related Final Terms, the laws of England and the laws of the State of New York shall not be a Domestic Law.

**Not Sovereign Lender** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

**Not Subordinated** means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the related Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the Reference Obligations or where, with respect to the Reference Obligation, one or more Successor(s) to the relevant Reference Entity have been identified and any one or more such Successor(s) have not assumed the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligation at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether a [Deliverable]\*\* [Selected]\* Obligation satisfies the Not Subordinated Obligation Characteristic or

[Deliverable Obligation Characteristic]\*\* [Selected Obligation Characteristic]\* the ranking in priority of payment of each Reference Obligation or each prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as “*Standard Emerging European Corporate LPN*” or “*Emerging European Corporate LPN*” this definition shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

**Notice Delivery Period** means the period from and including the Issue Date to and including the Extension Date.

**Notice of Pending Credit Event** means a notice delivered, on a date which is expected to be no later than 10 Business Days following the relevant Credit Event Resolution Request Date, by or on behalf of the Issuer that (a) informs the Noteholders of the occurrence of a Credit Event Resolution Request Date and (b) states that payment of amounts due and payable under the Notes, whether in connection with accrued interest or redemption, shall be suspended (the “**Suspended Amounts**”) pending the publication of a DC Resolution or as the case may be, a DC No Credit Event Announcement.

PROVIDED THAT:

- (a) if a DC Resolution confirming the existence of a Credit Event in relation to the relevant Reference Entity in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date, is published within 100 Business Days following the Credit Event Resolution Request Date, the Issuer will deliver or arrange delivery of a Credit Event Notice within 10 Business Days of such publication;
- (b) if a DC No Credit Event Announcement in relation to the relevant Reference Entity is published within 100 Business Days following the Credit Event Resolution Request Date, the Suspended Amounts under the Notes shall be paid to the Noteholders within 10 Business Days of such publication;
- (c) if a DC Resolution Resolving not to determine the existence of a Credit Event in relation to the relevant Reference Entity is published within 100 Business Days following the Credit Event Resolution Request Date, either (i) the Suspended Amounts due under the Notes shall be paid to the Noteholders within 10 Business Days of such publication; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information within 10 Business Days of such publication; and
- (d) if no DC Resolution or DC No Credit Event Announcement is published after 100 Business Days following the Credit Event Resolution Request Date, the Notice of Pending Credit Event shall be deemed cancelled and either (i) the Suspended Amounts due under the Notes shall be paid to the Noteholders within 10 Business Days; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information within 10 Business Days.

**Notice of Publicly Available Information** means, in relation to a Credit Event Notice or a Repudiation/Moratorium Extension Notice, an irrevocable notice delivered by or on behalf of the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains

Publicly Available Information, such as Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Notice of Physical Settlement** means an irrevocable notice that is effective no later than the Latest Notification Date (included) from or on behalf of the Issuer to the Noteholders specifying the Specified Deliverable Obligations the Issuer reasonably expects to Deliver or procure the Delivery of to the Noteholders. The Issuer is not bound to Deliver the Specified Deliverable Obligations referred to in the Notice of Physical Settlement. However, it will, to the extent possible, give the Noteholders notice of any subsequent change in the Specified Deliverable Obligations referred to in the Notice of Physical Settlement (the term Specified Deliverable Obligation is deemed to include such change).

**Obligation** means:

- (i) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Obligation Category specified in the related Final Terms and having each of the Obligation Characteristics, if any, specified in the related Final Terms, in each case, as of the date of the event which constitute the Credit Event which is the subject of the Credit Event Notice;
- (ii) the Reference Obligation(s) (if any); and
- (iii) any other obligation of a Reference Entity specified as such in the related Final Terms.

**Obligation Acceleration** means one or more Obligation(s) in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligation(s).

**Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms.

**Obligation Characteristics** means any one or more of Not Subordinated, Not Sovereign Lender, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, and Not Domestic Issuance, as specified in the related Final Terms.

**Obligation Currency** means the currency or currencies in which an Obligation is denominated.

**Obligation Default** means one or more Obligation(s) in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligation(s).

**outstanding principal balance** when used in connection with Qualifying Guarantees, the term outstanding principal balance is to be interpreted to be the then outstanding principal balance of the Underlying Obligation which is supported by a Qualifying Guarantee.

**Parallel Auction Settlement Terms** means, following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the related Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the Deliverable Obligation Terms (as specified in the relevant Transaction Auction Settlement Terms) are the same as the Deliverable Obligation Provisions (as set forth in the relevant Transaction Auction

Settlement Terms) applicable to the Reference Entity and for which such Reference Entity would not be an Auction Covered Transaction (as defined in the relevant Transaction Auction Settlement Terms).

**Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

**Payment Requirement** means, unless specified otherwise in the related Final Terms, USD 1,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Permitted Currency** means (A) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership) or (B) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investor Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**Physical Delivery Amount** means, for each Note, Specified Deliverable Obligations with an outstanding principal balance, excluding accrued interest, equal to the Nominal Amount or, if applicable, the Partial Redemption Amount in the case of the occurrence of a Restructuring (see Section III of Part 1 of this Credit Technical Annex) or the Multiple Successor Notional Amount (see Section IV of Part 1 of this Credit Technical Annex). If the number of Specified Deliverable Obligations that the Issuer can Deliver is not an integer then, in respect of each Note, the Physical Delivery Amount will include, in addition to the Specified Deliverable Obligations that can be Delivered, the market value in cash, excluding accrued interest, of Specified Deliverable Obligations with an outstanding principal balance equal to the difference between the Nominal Amount or, if applicable, the Partial Redemption Amount in the case of the occurrence of a Restructuring (See Section III of Part 1 of this Credit Technical Annex) or the Multiple Successor Notional Amount (See Section IV of Part 1 of this Credit Technical Annex) and the outstanding principal balance of the Specified Deliverable Obligations that can be Delivered, as determined by the Calculation Agent.

**Physical Settlement Date** means the date on which the Issuer Delivers the Physical Delivery Amount to the Noteholders, or, if the Issuer does not Deliver on the same date all the portfolio of Deliverable Obligations comprised in the Physical Delivery Amount, the date on which the Issuer has completed the Delivery thereof for all the Notes to all the Noteholders.

**Physical Settlement Period** means the period from and including the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System to and including the Latest Permissible Physical Settlement Date.

**Potential Failure to Pay** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligation(s), without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

**Potential Repudiation/Moratorium** means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium.

**Preliminary Cash Redemption Amount** means, with respect to Basket Notes and Tranche Notes in relation to which an Unsettled Credit Event has occurred, an amount payable on the Scheduled Maturity Date calculated for each Note as an amount equal to the Relevant Proportion of the difference between (a) the Aggregate Nominal Amount minus the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date and (b) the Retained Amount.

**Publicly Available Information** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice, has occurred and which:

- (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that if the Calculation Agent or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be a Publicly Available Information unless the Calculation Agent or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (ii) is information received from or published by:
  - (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign); or
  - (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, or
- (iii) is information contained in any petition or filing instituting a proceeding against or by the Reference Entity seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or presented for its winding-up or liquidation, where any such proceeding or petition instituted or presented against the Reference Entity (a) results in a judgement of insolvency or bankruptcy or the entry of an order for relief of the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; or
- (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; or
- (v) is information contained in a public announcement by ISDA.

In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver a certificate signed by a managing director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.

In relation to any information of the type described in (ii), (iii) and (iv) of the definition of Publicly Available Information, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality or such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state (i) in relation to a Qualifying Affiliate Guarantee, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (a) has met the Payment Requirement or Default Requirement, (b) is the result of exceeding any applicable Grace Period, or (c) has met the subjective criteria specified in certain Credit Events including without limitation qualifying under paragraph (i) of Bankruptcy.

**Public Source** means each source of Publicly Available Information specified in the related Final Terms (or if a source is not specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**Qualifying Guarantee** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). [The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.]\*\*

In the event that an Obligation or [Deliverable]\*\* [Selected]\* Obligation is a Qualifying Guarantee, the following will apply:

- (a) For purposes of the application of the Obligation Category or [Deliverable]\*\* [Selected]\* Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (b) For purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, if any, specified in the related Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, and Not Domestic Law.
- (c) For purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, if any, specified in the related Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity and Not Bearer.
- (d) For the purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**Quotation Amount** means:

- (a) *If Physical Delivery is specified in the related Final Terms:*  
an amount equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, of the Undeliverable Obligation.
- (b) *If Cash Settlement is specified in the related Final Terms:*

an amount equal to the outstanding principal balance of the Notes, if there is only one Selected Obligation; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be a weighted amount in respect of each Selected Obligation, the sum of all such Quotation Amounts being equal to the outstanding principal balance of the Notes.

**Quotation Dealers** means at least five leading dealers in obligations of the type of the Undeliverable Obligation(s) or as the case may be Selected Obligation(s), which may include Société Générale, as selected by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

**Quotation Dealers Method** means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined by the Calculation Agent in accordance with the provisions of the definition of Final Price.

**Ranking** means, for Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, the ranking in time of occurrence of such Credit Event Determination Date amongst all Credit Event Determination Dates, provided that if several Credit Event Determination Dates are identical in respect of several Reference Entities comprised within the Reference Portfolio, the date on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities and if the Credit Event Notices have been sent on the same date, the time on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities.

For the avoidance of doubt, the first Reference Entity in respect of which a Credit Event Determination Date occurs will have a Ranking of 1.

**Reference Entity** means any entity specified in the related Final Terms or any Successor thereto.

**Reference Entity Notional Amount** means for each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount.

**Reference Entity Weighting** means the percentage specified as such in the Final Terms, which, upon the occurrence of a Succession Event will be adjusted in accordance with the provisions the definition of Successor.

**Reference Obligation(s)** means the reference obligation(s) specified in the related Final Terms, or any Substitute Reference Obligation(s) provided that, in respect of a Reference Entity which has a Transaction Type being specified in the Final Terms as being "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*", Reference Obligation(s) means, as of the Issue Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List (each, a "Markit Published LPN Reference Obligation"), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php>, any Additional LPN, determined in accordance with the Additional LPN definition, and each Additional Obligation. For the avoidance of doubt, in respect of a Reference Entity which has a Transaction Type being specified in the Final Terms as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*", notwithstanding anything to the contrary in this Credit Technical Annex (in particular, notwithstanding that the obligation is not an obligation of the Reference Entity), each Reference Obligation will be an Obligation and a Deliverable Obligation or a Selected Obligation, (as applicable).

**Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

**Reference Portfolio** means, in respect of First-to-Default Notes, Basket Notes and Tranche Notes, a portfolio comprising all the Reference Entities.

**Reference Portfolio Notional Amount** means the amount specified in the related Final Terms.

**Reference Price** means 100% unless otherwise specified in the related Final Terms.

**Relevant Clearing System** means Clearstream Banking, *société anonyme*, Luxembourg (**Clearstream, Luxembourg**), Euroclear Bank S.A./N.V. (**Euroclear**) or any other clearance system for the Deliverable Obligations as designated by Euroclear or Clearstream, Luxembourg and/or Monte Titoli S.p.A. (**Monte Titoli**).

**Relevant Obligations** mean the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of Best Available Information. If the date on which Best available Information becomes available or is filed precedes the legally effective date of the relevant succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

**Relevant Proportion** means the proportion which one Note bears to the total number of Notes outstanding.

**Repudiation/Moratorium** means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligation(s) in an aggregate amount of not less than the Default Requirement or (b) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto or de jure*, with respect to one or more Obligation(s) in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, (i) the Obligations to which such Potential Repudiation/Moratorium relates includes Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied. If (i) the Repudiation/Moratorium Extension Condition is satisfied and (ii) a Credit Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the date falling four Business Days after the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Maturity Date).

**Repudiation/Moratorium Extension Condition** means a condition that is satisfied

- (a) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, or

- (b) otherwise, by the delivery of a Repudiation/Moratorium Extension Notice and, if specified as Applicable in the related Final Terms, Notice of Publicly Available Information by or on behalf of the Issuer to the Noteholders that is effective on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date.

**Repudiation/Moratorium Extension Notice** means an irrevocable notice delivered by or on behalf of the Issuer to the Noteholders that describes a Potential Repudiation/Moratorium that occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Residual Cash Redemption Amount** means, in relation to Basket Notes and Tranche Notes with respect to which one or more Unsettled Credit Event(s) has(have) occurred, an amount payable on the Maturity Date representing the difference between the Cash Redemption Amount and the Preliminary Cash Redemption Amount.

**Restructured Bond or Loan** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**Restructuring** means that:

- (a) with respect to one or more Obligation(s) and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following event(s) occur(s) in a form that bind(s) all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the First Credit Event Occurrence Date and the date as of which such Obligation is issued or incurred:
- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;

- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not Permitted Currency.
- (b) Notwithstanding the provisions of (a) above none of the following will constitute a Restructuring:
- (i) the payment in euros of interest or principal in relation to any Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union;
  - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) For the purposes of subparagraphs (a) and (b) above and, unless Multiple Holder is specified as Not Applicable in the related Final Terms, subparagraph (d) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in paragraph (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (b) above shall continue to refer to a Reference Entity.
- (d) Unless Multiple Holder Obligation is specified as Not Applicable in the related Final Terms, then, notwithstanding anything to the contrary in paragraphs (a), (b) and (c) above, the occurrence of, agreement to or announcement of any of the events described in subparagraphs (a)(i) to (v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**Restructuring Date** means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Restructuring Maturity Limitation and Fully Transferable Obligation** means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]\*\* [Selected]\* Obligation may be specified in the [Notice of Physical Settlement]\*\* [Final Valuation Notice]\* only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Notes, the condition set out in subparagraph (ii) above shall not be applicable.

**Restructuring Maturity Limitation Date** means, with respect to a [Deliverable]\*\* [Selected]\* Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan, occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Date is later than (a) (i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (ii) the 2.5-year Limitation Date, and in either case, no Enabling Obligation exists or (b) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

**Retained Amount** means, in relation to Basket Notes or Tranche Notes in respect of which one or more Unsettled Credit Event(s) has(have) occurred, the lower of:

- (a) The difference between the Aggregate Nominal Amount and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date; and
- (b) Either:
  - (i) In respect of Basket Notes, the aggregate of the Loss Amounts for all the Unsettled Credit Events (assuming a Final Value of zero in respect of each Unsettled Credit Event); or
  - (ii) In respect of Tranche Notes, the amount by which the Aggregate Loss Amount on the Maturity Date (assuming a Final Value of zero in respect of each Unsettled Credit Event) would exceed the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date.

**Rules** mean the Credit Derivatives Credit Derivatives Determinations Committees Rules published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**Selected Obligation(s)** means, for the purpose of determining the Final Price, as specified in the Final Valuation Notice, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or the provisions contained in the Definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (i) the Reference Obligation (if any);
- (ii) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Selected Obligation Category specified in the related Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the related Final Terms that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation

shall not be considered a procedural requirement and (iii) that is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Selected Obligations;
  - (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Selected Obligations, however described;
  - (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
  - (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (iii) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Selected Obligation that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraph (ii)(a)-(d) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance of the Notes (excluding accrued interest), or Due and Payable Amount, as applicable apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (iv) any other obligation of a Reference Entity specified as such in the related Final Terms.
- (a) *If the Notes described in the related Final Terms are denominated in Euros:*

Where a Selected Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the mean price as displayed on Reuters Page ECB37 as of London 12:00 pm on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - (b) *If the Notes described in the related Final Terms are denominated in United States Dollars:*

Where a Selected Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - (c) *If the Notes described in the related Final Terms are denominated in Hong Kong Dollars:*

Where a Selected Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

**Selected Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms. In the case of Reference Obligations Only, no Selected Obligation Characteristics shall be applicable.

**Selected Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Selected Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Selected Obligation Characteristics, the Selected Obligation may include any Loan that satisfies any one of such Selected Obligation Characteristics specified and need not satisfy all such Selected Obligation Characteristics. For the purposes of applying the Selected Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Settlement Method** means either Physical Settlement (see Section I of Part 1 of this Credit Technical Annex) or Cash Settlement (see Section II of Part 1 of this Credit Technical Annex) as specified in the related Final Terms.

**Single Name Note** means a Credit Linked Note indexed on one Reference Entity.

**Sovereign** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

**Sovereign Agency** means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the related Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the related Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

**Sovereign Restructured Selected Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Selected Obligation Category specified in the related Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the related Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Selected Obligation Category or Selected Obligation Characteristics after such Restructuring.

**Specified Currency** means, for the purpose of the Credit Technical Annex, an obligation that is payable in the currency or currencies specified as such in the related Final Terms (or, if Specified Currency is specified in the related Final Terms and no currency is specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the

euro (and any successor currency to any of the aforementioned currencies), which currencies shall be referred to collectively as the **Standard Specified Currencies** ).

**Specified Deliverable Obligation(s)** means Deliverable Obligations of the Reference Entity or First-to-Default Reference Entity as specified in the Notice of Physical Settlement (subject to the definition of such term).

**Specified Number** means the number of Public Sources specified in the related Final Terms (of if a number is not specified, two).

**Subordination** means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

**Substitute Reference Obligation(s)** means one or more Obligation(s) of the Reference Entity (either directly or as a provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligation(s), identified by the Calculation Agent in accordance with the following procedures:

- (a) in the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of the Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of the Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of the Reference Entity, the Calculation Agent shall identify one or more Obligation(s) to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the Issuer's obligations under the Notes and (3) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee). Upon notice to the Noteholders, the Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

The Calculation Agent will (in its absolute discretion) make such adjustments to the terms of the Notes that it determines are necessary in order to preserve the economic equivalent of the Issuer's obligations under the Notes.

**succeed** means, for the purposes of determining a Successor, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to the definition of Successor shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

**Succession Event** means

- (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; or
- (b) with respect to a Reference Entity that is a Sovereign, an event such as annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, Succession Event shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date.

**Succession Event Backstop Date** means the date that is 120 calendar days prior to the Issue Date of the relevant Notes.

**Succession Event Notice** means an irrevocable notice delivered by or on behalf of the Issuer to the Noteholders that describes a Succession Event that occurred on or after the Succession Event Backstop Date. A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination of (a) whether a Succession Event has occurred and (b) if relevant, the identity of any Successor(s).

**Successor** means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any determined as set forth below:
  - (i) If one entity directly or indirectly succeeds to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor and, in the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.
  - (ii) If only one entity directly or indirectly succeeds to more than twenty-five per cent. (but less than seventy five per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the

entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor and, in the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.

- (iii) If more than one entity each directly or indirectly succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the terms of the Notes will be amended in accordance with the provisions set out in the definition of Multiple Successor in Section V of Part 1 of this Credit Technical Annex. In the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, divided by the number of Successors.
- (iv) If one or more entity(ies) each directly or indirectly succeed to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the terms of the Notes will be amended in accordance with the provisions set out in the definition of Multiple Successor in Section V of Part 1 of this Credit Technical Annex. In the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, subject to adjustment of the Reference Entity Weighting, divided by the number of Successors.
- (v) If one or more entity(ies) directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the terms of the Notes will not be changed in any way as a result of the Succession Event.
- (vi) If one or more entity(ies) directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor and, in the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.

PROVIDED THAT, in the case of Basket Notes and Tranche Notes, if the resulting Successor of a Reference Entity affected by a Succession Event, or as the case may be, one or more of the several resulting Successors of such Reference Entity is(are) another Reference Entity comprised in the Reference Portfolio at the legally effective date of the Succession Event, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance to paragraph (a)(i), (ii), (iii), (iv) or (vi) and the Reference Entity Weighting of such Successor in effect prior to the Succession Event.

PROVIDED FURTHER THAT, in the case of Basket Notes and Tranche Notes, if two or more Reference Entities are affected by a Succession Event resulting in at least one common Successor, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance to paragraph (a)(i), (ii), (iii), (iv) or (vi) with respect to each Reference Entity in respect of which it is a Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (vi) above, as applicable. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the legally effective date of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such relevant Obligation listed in the Best Available Information.

- (b) With respect to a Sovereign Reference Entity, Successor means each entity which becomes a direct or indirect successor to such Reference Entity by way of a Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under (b) above. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the date of the occurrence of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. A notice will be sent by or on behalf of the Issuer to the Noteholders evidencing the Succession Event and giving all necessary relevant indications as to the Successor(s), the Multiple Successor Notional Amount (if applicable), the Reference Entity Weighting (if applicable) and the change in Reference Obligation(s).

PROVIDED THAT (for (a) and (b) above), *if N-to-M-to-Default is specified as Applicable in the related Final Terms or in respect of First-to-Default Notes*, the Calculation Agent will adjust the effect of any Succession Event as necessary so that in all cases the number of Reference Entities in the Reference Portfolio will remain unchanged and *if N-to-M-to-Default is specified*

as Applicable in the related Final Terms, so that the Reference Entity Weighting will remain the same for all Reference Entities comprised in the Reference Portfolio, in particular:

if the resulting Successor of a Reference Entity (the **Legacy Reference Entity**) affected by a Succession Event is another Reference Entity comprised in the Reference Portfolio (the **Surviving Reference Entity**) at the legally effective date of the Succession Event, the Calculation Agent acting in good faith and in its sole discretion shall select a new entity having an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available) to the Legacy Reference Entity immediately prior to the occurrence of the Succession Event; such new entity shall be deemed to have replaced the Legacy Reference Entity as Reference Entity effective on and from the date of the Succession Event and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, the Reference Entity Weighting of the Surviving Reference Entity shall remain the Reference Entity Weighting of the Surviving Reference Entity in effect prior to the Succession Event and the Reference Entity Weighting of the entity having replaced the Legacy Reference Entity shall be equal to the Reference Entity Weighting of the Legacy Reference Entity prior to the Succession Event;

and

if a Succession Event would result in more than one Successor (the **Potential Successors**) to a Reference Entity, the Calculation Agent shall select in its sole discretion only one entity (the **Chosen Successor**) among the Potential Successors to replace the Reference Entity; the Chosen Successor shall be deemed to have replaced the Reference Entity and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, its Reference Entity Weighting shall be equal to the Reference Entity Weighting of the Reference Entity prior to the Succession Event.

For the purposes of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

**Supranational Organisation** means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

**Tranche Note** means a Basket Note specified as such in the related Final Terms.

**Tranche Notional Amount** means, in respect of Tranche Notes, the Aggregate Nominal Amount of the Notes on the Issue Date or such other amount specified as such in the related Final Terms.

**Tranche Subordination Amount** means, with respect to Tranche Notes, the amount specified as such in the related Final Terms.

**Transaction Auction Settlement Terms** means in respect of a Reference Entity and the related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules or any other recognised association or organisation selected by the Calculation Agent (including for the avoidance of doubt any Auction Settlement), which provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred and which shall be used to determine the amounts payable between the parties to a credit derivatives transaction referencing such Reference Entity for which Auction Covered Transactions (as defined in the Rules)

would be credit derivatives transactions with a scheduled termination date comparable to or later than the Scheduled Maturity Date of the Notes.

**Transaction Type** means in respect of a Reference Entity, the transaction type specified in the Final Terms.

**Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following will be considered contractual, statutory or regulatory restrictions:

- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Transferable is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to [Deliverable]\*\*[Selected]\* Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Undeliverable Obligation(s)** means that part of the Specified Deliverable Obligations for which Delivery is Illegal or Impossible.

**Unsettled Credit Event** means, with respect of a Reference Entity, that:

- (a) a Credit Event Determination Date has occurred prior to the Scheduled Maturity Date but the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or
- (b) a Notice of Pending Credit Event is delivered less than 100 Business Days prior to the Scheduled Maturity Date and (i) a DC No Credit Event Announcement has not been published prior to the Scheduled Maturity Date and (ii) if a Credit Event Notice has subsequently been delivered in relation to the relevant Credit Event, the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or
- (c) a Potential Repudiation/Moratorium has occurred and is continuing at the Scheduled Maturity Date; or
- (d) a Potential Failure to Pay has occurred and is continuing at the Scheduled Maturity Date.

The occurrence of an Unsettled Credit Event shall give rise to the payment of the Preliminary Cash Redemption amount on the Scheduled Maturity Date and of the Residual Cash Redemption Amount on the Maturity Date.

**Valuation Hedging Cost** means, in relation to a Selected Obligation, the direct and duly documented cost, if any, borne by the Issuer, the Issuer's hedging counterparty, the Calculation Agent or an agent on their behalf in relation to the determination of the Final Price.

**Voting Shares** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Weighted Average Quotation** means, if there are no Full Quotations available, the weighted average of firm bid quotations obtained from the Quotation Dealers, to the extent reasonably practicable, each for an amount as large a size as available, that in aggregate are equal to or greater than the Quotation Amount.

## E) MANAGED ASSETS PORTFOLIO TECHNICAL ANNEX

For payments in respect of Structured Notes (whether in respect of principal and/or interest and whether at maturity or otherwise) calculated by reference to a portfolio of assets (basket of funds, single fund or financial instruments underlying an index), the following technical annex (the **Managed Assets Portfolio Technical Annex**) supplements the Base Prospectus.

The specific risks involved in an investment in such Notes are outlined under item "Risk Factors" in the Base Prospectus.

The Managed Assets Portfolio Technical Annex will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

*"The provisions of the Managed Assets Portfolio Technical Annex apply to these Final Terms and such documents shall be read together. In the event of inconsistency between the Managed Assets Portfolio Technical Annex and these Final Terms, these Final Terms will prevail."*

Terms used in this Managed Assets Portfolio Technical Annex, unless specifically defined in this Managed Assets Portfolio Technical Annex, shall have the same meanings as those elsewhere in the Base Prospectus.

### I. GENERAL DEFINITIONS

**Basket** means a synthetic portfolio of assets whose composition is identical to those described below under the definition of Portfolio, provided however that its valuation may be expressed in terms of bare figures or bare percentage rather than by reference to a currency amount; this applies to Basket<sub>i</sub>, Basket<sub>r</sub>, and Basket<sub>t</sub>, which shall mean:

**Basket<sub>i</sub>** = 100 or 100 per cent. or any other figure or percentage specified in the applicable Final Terms;

**Basket<sub>r</sub>** = Basket<sub>i</sub> × (Basket Value per Note on the Final Valuation Date / Basket Value per Note on the Initial Determination Date);

**Basket<sub>t</sub>** = Basket<sub>i</sub> × (Basket Value per Note on the Valuation Date "t" / Basket Value per Note on the Initial Determination Date);

otherwise, all references herein to Portfolio, Portfolio Value and Portfolio Value per Note shall be deemed to be references to Basket, Basket Value and Basket Value per Note respectively; for the avoidance of doubt, all references herein to Portfolio<sub>i</sub>, Portfolio<sub>r</sub> and Portfolio<sub>t</sub> shall also be deemed to be references to Basket<sub>i</sub>, Basket<sub>r</sub> and Basket<sub>t</sub> except for aforementioned.

**Borrowed Capital** means the aggregate nominal amount of the borrowings entered into in respect of the leverage feature of the Portfolio, reflected by the fact that the Risky Asset Exposure exceeds 100 per cent.

**Business Day** means the days specified as such in the applicable Final Terms.

**Calculation Agent** means the agent specified in the applicable Final Terms responsible for calculating the Final Redemption Amount and/or interest payable and/or the Early Redemption Amount, as applicable, and making any other determinations it is designated as responsible for herein. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent, the Portfolio Manager and the Noteholders, in absence of manifest error or proven error.

**Cash** means any cash, short term deposits, zero coupon bonds, synthetic zero coupon bonds, commercial paper, murabaha contracts and/or any other negotiable money market instruments.

**Disruption Event** means any event beyond the Calculation Agent's control, preventing the Calculation Agent from determining the Portfolio Value, including but not limited to, a breakdown in the means of communication employed in determining the Portfolio Value, the non publication or suspension of the calculation of the Net Asset Value per Unit of any Fund or any event whatsoever, including the liquidation of any Fund, which prevents the communication of such Net Asset Value as such calculation or communication is deemed to be made in accordance with the relevant Fund Prospectus.

**Final Valuation Date** means, unless otherwise specified in the applicable Final Terms, the tenth Business Day before the Maturity Date, provided that if such Business Day is not a Valuation Date, the Final Valuation Date will be the immediately following Valuation Date, provided further that, if none of the Business Days which follow up to and including the fifth Business Day before the Maturity Date is a Valuation Date, the fifth Business Day before the Maturity Date will be deemed to be the Final Valuation Date and the relevant valuation shall be made on this date by the Calculation Agent acting in good faith, on the basis of estimated value of each relevant Risky Asset and or Non Risky Asset and or Cash components when an official value is not disclosed.

**Fund** means any Risky Fund or Non Risky Fund.

**Fund Prospectus** means, in respect of a Fund, the document describing such Fund and providing, *inter alia*, for the subscription and redemption process in respect of Units of such Fund and rights attached to such Units, as such document may be supplemented and amended from time to time and available, free of charge, at the office of the Agent in Luxembourg.

**Hedging Counterparty**: means any entity which holds the Units of the Fund(s) for the purpose of any hedging arrangement entered into in respect of the Notes and, if any, in relation with the portfolio management of the underlying Assets of the Notes.

**Initial Determination Date** means the date on which the initial composition / structure of the Portfolio is determined; unless otherwise specified in the applicable Final Terms, such date shall be the Issue Date of the Notes.

**Maximum Exposure** means as specified in the applicable Final Terms and expressed as a percentage of the Portfolio Value the maximum allocation of the Portfolio into Risky Asset.

**Minimum Exposure** means as specified in the applicable Final Terms and expressed as a percentage of the Portfolio Value the minimum allocation of the Portfolio into Risky Asset.

**Net Asset Value** means, in respect of any Fund, the net asset value of such Fund as calculated from time to time by the manager of such Fund or entity appointed by such Fund to that effect or as otherwise estimated by the Calculation Agent in good faith as provided in the definitions of Asset 1 or Asset 2.

**Nominal Amount** means the Specified Denomination of each Note set out in the applicable Final Terms.

**Non Risky Asset** means the Non Risky Fund(s), the Cash and the Other Instruments (if any) related to them.

**Non Risky Fund** means any entity, trust or other form of collective investment scheme having a majority of its assets invested in, or exposed to, money market instruments and/or bonds, as selected by the Portfolio Manager.

**Notes Outstanding** means, on any date, the Notes outstanding held on such date by all Noteholders, or, for the purpose of the definition of Portfolio Value per Note, by all Noteholders other than the Hedging Counterparty or any other entity specified in the applicable Final Terms, if any.

**Other Instruments** means any future, swap, cap, floor and/or option transactions or other derivative transactions entered into in relation to either the Risky Asset or the Non Risky Asset.

**Performance Objective** means the periodic and/or final performance which is targeted on a best efforts basis by the Portfolio Manager, expressed as a percentage or as a rate plus a spread, provided that in no event is any assurance or guarantee given that the Performance Objective will be achieved at any time including at the Maturity Date.

**Portfolio** means a portfolio of assets comprising (i) a selection of Risky Funds, a single Risky Fund or such other type of risky asset(s) specified in the applicable Final Terms constituting, together with the Other Instruments (if any) related to them, the **Risky Asset** and, if any, (ii) the Non Risky Fund(s) and the Cash constituting, together with the Other Instruments (if any) related to them, the **Non Risky Asset**. Where applicable, any Borrowed Capital shall form part of the Portfolio provided that, as liabilities, it shall come in deduction from the aforementioned assets. The Portfolio allocation amongst the components of the Risky Asset applicable on the Initial Determination Date shall be specified in the applicable Final Terms; such specification may be only indicative.

The Portfolio may be managed and allocated by the Portfolio Manager in different manners as detailed below (unless otherwise specified in the applicable Final Terms):

(a) Portfolio Management

- (i) If **Dynamic Selection** is specified in the applicable Final Terms the Portfolio Manager will manage the Risky Asset in its absolute discretion without limitation to the number and/or the weighting of the components in the Risky Asset; it may, in particular, remove any component from the Risky Asset or add one or more new component(s) therein. Specific rules, guidelines or constraints on or in relation to the Portfolio Management's authority or discretion to manage the Risky Asset may be provided for in the applicable Final Terms.
- (ii) If **Permanent Selection** is specified in the applicable Final Terms, the Portfolio Manager is not authorised to remove or add components from or to the Risky Asset provided however that (i) the respective weightings of the components of the Risky Asset may be modified by the Portfolio Manager and (ii) the Portfolio Manager and/or the Calculation Agent, acting in good faith, may make adjustments to the Risky Asset following the occurrence of an Extraordinary Event.

(b) Portfolio Allocation

In allocating the Portfolio amongst the relevant components the Portfolio Manager will take into account (i) variations in the performance of the Risky Asset and (ii) the specific market conditions. The Portfolio Manager may permit the exposure of the Portfolio to the Risky Asset (the **Risky Asset Exposure** being Risky Asset Value / Portfolio Value) to vary from the Minimum Exposure (0 per cent. means that the Portfolio is exclusively invested in the Non Risky Asset) to the Maximum Exposure (100 per cent. or more means that the Portfolio is exclusively invested in the Risky Asset). For the avoidance of doubt, a Risky Asset Exposure exceeding 100 per cent. reflects the leverage feature of the investment in the Portfolio (Risky Asset in the Portfolio partly financed by borrowings).

- (i) If **Portfolio Allocation** is specified in the applicable Final Terms, the Portfolio Manager will allocate the Portfolio amongst the relevant components on a dynamic basis in accordance with the methodology known as the DPI ("Dynamic Portfolio

Insurance”) methodology or the CPPI (“Constant Portfolio Proportion Insurance”) methodology or the ODPI (“Objective Driven Portfolio Insurance”) methodology (or any other similar methodology as specified and described in the applicable Final Terms) with a view to achieving (i) a capital protection feature for the Notes and/or (ii) a participation in the growth of the value of the assets comprised in the Portfolio and/or (iii) a Performance Objective in the case of the ODPI methodology.

(ii) If **DPI Basket Allocation** is specified in the applicable Final Terms, it shall mean that allocation amongst the relevant components of the Basket will be managed on a dynamic basis in accordance with the methodology known as the DPI or the CPPI methodology but making use of some arbitrary parameters that will not allow any capital protection, as follows:

- the Portfolio Manager will periodically make observation of the difference (such difference being the **Cushion**) between (i) the Basket Value per Note on a given date t and (ii) the Reference Level (expressed as a percentage) on the same date multiplied by the Basket Value per Note on the Initial Determination Date
- the Portfolio Manager may determine, at its absolute discretion, a range within which the ratio of the Risky Asset Value per Note to the Cushion (such ratio being the **Multiplier**) should remain. If the Portfolio Manager observes that the Multiplier has deviated from such targeted range it may adjust the allocation of components within the Basket by increasing or decreasing (as appropriate) the allocation of the Risky Asset in the Basket such that the Multiplier falls within the targeted range, subject to the Maximum Exposure and Minimum Exposure. Alternatively the Multiplier may be a pre-determined fixed factor which generates a norm of Risky Asset Value (or Risky Asset Exposure) on the basis of current level of the Cushion. Adjustment of the Basket allocation is made only if the actual figures diverge from the norm by more than a specified percentage; where such alternative applies a Fixed Multiplier and a Specified Percentage in respect of the Risky Asset Exposure shall be specified in the applicable Final Terms.

(iii) If **Volatility Cap Basket Allocation** is specified in the applicable Final Terms, the Portfolio Manager will dynamically manage the allocation of the Basket according to the Volatility Cap methodology as set below.

**Volatility Re-Balancing:** the Portfolio Manager will determine the level of the Basket Volatility on each Business Day t (the **Basket Volatility(t)**) in accordance with the formula below. If the Basket Volatility<sub>(t)</sub> exceeds the Volatility Cap Level or is below the Volatility Floor Level, then the Portfolio Manager will proceed with a re-balancing of the Basket by increasing/decreasing the exposure to the Non Risky Asset and by decreasing/increasing the exposure to the Risky Asset in order to reach the Volatility Reset Level.

The target weights of the 2 components within the Basket on a Business Day t are defined as follows:

**Risky Asset Target Weight (t) =**

Max[Minimum Exposure; Min (Maximum Exposure; Risky Asset Target Weight (t-1) × Volatility Reset Level / Basket Volatility(t))]

**Non Risky Asset Target Weight(t) = 1 - Risky Asset Target Weight(t)**

where **t-1** is the first Business Day before the date t

On the Initial Determination Date (t=0) Risky Asset Target Weight (t-1) = Maximum Exposure.

The re-balancing of the Basket will be made within 3 (or 5) Business Days of such date t, on a best efforts basis, and subject to valuation delay, liquidity and execution condition of the constituents of the Risky Asset.

Once a new allocation between the Risky Asset and the Non Risky Asset is determined, it will remain constant unless the Basket Volatility leads to a re-balancing in accordance with these allocation rules.

Each of the **Volatility Cap Level**, the **Volatility Floor Level** and the **Volatility Reset Level** is the relevant percentage as specified in the applicable Final Terms.

**Basket Volatility (t)** means, on each Business Day t, the Annualised Standard Deviation of the Daily Return of the Risky Asset multiplied by the Risky Asset Target Weight (t-1). The Basket Volatility will be determined for the first time on the Initial Determination Date, subject to valuation delay, liquidity and execution condition of the constituents of the Risky Asset.

**Annualised Standard Deviation:**

$$\sigma = \sqrt{260 \times \frac{1}{n-1} \sum_{i=0}^{19} R_{t-i}^2}$$

where:

**n** is the number of Business Days in the Rolling Period.

**R<sub>t-i</sub>** is the Daily Return of the Risky Asset on Business Day t-i of the Rolling Period.

**i** designates the numerical order (from 0 to 19) of the Business Days within a Rolling Period.

**Rolling Period** means a 20 Business Days period starting on each Business Day occurring from and including the twenty first Business Day preceding the Initial Determination Date or any other period as may be specified in the applicable Final Terms.

**Daily Return of the Risky Asset** means, on each Business Day t, the difference between the Risky Asset Value on such Business Day and the Risky Asset Value on the preceding Business Day, divided by the Risky Asset Value on such preceding Business Day.

PROVIDED THAT (i) if “**One to One**” is specified in the applicable Final Terms, the Notes will simply be indexed on the constituent(s) of the Risky Asset without any management or allocation strategy being implemented (unless otherwise specified in the applicable Final Terms), (ii) if “**Leverage Strategy**” is specified in the applicable Final Terms, the Portfolio will consist exclusively in the Risky Asset and **Borrowed Capital** and will remain permanently exposed to such Risky Asset with generally no other management or allocation strategy than the periodical resetting of the Risky Asset Exposure at a specified level (the “**Target Exposure Level**”) and (iii) if “**Specific Strategy**” is specified in the applicable Final Terms, the Portfolio shall be managed and allocated in accordance with the specific rules detailed in such Final Terms.

PROVIDED FURTHER THAT in all cases the Risky Asset remains subject to the adjustment provisions set out in section 4 below.

**Portfolio<sub>i</sub>** means the Portfolio Value per Note on the Initial Determination Date being an amount in the Specified Currency equal to a fixed percentage of the Nominal Amount as specified in the applicable Final Terms. Portfolio<sub>i</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and / or any Unit and /or any other underlying Risky Asset.

**Portfolio<sub>f</sub>** means the Portfolio Value per Note on the Final Valuation Date as determined by the Calculation Agent. Portfolio<sub>f</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and /or any other underlying Risky Asset.

**Portfolio<sub>t</sub>** means the Portfolio Value per Note on any Valuation Date “t” as determined by the Calculation Agent. Portfolio<sub>t</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and /or any other underlying Risky Asset.

**Portfolio Manager** means the entity specified as such in the applicable Final Terms, being the agent responsible for managing and allocating the Portfolio amongst the relevant components; in such capacity, the Portfolio Manager will act in the best interest of the Noteholders pursuant to a Portfolio Management Deed. Should there be no Portfolio Manager specified in any applicable Final Terms, then the Calculation Agent shall assume and carry out the tasks and functions of a Portfolio Manager described herein, which tasks and functions would not imply any active management in that particular case.

**Portfolio Management Deed** means any portfolio management deed entered into by the Portfolio Manager.

**Portfolio Value** means, on any Valuation Date, the difference between (i) the sum of Asset 1, Asset 2, Asset 3 and Asset 4 and (ii) the sum of the Borrowed Capital, the Accrued Management Fees, the Accrued Borrowing Costs, the Structuring Fees and the Other Fees and Other Cost (if specified as “Applicable” in the applicable Final Terms), applied to the Aggregate Nominal Amount of the Notes.

**Portfolio Value per Note** means, on any Valuation Date, the Portfolio Value on such date divided by the number of Notes Outstanding on such date.

**Reference Level** means, in the context of the Basket Allocation and as specified in the applicable Final Terms, a percentage increasing from an initial level on the Initial Determination Date to a final level on the Final Valuation Date. The Reference Level is intended to be used as a management tool by the Portfolio Manager.

**Risky Asset** means a selection of Risky Funds or a single Risky Fund or any other risky asset specified in the applicable Final Terms and the Other Instruments (if any) related to them.

**Risky Asset Exposure** means the ratio (expressed as a percentage) between the Risky Asset Value and the Portfolio Value.

**Risky Asset Value** means, on any Valuation Date, the sum of Asset 1 and the market value of the related Other Instruments on such Valuation Date, provided that for consistency reason such value may be calculated per Note.

**Risky Fund** means any entity, trust or other form of collective investment scheme having a majority of its assets invested in, or exposed to, diversified assets containing a risky feature, as selected by the Portfolio Manager.

**Unit** means a unit or share of the relevant Fund (collectively the **Units**).

**Valuation Date** means a day on which the Portfolio Value is calculated by the Calculation Agent and shall include the Final Valuation Date and any other dates specified as such in the applicable Final Terms.

## II. DEFINITIONS OF ASSETS

**Asset 1** means, in respect of any Valuation Date “t”, depending on the underlying Risky Asset:

- If the underlying Risky Asset is in whole or in part composed of a selection of “n” Risky Funds, the sum of the products, in respect of each Risky Fund “i” in the Portfolio, of (i) the relevant Net Asset Value per Unit and (ii) the relevant number of Units of such Risky Fund “i” in the Portfolio on such Valuation Date “t”, as calculated in accordance with the following formula:

$$\sum_{i=1}^n (Nr_{(i)t} \times NAVr_{(i)t})$$

where:

**Nr<sub>(i)t</sub>** means, in relation to a Risky Fund “i”, the number of Units of such Fund currently allocated in the Portfolio on such Valuation Date “t”;

**NAVr<sub>(i)t</sub>** means, in relation to a Risky Fund “i”, the Net Asset Value per Unit of such Fund prevailing on the Valuation Date “t” after deduction of any redemption fees or subscription fees or other costs otherwise payable to the such Risky Fund “i” PROVIDED THAT if the Net Asset Value per Unit of the Fund is not available, or if the Units redemption orders are not executed at the official Net Asset Value, the Calculation Agent may determine its good faith estimate of NAVr<sub>(i)t</sub>;

and/or

- If the underlying Risky Asset is in whole or in part composed of a single Risky Fund, the product of the Net Asset Value per Unit and the number of Units of the Risky Fund in the Portfolio on such Valuation Date “t” calculated in accordance with the following formula: Nrt × NAVrt (see definitions immediately above);

and/or

- If the underlying Risky Asset is in whole or in part composed of an official equity index or any other type of index or composite risky asset, the market value on such Valuation Date “t” of the financial instruments (such as but not limited to, futures, trackers, swaps and treasury instruments) representing the investment value in the relevant underlying as calculated by the Calculation Agent on the basis of an appropriate valuation method it shall select in good faith.

**Asset 2** means, in respect of any Valuation Date “t”, the aggregate Net Asset Value of the Units of the Non Risky Funds in the Portfolio calculated in accordance with the following formula:

$$\sum_i (Nm_{(i)t} \times NAVm_{(i)t})$$

where:

**Nm<sub>(i)t</sub>** means, in relation to a Non Risky Fund “i”, the number of Units of such Fund currently allocated in the Portfolio at such Valuation Date “t”;

**NAV<sub>m(i)t</sub>** means, in relation to a Non Risky Fund “i”, the Net Asset Value per Unit of such Fund prevailing on the Valuation Date “t” after deduction of any redemption fees or subscription fees or other costs otherwise payable in relation to such Non Risky Fund “i” PROVIDED THAT if the Net Asset Value per Unit of the Fund is not available, the Calculation Agent shall determine its good faith estimate of NAV<sub>m(i)t</sub>.

**Asset 3** means, in respect of any Valuation Date, the sum of the market values of the Other Instruments allocated in the Portfolio, determined by the Calculation Agent on the basis of a customary relevant marked to market revaluation method on such Valuation Date.

**Asset 4** means, in respect of any Valuation Date, the sum of the market values of the components of the Cash allocated in the Portfolio as part of the Non Risky Asset, determined by the Calculation Agent on the basis of a customary relevant marked to market revaluation method on this Valuation Date.

### III. DEFINITIONS OF THE FEES AND COSTS

**Accrued Management Fees** means, in respect of any Valuation Date “t”, the sum of the fees linked to the management of the Portfolio underlying the Notes (“Fees(i)”) accrued - between two successive Valuation Dates (designated as “i-1” and “i” - from and including the Issue Date (or the latest “payment date”, if any) to but excluding such Valuation Date “t”, determined by the Calculation Agent, in accordance with the following formula:

$$\text{Accrued Management Fees}_t = \sum_{i=t-n}^t \text{Fees}_{(i)}$$

With:

$$\text{Fees}_{(i)} = F \times \text{Portfolio Value}_{(i-1)} \times \frac{N(i-1;i)}{365}$$

where:

“F” means the percentage specified as such in the applicable Final Terms.

“Portfolio Value<sub>(i-1)</sub>” is the Portfolio Value on the Valuation Date “i-1”.

“N<sub>(i-1;i)</sub>” means the actual number of calendar days between the two successive Valuation Dates “i-1” and “i”, the first one included and the second one excluded.

“n” means the number of Valuation Dates between the latest “payment date” (inclusive) and the Valuation Date “t” (exclusive).

“payment date” means, in respect of any accrued management fees or borrowing costs, the date of payment of such management fees or such borrowing costs.

**Accrued Borrowing Costs** means, on any Valuation Date “t”, the sum of the borrowing costs borne by the Portfolio accrued - between two successive Valuation Dates (designated as “i-1” and “i” - from and including the Issue Date (or the latest “payment date”, if any) to but excluding such Valuation Date “t”; it shall be calculated as follows:

$$\text{Accrued Borrowing Costs}_t = \sum_{i=t-n}^t \text{BC}_{(i)}$$

where:

$$\text{BC}_{(i)} = \left[ (\text{Rate} + \text{Margin}) \times \text{Portfolio Value}_{(i-1)} \times \frac{N(i-1;i)}{360} \right] \times \text{Max} \left( \text{RAE}_{(i-1)} - 100\%; 0 \right)$$

where:

“Rate” means, as specified in the applicable Final Terms, LIBOR (1M,i-1) determined according to the Specified Currency mentioned in such Final Terms; for instance:

- “USD-LIBOR(1M,i-1)” means the rate of deposits in USD for a period of 1 month starting on the Valuation Date “i-1” based on the Reuters screen page LIBOR01 (or any successor page), or any rate which would replace such rate, or otherwise any rate selected by the Calculation Agent; and
- “EURIBOR(1M,i-1)” means the rate of deposits in EUR for a period of 1 month starting on the Valuation Date “i-1” based on the Reuters screen page EURIBOR01 (or any successor page), or any rate which would replace such rate, or otherwise any rate selected by the Calculation Agent.

“Margin” means the margin specified in the applicable Final Terms. Margin may change from time to time according to market conditions.

“RAE<sub>(i-1)</sub>” means the Risky Asset Exposure on Valuation Date “i-1”

“n” and “payment date” as defined above.

**Structuring Fees** means the structuring fees borne by the Portfolio on the Initial Determination Date and determined by the Calculation Agent in accordance with the following formula:

Aggregate Nominal Amount × SF

where:

**SF** means the percentage specified as such in the applicable Final Terms.

**Other Fees** and **Other Cost** means any other fees or other cost as may be specified in the applicable Final Terms.

#### IV. ADJUSTMENTS AND EXTRAORDINARY EVENTS

In taking any action pursuant to the provisions below the Calculation Agent and the Portfolio Manager shall act in good faith and in the best interests of the Noteholders.

##### **In relation to any Risky Fund / Unit**

*The events listed from (a) to (o) below apply where “Permanent Selection” is specified in the Final Terms, the same applies except paragraphs (a), (c), (f) and (k) where “One to One” is specified in the Final Terms and only paragraphs (b), (d), (e) and (l) apply where “Dynamic Selection” is specified in the Final Terms; in addition in such later case (Dynamic Selection specified) the consequences listed under (i) and (ii) do not apply.*

In the event of the occurrence of any of the following events (each an Extraordinary Event):

- (a) a closure, for any reason, of any subscriptions in the Fund;
- (b) a material or substantial modification of the conditions of the Fund (including, without limitation, a change in the currency, strategies, objectives, guidelines and/or investment policies of the Fund), a modification of the Fund Prospectus or any event or any change affecting the Fund and/or the Units (including, without limitation, interruption, breakdown, suspension or deferral of the calculation or of the publication of the net asset value of the Units, or the disappearance of the net asset value of the Units resulting more particularly from, but not limited to, the winding-up or the termination of the Fund or the cancellation of the registration or of the

- approval by any relevant authority of the Fund) and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, is likely to have a significant effect on the value of the Units;
- (c) a substantial modification in the proportion of the type of assets in which the Fund may invest, as determined in good faith by the Calculation Agent and/or the Portfolio Manager, which would not necessarily lead to a modification of the Fund Prospectus, and that, in the reasonable opinion of the Calculation Agent, has or is likely to have a significant effect on any hedging arrangement to be entered in respect of the Notes;
  - (d) a reduction for any reason (including but not limited to the reduction of the Aggregate Nominal Amount of the Outstanding Notes to an amount below €1,000,000 or its equivalent in the Specified Currency) of the number of Units held or likely to be held by the Hedging Counterparty or any of its affiliates, as holder of Units of the Fund for hedging or management purposes;
  - (e) a non execution or partial execution, or a suspension by the Fund for any reason of a subscription or redemption order given by the Hedging Counterparty or any of its affiliates, for hedging or management purposes;
  - (f) an increase after the Issue Date of the commissions or any taxes in respect of a purchase or redemption of Units or any change in the taxation adversely affecting any payment made by the Fund to the holder of the Units of the Fund, and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on any hedging arrangement entered into in respect of the Notes;
  - (g) an increase in the holding by the Hedging Counterparty or any of its affiliates of up to 20 per cent. (unless otherwise specified in the applicable Final Terms) in the underlying Fund or a reduction of the Fund's total net assets below €25,000,000 (unless otherwise specified in the applicable Final Terms) and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the management conditions of the Fund and/or its operating expenses;
  - (h) a conversion of the Units into another class of Units or securities or the subdivision, consolidation, merger, sale or other conveyance of all or substantially all the assets of the Fund, to a third party;
  - (i) a capital or extraordinary distribution in cash which does not constitute the normal dividend policy of the Fund;
  - (j) a reduction of the Fund's total net assets by an amount which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the management conditions of the Fund and/or its operating expenses;
  - (k) the existence, as determined by the Calculation Agent, of any irregularity in the calculation of the Net Asset Value per Unit where the value resulting from such calculation differs from the level at which Units may be purchased or redeemed;
  - (l) any other similar event, which in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the conditions of any hedging arrangements entered into in respect of the Notes;
  - (m) the liquidation, dissolution, resignation, consolidation, amalgamation or removal of the manager and/or the trustee/custodian of the Fund, or any of the same becomes subject to bankruptcy or regulatory proceedings;

- (n) a cancellation, suspension, or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund;
- (o) the liquidation, dissolution, resignation, consolidation, amalgamation or removal of the Portfolio Manager;

the Calculation Agent, after the consultation of the Portfolio Manager (if any), may:

- (i) make adjustments to the definition of Portfolio<sub>i</sub>, Portfolio<sub>t</sub> and/or Portfolio<sub>r</sub> as the Portfolio Manager considers appropriate and for the purpose of subparagraph (h) only, replace the Units by the kind and number of units or other securities and property receivable on such conversion, subdivision, consolidation, merger, sale or conveyance by a holder of Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Units and make any adjustment (if necessary) to the value of such Units and/or to the terms of the Notes; or
- (ii) substitute the Fund, in whole or in part, with a new underlying asset with similar economic characteristics, or incorporate an additional underlying risky asset in the Portfolio, and make adjustments to the definition of Portfolio<sub>i</sub>, Portfolio<sub>t</sub> and/or Portfolio<sub>r</sub>, and to the terms of the Notes if necessary; provided that any partial substitution and any incorporation of additional risky asset may only be made by the entity appointed as Portfolio Manager as specified in the applicable Final Terms and not by the Calculation Agent; or
- (iii) consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). If an Early Redemption Event occurs, the Notes shall no longer be linked to the performance of the Risky Asset and the Issuer's obligations under the Notes shall be terminated and the Issuer shall pay or cause to be paid an Early Redemption Amount as if it were a redemption for taxation reasons or an Event of Default on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions provided that the Early Redemption Amount will, as the case may be, wholly or partly depend on the amounts received as the result of the unwinding of hedging arrangements entered into in respect of the Notes.

Should the event cease on or after the decision of the Calculation Agent and/or the Portfolio Manager to early redeem the Notes, no Noteholder will be entitled to any payment whether of interest or otherwise in respect of the Notes other than the Early Redemption Amount and none of the Issuer, the Dealer, the Portfolio Manager and the Calculation Agent shall have any liability in respect of such early redemption.

#### **In relation to an underlying equity index**

Upon the occurrence of any event affecting an underlying equity index as detailed in Part 1 of the Equity Technical Annex, the Calculation Agent may in its sole discretion decide to make any adjustment to the underlying equity index or the Notes as set in Part 2 of the Equity Technical Annex to the Prospectus; however in the event that the underlying equity index ceases to be quoted or calculated, the Calculation Agent may decide in its sole discretion either, to substitute the underlying equity index for another index having similar characteristics or to redeem the Notes at their market value as calculated on the basis of the last published quotation of the underlying equity index and in accordance with provision "Early Redemption" set below.

The Early Redemption Amount payable upon the occurrence of an event affecting the underlying equity index as mentioned above will be paid or caused to be paid to the Noteholders as if it were a redemption for taxation reason or an Event of Default on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions, provided that the Early Redemption Amount will, as the

case may be, wholly or partly depend on the amounts received as the result of the unwinding of hedging arrangements entered into in respect of the Notes.

Should the event cease on or after the decision of the Calculation Agent and the Portfolio Manager to early redeem the Notes, no Noteholder will be entitled to any payment whether of interest or otherwise in respect of the Notes other than the Early Redemption Amount and none of the Issuer, the Dealer, the Portfolio Manager and the Calculation Agent shall have any liability in respect of such early redemption.

**Calculations – Calculation Agent**

The Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 12 of the Terms and Conditions, of (a) of any adjustments which are substantial in the opinion of the Calculation Agent, and (b) upon the occurrence of an extraordinary event listed in this Managed Assets Portfolio Technical Annex, of any modification of the composition of the Underlying and/or of Market Value of the Notes payable in respect thereof together with the calculation details if necessary.

The Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Early Redemption Amount and in respect of Notes to which this Managed Assets Portfolio Technical Annex applies shall be specified in the applicable Final Terms. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.

**F) NON EQUITY SECURITY TECHNICAL ANNEX**

**PART 1 – DEFINITIONS**

**Non Equity Security** means a note or a certificate or a bond or a warrant or any other security other than a share, an index, a share or a fund unit, or a share of an investment company or an American depositary receipt or a credit risk, the name of which appears in the applicable Final Terms and subject to adjustments pursuant to the provisions of Part 2 “*Events and adjustments*”.

**Valuation Date** means any date specified as such in the applicable Final Terms.

**PART 2 – EVENTS AND ADJUSTMENTS**

- (a) In the case of the occurrence at any time on or prior to the last Valuation Date of the material or substantial modifications of the conditions of the Non Equity Security (such as but not limited to modification of the legal documentation related thereto) or any event or any change affecting the Non Equity Security (such as but not limited to definitive interruption of quotation of the Non Equity Security or termination of the obligations of the Issuer of the Non Equity Security under the Non Equity Security for any reason) and that, in the reasonable opinion of the Calculation Agent, is likely to have a significant effect on the value of the Non Equity Security, then, the Calculation Agent may:
- (i) adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
  - (ii) substitute the Non Equity Security with a new underlying asset; or
  - (iii) consider such event as an event triggering the termination of the Notes (a **Termination Event**).
- (b) If a Termination Event occurs in respect of the Non Equity Security on or before the Maturity Date, then, the Calculation Agent shall determine, in good faith, the fair market value of the Notes and the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Termination Event, the amount determined by the Calculation Agent in respect of each Note.

**PART 3 – CALCULATIONS – CALCULATION AGENT - PHYSICAL DELIVERY**

The provisions of Part 3 of the Equity Technical Annex shall apply *mutatis mutandis* to Notes to which this Non Equity Security Technical Annex applies as specified in the applicable Final Terms.

**G) DEFINITIONS RELATING TO FORMULAS**

|               |   |
|---------------|---|
| +             | means that the item preceding this sign is added to the item following this sign.   |
| -             | means that the item following this sign is deducted from the item preceding this sign.  |
| /             | means that the item preceding this sign is divided by the item following this sign.   |
| x or *        | means that the item preceding this sign will be multiplied by the item following this sign.   |
| >             | means that the item preceding this sign is strictly greater than the item following this sign. When used in a condition, it means that the item preceding this sign must be strictly higher than the item following this sign for the condition to be met. E.g. "If $X > Y$ then,..." means that X must be strictly greater than Y for the condition to be met.             |
| <             | means that the item preceding this sign is strictly lower than the item following this sign. When used in a condition, it means that the item preceding this sign must be strictly lower than the item following this sign for the condition to be met. E.g. "If $X < Y$ then,..." means that X must be strictly lower than Y for the condition to be met.                  |
| $\geq$        | means that the item preceding this sign is equal to or higher than the item following this sign. When used in a condition, it means that the item preceding this sign must be equal to or greater than the item following this sign for the condition to be met. E.g. "If $X \geq Y$ then,..." means that X must be equal to or greater than Y for the condition to be met. |
| $\leq$        | means that the item preceding this sign is equal to or lower than the item following this sign. When used in a condition, it means that the item preceding this sign must be equal to or lower than the item following this sign for the condition to be met. E.g. "If $X \leq Y$ then,..." means that X must be equal to or lower than Y for the condition to be met.      |
| i, j or k     | means in respect of the item to which it applies which can be without limitation a date (e.g. "Valuation Date (i)"), an underlying (e.g. "Share (i)") or a combination of underlyings (e.g. "Basket (i)") or a figure obtained pursuant to a formula (e.g. "Coupon (i)"), the designation of such item within a countable list, with the use of the variable i, j or k.     |
| i from X to Y | means that within the countable list of the designated item to which i applies (as defined above), only the items with a  |

rank between X and Y both included (X and Y are numbers) are considered.

**i from X to Y and ≠ i0**

by extension the item ranked i0 is excluded from the above list.

$i^k$

means, when an item is designated in a list by 2 variables, the designation of such item in the list. e.g. "Share<sub>i</sub><sup>k</sup>" with Valuation Date (k) means Share(i) on the Valuation Date(k).

**Min [X;Y]**

means that the considered value is the lowest value between the values of the two numbers X and Y. If the two values X and Y are positive, the value that will be retained by application of this formula, will be the value that is the lowest of these two positive values (e.g. Min [3;2] 2 will be retained). If X is positive and Y negative, Y will be the value retained by application of this formula (e.g. Min [3; -2], -2 will be retained) . If X is negative and Y positive, X will be the value retained by application of this formula (e.g. Min [-3;2], -3 will be retained). If both X and Y are negative values, the value retained by application of this formula will be the greatest negative value (e.g. Min [-3; -2], -3 will be retained). If X is positive and Y equal to 0 (e.g. Min [3; 0], Y = 0 will be retained) and if X is negative and Y equal to 0 (e.g. Min [-3; 0], X = -3 will be retained). The same rule applies, if more than two values are considered.

**Max [X;Y]**

means that the considered value is the highest value between the values of the two numbers X and Y. If the two values X and Y are positive, the value that will be retained by application of this formula, will be the value that is the highest of these two positive values (e.g. Max [3;2], 3 will be retained). If X is positive and Y negative, X will be the value retained by application of this formula (e.g. Max [3; -2], 3 will be retained). If X is negative and Y positive, Y will be the value retained by application of this formula (e.g. Max [-3;2], 2 will be retained). If both X and Y are negative values, the value retained by application of this formula will be the least negative value (e.g. Min [-3; -2], -2 will be retained). If X is positive and Y equal to 0 (e.g. Max [3; 0], X = 3 will be retained) and if X is negative and Y equal to 0 (e.g. Max [-3;0], Y = 0 will be retained). The same rule applies, if more than two values are considered.

**Min<sub>i from X to Y</sub>**

means that the considered value of the item to which it applies, will be the lowest of the different values that such item can take determined pursuant to the rules of Min above, when its rank in the list varies from X to Y. e.g. Min<sub>i from 1 to 5</sub> Share(i) means that the relevant value to be considered is the lowest value amongst the 5 values that Share(i) takes.

**Max<sub>i from X to Y</sub>**

means that the considered value of the item to which it

applies, will be the greatest of the different values that such item can take determined pursuant to the rules of Max above when its rank in the list varies from X to Y. e.g.  $\text{Min}_{i \text{ from } 1 \text{ to } 5} \text{Share}(i)$  means that the relevant value to be considered is the greatest value amongst the 5 values that Share(i) takes.

$$\sum_{n=1}^X \text{ or } \text{Sum}_{n \text{ from } 1 \text{ to } X}$$

means, for the item to which it applies, the sum of the X values that the item will take.

$$\text{E.g. } \sum_{n=1}^{10} \text{Basket}(n)$$

means the sum of the 10 values that Basket (n) takes when n varies from 1 to 10.

$$\frac{1}{X} \times \sum_{n=1}^X$$

means for the item to which it applies, the arithmetic average of the values that the item will take.

$$\text{E.g. } \frac{1}{10} \times \sum_{n=1}^{10} \text{Basket}(n)$$

means the arithmetic average of the 10 values that Basket (n) takes.

**|X| or Abs (X) or absolute value of X**

means that even if X has a negative value this negative value will be disregarded. E.g.  $|-10|$  means that the value to be retained is 10.

**$x^n$**

means that the value to be considered is the result of X multiplied by itself "n-1" times. E.g.  $2^5$  means  $2 \times 2 \times 2 \times 2 \times 2$  (i.e. 2 multiplied by itself 4 times) = 32.

**$\sqrt{X}$  or the square root of X**

means that the value to be considered is the number which when multiplied by itself gives X. E.g.  $\sqrt{9} = 3$  since  $3 \times 3 = 9$ .

$$\prod_{n=1}^x$$

means, for the item to which it applies, the product of the x values that the item will take.

$$\text{E.g. } \prod_{n=1}^3 (n + 1)$$

$$(1 + 1)(2 + 1)(3 + 1) = 2 \times 3 \times 4 = 24$$

**"a power b"**

means the exponential function of b with base a.

**$\text{LN}(x) = \ln(x) = \text{Ln}(x)$**

means logarithm to the base e of x, for example  $\text{LN}(2) = 0.69315$ .

**INT(x)** means the function which gives the integer part of the number x (rounded down to the closest integer number), for example  $\text{INT}(2.3) = 2$ ,  $\text{INT}(1.6) = 1$ ,  $\text{INT}(-1.4) = -2$ ,  $\text{INT}(-4.6) = -5$ .

**IND(condition)** means the characteristic function of the condition which is equal to 1 if the condition is satisfied and which is equal to 0 if the condition is not satisfied, for example :

S(0): closing value of the Underlying on Valuation Date(0)

S(1): closing value of the Underlying on Valuation Date(1)

if  $S(0) > S(1)$ , then  $\text{IND}(S(0) > S(1)) = 1$

if  $S(0) = S(1)$ , then  $\text{IND}(S(0) > S(1)) = 0$

if  $S(0) < S(1)$ , then  $\text{IND}(S(0) > S(1)) = 0$

**H) OTHER DEFINITIONS**

The applicable Final Terms may contain other definitions not specifically referred to in this Technical Annex. The meanings and/or functions of such definitions will be set out in full in the Schedule to the applicable Final Terms.

DESCRIPTION OF THE TRUST AGREEMENT AND THE LIMITATION OF RECOURSE

**A. Trust Agreement**

On 28th February, 2006 the Issuer and the Guarantor have entered into the following trust agreement:

"TRUST AGREEMENT

BETWEEN THE UNDERSIGNED

SOCIETE GENERALE S.A., a French *société anonyme* which is located at 17, cours Valmy, 92972 LA DEFENSE CEDEX, FRANCE, represented by Mr Christophe MIANNE, representing the Equity Derivatives business line in the Capital Markets department and hereinafter referred to as "SG"

AND

SOCIETE GENERALE Effekten GmbH Frankfurt, a subsidiary of SOCIETE GENERALE S.A., which is located at Mainzer Landstr. 36, 60325 Frankfurt / Main, Germany, represented by Mr Guenter HAPP, its managing director (*Geschäftsführer*), and hereinafter referred to as "SGE".

WHEREAS:

SGE is willing to issue or redeem debt instruments (such as, but not limited to, indexed notes, over the counter transactions) linked to shares, baskets of shares, indices, baskets of indices, funds and commodities or futures contracts on the same (the "Securities") on a fiduciary (*treuhänderisch*) basis for the benefit and the account of SG. Now, therefore, SG and SGE (together the Parties) hereby conclude the following Trust Agreement (the "Agreement"):

Article 1 – Scope of the Agreement

SG shall have the unilateral right to determine by way of issuing a separate confirmation (the "Confirmation") that the terms of this Agreement shall apply for the issuance of certain Securities. The Securities in relation to which the Confirmation has been issued shall be referred to hereinafter as the "Notes".

Article 2 - Duties of SGE

Under this Agreement, SGE commits to:

- issue and to redeem Notes on a fiduciary (*treuhänderisch*) basis in SGE's own name (*im eigenen Namen*) but for the account (*für Rechnung*) of SG;
- collect any proceeds resulting from the issuance of the Notes (*Emissionserlöse*) and to deliver such proceeds forthwith to a bank account to be specified by SG;
- use the funds made available by SG pursuant to Article 3 a) for payments owed under the Notes as and when they fall due and to make such payments on a fiduciary (*treuhänderisch*) basis in SGE's own name (*im eigenen Namen*) but for the account (*für Rechnung*) of SG;

follow any instructions given by SG in relation to all rights of SGE under the Notes, including but not limited to the right of SGE to be substituted as issuer and principal debtor under the Notes.

For the avoidance of doubt, SGE is not allowed to use, manage or invest funds made available to it by SG in any other way than for the purposes as defined in c) above.

Article 3 - Duties of SG

Under this Agreement, SG commits to:

- (a) advance to SGE an amount equal the amount of any payment owed by SGE under the Notes as and when such payment obligation falls due and in a manner that allows SGE to fulfil its payment obligation in a timely manner.
- (b) For the avoidance of doubt, the payment obligations of SGE under the Notes that are relevant for the determination of the advances to be made by SG shall not be limited by the "Limited Recourse" provision as set out in the terms and conditions of such Notes.
- (c) pay to SGE fees as set out in Article 4.

#### Article 4 - Payment of Fees

SGE will be remunerated by a fee, based on the costs incurred by the issuance of Notes as described in the separate "Agreement relating to issuance activity in SG Effekten" dated 1st of July 2005 in its latest version.

#### Article 5 - Term

This Agreement shall come into force with effect from 1st July 2005. It is concluded for an initial term of one year, and thereafter shall be deemed renewed from year to year unless one of the Parties provides notice of termination in writing no later than 15 days prior to the date at which the Agreement is due to be renewed. Shall the Agreement be terminated, the Parties agree to be bound by its terms until all obligations under the Notes have been fully satisfied.

#### Article 6 - Modifications - Prior Agreements

Any modification of this Agreement shall be set forth in a written amendment signed by all the Parties.

#### Article 7 - Applicable law - Jurisdiction

This Agreement shall be governed by the laws of Germany.

All disputes relating to its validity, interpretation or performance shall be submitted to the law courts in Frankfurt with jurisdiction, provided however, that SG and SG alone, in whose favour such attribution of jurisdiction has been granted, shall have the option of bringing such proceedings before any other court with jurisdiction."

### **B. Limitation of Recourse**

Pursuant to Condition 9 of the Terms and Conditions of the Notes, any payment obligations of the Issuer under the Notes are limited to the funds received from the Guarantor under the Trust Agreement. To the extent such funds prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom will be extinguished and no Noteholder has any further claims against the Issuer, regardless of whether the Issuer would be able to fulfil its payment obligations under the Notes out of its own funds, subject, however, to the right of the Noteholders to exercise any termination or early redemption rights.

**C. Impact of the Trust Agreement and the Limitation of Recourse on the Position of the Issuer vis-à-vis the Noteholders**

As a result of the Trust Agreement, the Issuer's ability to satisfy its payment obligations under the Notes in full is dependent upon it receiving in full the amounts payable to it by the Guarantor under the Trust Agreement. Moreover, since the Terms and Conditions of the Notes provide for a limitation of recourse, this applies irrespective of whether the Issuer would be able to make such payments out of other funds available to it.

Thus, from an economic perspective, the Notes are issued by the Guarantor and not the Issuer, whose role is comparable to that of a special purpose vehicle used for the issue of Notes and the Noteholders directly depend on the credit risk of the Guarantor (see "Risk Factors Issue of the Notes by the Issuer on the account of the Guarantor and Creditworthiness of the Guarantor") rather than that of the Issuer."

GUARANTEE

Société Générale Effekten GmbH  
Neue Mainzer Straße 46 – 50  
60311 Frankfurt am Main

**Guarantee on first demand**

Under its € 30,000,000,000.00 Debt Issuance Programme (the **Programme**), Société Générale Effekten GmbH (the **Issuer**) may issue notes and certificates (the **Debt Securities**) up to a maximum amount of € 30,000,000,000.00 (thirty Billion Euros) or its equivalent in another currency under the base prospectus for notes and certificates dated 19 June 2012 (the "**Debt Issuance Programme Prospectus**") which is in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) implementing the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the **Prospectus Directive**).

Société Générale (the **Guarantor**) hereby unconditionally and irrevocably guarantees, for the benefit of the holders of Debt Securities issued under the Debt Issuance Programme Prospectus between 19 June 2012 and 19 June 2013, the due and punctual payment of any amounts due and payable and/or the due and punctual physical delivery of securities deliverable, under the respective terms and conditions of any Debt Securities issued by the Issuer (the **Indebtedness**) and to the extent that, at the Issue Date of such Debt Securities, the sum of (A) the aggregate nominal amounts of such Debt Securities and (B) all the aggregate nominal amounts of Debt Securities issued by the Issuer and outstanding on such Issue Date, in each case, converted into euro at the relevant spot rate of exchange on such Issue Date, including those issued under previous debt issuance programmes prospectuses (the **Previous Prospectuses**) does not exceed € 30,000,000,000.00 (thirty Billion Euros) (the **Guarantee Limit**).

In the event of any default by the Issuer in the punctual payment and/or physical delivery of securities in respect of all or any part of the Indebtedness, the Guarantor will make any payments and/or physical deliveries of securities, on first demand, provided that:

- the request is made by registered mail with acknowledgment of receipt to the Guarantor attesting (i) that the payment of the claimed amounts and/or the physical delivery of securities is guaranteed hereunder and (ii) the conditions of payment and/or delivery are fulfilled, and (iii) the payment of such claimed amounts and/or physical delivery of such securities has not been made by the Issuer,
- the Guarantor is obliged to pay the claimed amounts and/or to physically deliver the claimed securities, without having the right to raise any objection notably from present or future relationship between the holders of Debt Securities and the Issuer.

Debt Securities issued before the date hereof under the Previous Prospectuses shall continue to have the benefit of the guarantees issued by Société Générale in relation to such Debt Securities.

This Guarantee will come into force on the date hereof and shall expire only after payment/and or delivery in full of any Indebtedness due under the Debt Securities issued by the Issuer.

This Guarantee constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks and will rank *pari passu* with all other existing and future direct, unconditional, unsecured and unsubordinated obligations of the Guarantor, excluding any debts for the time being preferred by law.

In the event of a substitution of the Issuer by a subsidiary of the Guarantor (the **New Issuer**) pursuant to the terms and conditions of any Debt Securities, this Guarantee shall extend to any and all amounts payable by the New Issuer pursuant to the terms and conditions of such Debt Securities.

This Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of France. Any dispute arising out or in connection with its validity, interpretation or performance shall be submitted to the exclusive jurisdiction of *Tribunal de Commerce de Paris*, France.

Paris, 19 June 2012

For and behalf of

**SOCIÉTÉ GÉNÉRALE**

**Name:**

**Title:**

**SG Corporate & Investment Banking**

USE OF PROCEEDS

Pursuant to the Trust Agreement (see the section headed "*Description of the Trust Agreement and the Limitation of recourse*") the Issuer is obliged to collect any proceeds resulting from the issuance of the Notes and to deliver such proceeds forthwith to a bank account to be specified by the Guarantor. The net proceeds from each issue of Notes by the Issuer will be applied by the Guarantor for the general financing purposes of the Société Générale group of companies. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

PREVIOUS EMTN CONDITIONS

**A. Comparative table of documents incorporated by reference**

Please refer to the information incorporated by way of reference as set out in the “*Comparative tables of documents incorporated by reference*”.

**B. THE 2006 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 45 to 109) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5th May 2006 (the **2006 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**C. THE 2007 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 55 to 186) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 7th May 2007 (the **2007 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**D. THE 2008 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 62 to 203) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5th May 2008 (the **2008 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**E. THE 2009 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 79 to 239) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 6th May 2009 (the **2009 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**F. THE 2010 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 88 to 287) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 4th May 2010 (the **2010 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**G. THE 2011 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 95 to 357) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 2th March 2011 (the **2011 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**H. THE FEBRUARY 2012 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the "Comparative table of documents incorporated by reference" in the section "Documents Incorporated by Reference" for the Form of Final Terms and the Terms and Conditions of the Notes (pages 98 to 354) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 9 February 2012 (the **February 2012 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

DESCRIPTION OF SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH

**A. Comparative table of documents incorporated by reference**

Please refer to the information incorporated by way of reference as set out in the “*Comparative tables of documents incorporated by reference*” for a description of Société Générale Effekten GmbH.

**B. 2012 Registration Document of Société Générale Effekten GmbH**

The 2012 Registration Document of Société Générale Effekten GmbH dated 8 June 2012 (the **2012 Registration Document of Société Générale Effekten GmbH**) approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)*.

DESCRIPTION OF SOCIÉTÉ GÉNÉRALE

**A. Comparative table of documents incorporated by reference**

Please refer to the information incorporated by way of reference as set out in the “*Comparative tables of documents incorporated by reference*” for a description of Société Générale.

**B. 2012 Registration Document of Société Générale**

The 2012 Registration Document of Société Générale dated 14 June 2012 (the **2012 Registration Document of Société Générale**) approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin).

## TAXATION

THE FOLLOWING SECTION PROVIDES INFORMATION ON TAXES ON THE INCOME FROM THE NOTES WITHHELD AT SOURCE IN RESPECT OF (I) THE COUNTRY OF THE REGISTERED OFFICE OF THE ISSUER AND (II) THE COUNTRIES WHERE OFFERS OF NOTES MAY BE MADE OR ADMISSION TO TRADING MAY BE SOUGHT. SUCH INFORMATION IS NOT INTENDED TO PROVIDE AN EXHAUSTIVE DESCRIPTION OF THE POTENTIAL TAX ISSUES ASSOCIATED WITH THE NOTES. ACCORDINGLY, ANY INVESTOR CONSIDERING AN INVESTMENT IN THE NOTES SHOULD OBTAIN INDEPENDENT TAX ADVICE ON THE TAXATION IMPLICATIONS FOR IT, IN EACH RELEVANT JURISDICTION, OF PURCHASING, OWNING OR DISPOSING OF ANY NOTE.

The Issuer does not assume liability for the deduction of taxes at the source.

**FEDERAL REPUBLIC OF GERMANY**

*The following discussion of certain German tax consequences of buying, holding or disposing of the Notes is based on tax laws, regulations, decisions, judgments and administrative decrees currently in effect, which may be amended or construed differently, potentially with retroactive or retrospective effect. However, this section does not refer to all possible tax considerations which are relevant to the decision of any potential purchaser with respect to buying, holding or disposing of a Note; in particular, it does not refer to specific circumstances which may be relevant to certain purchasers such as church tax (Kirchensteuer) or individual tax privileges. This means that the following text exclusively refers to Notes as an investment as such (unless expressly indicated otherwise) and does not address any persons in their specific tax situation. The information contained in the following section is not intended as and does not purport to be legal or tax advice.*

**Potential investors in the Notes are therefore advised to consult their own tax advisers as to the German and other tax consequences of buying, holding or disposing of the Notes.**

*As each Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Tranche of Notes as set out in the respective Final Terms, the following section only provides some very general information on the possible tax treatment. If necessary, the prospectus regarding the respective Tranche of Notes will contain more specific but also general information on the possible tax treatment of the respective Notes. Potential investors should therefore always review the respective Final Terms also with respect to additional tax information.*

**German Taxation of Residents**

*Notes held as a Private Asset*

*Taxation of Interest Income*

Under German tax law, payment of interest on the Notes to persons who are tax residents of Germany (including persons whose residence, habitual abode, statutory seat or place of management is located in Germany, a "German Holder") and who held the Note as a private asset is subject to German income tax as capital income in the meaning of § 20 German Income Tax Act. From the year 2009, a final taxation ("Abgeltungsteuer") is charged on capital income at an amount of 25% plus 5.5% solidarity surcharge ("Solidaritätszuschlag") thereon, resulting in a total final taxation of 26.375%. Taxable base is the received interest without any deduction of expenses actually incurred. The total capital income of the individual will be deducted by a personal annual exemption ("Sparer-Pauschbetrag") of EUR 801 (EUR 1,602 for married couples filing their tax return jointly). The personal income tax liability regarding the capital income is, in principle, settled by the tax withheld. If no withholding tax was charged on the payment of the interest, the German Holder will have to include this interest income in its tax return. The final taxation will then be charged by way of assessment. The German Holder may also apply for assessment of the capital income based on the general rules if the

personal income tax rate of the German Holder is lower than the final taxation rate. In such assessment, the withholding tax will be credited.

#### *Withholding Tax on Interest Income*

If the Notes are held in a custodial account maintained by a German Holder with a German branch of a German or foreign bank or financial services institution (a "German Disbursing Agent"), which pays or credits the interest, a 25% withholding tax ("Kapitalertragsteuer") on interest payments, plus a 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon will be levied, resulting in a total withholding tax charge of 26.375% on the gross amount of interest paid. Accrued Interest paid by a German Holder upon the purchase of the Notes may be set-off against the amount of interest income received by such German Holder and, under certain circumstances, may reduce the amount subject to withholding tax.

If the Noteholder is an individual to whom income from the Notes constitutes income from a capital investment and such Noteholder has filed a certificate of exemption ("Freistellungsauftrag") with the German Disbursing Agent, no tax will be withheld by the German Disbursing Agent to the extent that the interest income derived from the Notes together with other investment income administered by the German Disbursing Agent does not exceed the maximum exemption amount shown on this certificate. Similarly, no tax will be withheld if the Noteholder submits to the German Disbursing Agent a certificate of non-assessment ("Nichtveranlagungsbescheinigung") issued by the competent local tax office.

#### *Disposal or Redemption of the Notes*

Capital gains resulting from the disposal or redemption of Notes (or, as the case may be, from the payment at maturity of the Notes) realised by individual German Holders holding the Notes as private assets are taxable as capital gains. They are also subject to the final taxation ("Abgeltungsteuer") at an amount of 25% plus 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon, resulting in a total final taxation of 26.375%.

Base for this taxation is the capital gain, which is in general the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. The taxable capital gains from Notes issued in a currency other than Euro also include any currency gains (and losses). In the case of a physical settlement of certain Notes which grant the Issuer or the individual Noteholder the right to opt for a physical delivery of a predetermined number of underlying securities instead of a (re)payment in cash, generally no taxable capital gain may result, because the acquisition costs of the Notes are regarded as acquisition costs of the underlying securities received by the individual Noteholder upon physical settlement. Therefore, only loss can arise from the deduction of directly related expenses.

Capital losses in respect of the Notes held as a private asset may only be set-off against capital income within the same financial year and in subsequent years. However, if losses result from Notes held in a custodial account maintained by a German Disbursing Agent, initially the German Disbursing Agent will take these losses into account when calculating the withholding tax. In case that the losses can not be compensated in the current year the losses will be set off against the income of the subsequent year. Upon request of the German Holder the German Disbursing Agent will provide a certificate of all losses, which could not be set off during the current year within the custodial account. This certificate enables the German Holder to claim a deduction within the assessment of capital income.

#### *Withholding Tax on Disposal or Redemption of the Notes*

Like the treatment of interest income a withholding tax at an amount of 25%, plus a 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon (in total 26.375%) will be levied on capital gains from disposal or redemption of the Notes, if the Note is held in a custodial account maintained by a German Disbursing Agent. A withholding tax will not be charged if the German Holder has provided a certificate

of exemption ("*Freistellungsauftrag*") or a certificate of non-assessment ("*Nichtveranlagungsbescheinigung*") to the German Disbursing Agent.

Base for this taxation is again the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. However, in case the Notes have not been kept in a custodial account with the same German Disbursing Agent since the time of acquisition, upon the disposal, redemption or repayment the withholding applies to 30% of the disposal proceeds, unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EC Council Directive 2003/48/EC. Furthermore, the special provision for a physical settlement of certain Notes applies for purposes of the withholding. Therefore, in principle, redemption accompanied by physical settlement may not result in a withholding tax.

#### *Notes held as Business Assets or by a Corporate Body*

If the Notes are held as business assets or by a corporate body all income received from the Notes (interest as well as capital gains) is subject to German income tax or German corporate income tax. The income from the Notes will be taxed at the German Noteholder's individual tax rate. The income tax or the corporate income tax is not settled by the tax withheld. Withholding tax and the solidarity surcharge thereon might be credited as prepayments against the German Holder's final tax liability for German personal or corporate income tax purposes and the respective solidarity surcharge, or, if in excess of such final tax liability, refunded upon application.

If the Notes are held in a German business establishment for trade tax purposes, interest income derived from the Notes will also be subject to trade tax on income, which is a municipal tax levied whose effective tax rate depends on the trade tax factor applied by the relevant municipality.

The taxation of the investment in the Notes might be calculated on an accruals basis. The income might therefore be taxed before the German Holder receives a payment from the Notes.

In general, withholding tax will be deducted in accordance to the same provisions like the withholding with respect to Notes held as private assets. The withholding tax on capital gains might not apply under certain circumstances and for certain capital income if the Notes are held by a tax resident corporate or if the Notes are held by a individual or by a partnership as part of the business assets as far as the German Holder provides the German Disbursing Agent with a certificate of the character of the Notes as business assets.

#### **German Taxation of Non-Residents**

Income derived from the Notes by persons who are not tax residents of Germany ("Non-German Holders") is in general exempt from German income or corporate income taxation, and no withholding tax shall be withheld (even if the Notes are held with a German Disbursing Agent), provided (i) the Notes are not held as business assets of a German permanent establishment of the Non-German Holder, including a permanent representative, or fixed base of the Noteholder, (ii) the income derived from the Notes does not otherwise constitute German source income (such as income from the letting and leasing of certain German situs property), (iii) the Notes or coupons are not presented for payment at the offices of a German branch of a German or foreign bank or financial services institution, that do not hold in custody or manage the Notes, in an over-the-counter-transaction ("*Tafelgeschäft*") by a person who is not a foreign bank or financial service institution and, (iv) in the event that the Notes are held in a custodial account maintained by a German Disbursing Agent, the Noteholder complies with the applicable procedural rules under German law and provides evidence of the fact that the Notes are not subject to taxation in Germany. Unjustified retained withholding tax shall be refunded upon request to the Local Tax Office ("*Finanzamt*") to whom the withholding tax was paid.

If the interest is subject to German taxation (for example, if the Notes are held as business assets of a German permanent establishment of a Non-German Holder), such holder is subject to a tax treatment similar to that described above under the caption "German Tax Residents". The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

**If the Notes are offered by the Issuer other than in the Federal Republic of Germany, information relating to withholding tax may be disclosed in the Final Terms or, in the event of an offer which is made after completion of the Final Terms, in amended Final Terms.**

#### **European Council Directive on the Taxation of Savings Income**

On 3 June 2003 the Council of the European Union ("ECOFIN") approved a directive regarding the taxation of interest income. Accordingly, each EU Member State must provide to the tax authorities of the other Member States details of the payment of interest made by a person in its jurisdiction to any individual resident in the other relevant EU Member State. The directive has to be applied by the member states since 1 July 2005. The directive came into effect in German law on 1 July 2005.

For a transitional period, Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive at a rate of 35% from 1 July 2011 onwards.

#### **Gift or Inheritance Taxation**

No estate, inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of estate and inheritance taxes, both the decedent and the beneficiary, and, in the case of gift taxes, both the donor and the donee, are tax non-residents and are not deemed to be a tax resident of Germany at the time of the transfer and such Notes are not attributable to a permanent establishment in Germany. In the case of a decedent, donor or heir who is a German national, this only applies if such person has been a non-resident of Germany for more than five consecutive years.

#### **Stamp Duty**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

#### **AUSTRIA**

*The following is a brief summary of certain Austrian tax aspects in connection with the Notes. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Notes. In some cases a different tax regime may apply. Further, this summary does not take into account or discuss the tax laws of any country other than Austria nor does it take into account the investors' individual circumstances. Prospective investors are advised to consult their own professional advisors to obtain further information about the tax consequences of the acquisition, ownership, disposition, exchange, exercise, settlement or redemption of the Notes. Only personal advisors are in a position to adequately take into account special tax aspects of the particular Notes in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor.*

*This summary is based on Austrian Law as in force when drawing up this Prospectus. The Austrian tax laws have changed due to the entry into force of provisions included in the Austrian Federal Budget Supplement Act 2011, Federal Legal Gazette I 2010/111, in the Austrian Tax Amendment Act 2011, Federal Legal Gazette I 2011/76, in the Austrian Federal Budget Supplement Act 2012, Federal Legal Gazette I 2011/112, and in the Austrian First Stability Act 2012, Federal Legal Gazette I 2012/22, on 1 April 2012. The Austrian Federal Ministry of Finance has moreover issued and published Guidelines on the Taxation of Investment Income dated 7 March 2012 relating to the application of the new tax laws. Relating to the new tax laws, there is currently neither case law nor a secure practice applied by the paying agents and/or securities account keeping agents so that deviations may result from the factual implementation and practice as compared to the legal situation described herein. The laws and their*

*interpretation by the tax authorities may change and such changes may also have retroactive effect. Prospective investors are therefore explicitly advised to consult their own professional advisers to obtain further information about the tax consequences of the acquisition, ownership, disposition, exchange, exercise, settlement or redemption of the Notes.*

*This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into, shares or other securities or rights or which in other way provide for physical settlement, or the consequences of the exchange, exercise, physical settlement or redemption of such Notes and/or any tax consequences after the moment of exchange, exercise, physical settlement or redemption.*

#### Austrian Resident Taxpayers

Income derived by individuals having a domicile or their habitual abode in Austria or corporations having their corporate seat or place of management in Austria ("residents") is taxable pursuant to the Austrian Income Tax Act (*Einkommensteuergesetz*) or the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*).

#### Notes

##### **Risk of re-qualification of Notes as investment fund units**

Certain Notes such as non-capital guaranteed basket or index linked notes and fund linked notes might be re-qualified by the tax authorities as foreign investment fund units under certain conditions. Pursuant to the Austrian Investment Fund Act, a portfolio of assets which is subject to the laws of a foreign country and which is invested according to the principle of risk-diversification is qualified as non-Austrian investment fund for tax purposes, without regard to its legal form (substance over form approach). Income from investment funds is taxed at the level of the investors and includes distributions as well as retained earnings of the fund deemed to be distributed to the investor ("ausschüttungsgleiche Erträge"). Such retained earnings are deemed to be distributed to the investor for tax purposes to the extent of the share interest of the investor no later than four months after the end of the business year of the investment fund in which the earnings were derived by the fund. If no Austrian tax representative is appointed for the fund and the retained earnings of the fund deemed to be distributed to the investor are also not reported to the securities account keeping agent by the investors themselves, the non-Austrian fund will be qualified a "black fund" and the retained earnings of the fund deemed to be distributed each calendar year will be determined on a lump-sum basis which will result in a tax base of 90 per cent. of the difference between the first and the last redemption price of the fund units fixed in a calendar year, but will be minimum 10 per cent. of the last redemption price of the fund units fixed in a calendar year. As the applicable tax rate is 25 per cent. for corporate investors as well as, in general, for individuals, this minimum lump sum tax base results in a minimum tax of 2.5 per cent. per year on the last redemption price (NAV) in any calendar year before maturity.

In the case of sales or redemptions of black foreign investment fund units, the whole difference amount between the sale price of the fund unit on the one hand and its acquisition cost plus already taxed retained earnings of the fund deemed to be distributed to the investor on the other hand will be subject to Austrian withholding tax of 25%.

Pursuant to the Investment Fund Guidelines 2008 published by the Austrian Federal Ministry of Finance a requalification of index and other reference linked notes into fund units requires (i) that an investment is effected in line with the principle of risk diversification and (ii) that the Issuer (or a trustee mandated by the Issuer) factually and predominantly acquires the (underlying) securities or that the investment qualifies as actively managed portfolio. This should, inter alia, exclude capital guaranteed notes and notes with less than six underlyings from requalification. Pursuant to the Investment Fund Guidelines 2008 "directly held index linked certificates should not be requalified as foreign investment fund units, irrespective, whether the underlying index is a recognized or individually composed, fixed or flexible index". Therefore index linked notes should be prevented from a requalification as foreign

investment fund units. Furthermore, in practice, Notes issued by an Austrian issuer are not re-qualified as investment fund units.

In the following we therefore assume that the Notes do not qualify as foreign investment funds for income tax purposes.

### **Resident Individuals**

Generally for Notes held as private assets, income arising from the Notes qualifies as investment income (*Einkünfte aus Kapitalvermögen*). Index linked Notes bearing interest or bearing index linked interest are treated as debt type claims (*Kapitalforderungen jeder Art*), whereas index (and other underlying) linked certificates without interest are treated as (securitized) derivatives (*verbriefte Derivate*) under the new Austrian income tax law. Investment income from the Notes comprises:

- (i) income from the provision of capital (*Überlassung von Kapital*) including interest payments on the Notes (*Zinserträge*),
- (ii) realised capital gains (*Einkünfte aus realisierten Wertsteigerungen*) derived from assets which may generate income from the provision of capital, and
- (iii) for Notes bearing no interest and structured as index (or other underlying) linked certificates, income from derivatives including income from the sale, pay-off or redemption of (securitized) index (or other underlying) linked Notes.

Hence, not only interest payments but also realized capital gains will, irrespective of the period of time the Notes have been held for, qualify as investment income (*Einkünfte aus Kapitalvermögen*) and be subject to income tax at a special rate of 25% provided that the realisation of capital gains or of income from derivatives does not form a focus of a business investor's activities. Investment income includes income derived from the sale, redemption or other pay-off of the Notes and, in the case of derivative financial instruments, from any other settlement of the Notes. The tax base is, in general, the difference between (a) the amount realized (e.g., the sale proceeds or, the redemption or other pay-off amount) and (b) the acquisition costs, in all cases including accrued interest, if any. Expenses which are directly connected with income subject to the special tax rate of 25% are non-deductible. For Notes held as private assets, the acquisition costs shall not include incidental acquisition costs. For the calculation of the acquisition costs of Notes held within the same account and having the same identification number which are acquired at different points in time, an average price applies.

If an Austrian securities account keeping agent or an Austrian paying agent is involved and pays out or settles the realization of the income or capital gain, income tax will be deducted by applying a 25% withholding tax. The 25% withholding tax deduction will result in a final income taxation for private investors (holding the Notes as private assets) provided that the investor has evidenced the factual acquisition costs of the Notes to the securities account keeping agent.

Withdrawals (*Entnahmen*) and other transfers of Notes from the securities account (including Notes acquired before April 01, 2012) will be treated as dispositions (sales), unless specified exemptions are fulfilled like the transfer of the Notes to a securities account owned by the same taxpayer (i) with the same Austrian bank, (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring bank to transmit the pertaining information to the competent tax office or has himself notified the competent Austrian tax office within a month; or like the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the securities account keeping agent or the agent has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month.

To the extent that no withholding tax deduction will be effected due to the lacking of an Austrian paying

agent and of an Austrian securities account keeping agent, the investment income derived from the Notes will have to be included into the income tax return in line with the provisions of the Austrian Income Tax Act.

Taxpayers, whose regular personal income tax rate is lower than 25% may opt for taxation of the income derived from the Notes at such regular personal income tax rate. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special 25% tax rate. Expenses in connection with income subject to final taxation or to the special 25% income tax rate and incurred by the investor are also not deductible for persons having opted for taxation at the regular personal income tax rate.

Losses from Notes held as private assets may only be set off with other investment income (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not be set off with any other income. The Austrian Federal Budget Supplement Act 2012 provides for a mandatory set-off of losses applied as of 1 January 2013 by the Austrian securities account keeping agent to investment income achieved in all securities accounts at the same agent qualifying as private assets. Also losses accrued in private assets between 1 April 2012 and 31 December 2012 will have to be set off by 30 April 2013 by the Austrian securities account keeping agents. A carry-forward of such losses is not permitted.

Income (including capital gains) derived from the Notes which are held as business assets will also be subject to the special tax rate of 25% deducted by way of a withholding tax provided that the realisation of capital gains or of income from derivatives does not form a focus of a business investor's activities. However, capital gains and income from derivatives, contrary to the income from the provision of capital (*i.e.* interest income), have to be included in the tax return (no final taxation). Write-downs and losses derived from the sale, redemption or other pay-off regarding the Notes held as business assets must primarily be set off against positive income from realized capital gains of financial instruments and only half of the remaining loss may be set off or carried forward against any other income.

For income derived from Notes which have upon issue not been offered to the public as referred to in the Austrian Income Tax Act, the general income tax rate (as opposed to the 25% special tax rate) will apply.

Further, with effect as of 1 April 2012, amended exit tax rules have entered into force.

### **Resident Corporations**

Corporate investors deriving business income from the Notes may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian entity obliged to deduct the withholding tax. Income including any capital gain derived from the Notes by corporate investors is subject to corporate income tax at the general rate of 25%. There is, *inter alia*, a special tax regime for Private Foundations established under Austrian law (*Privatstiftungen*).

### **Certain aspects of the tax treatment of certain Notes**

Any income and capital gain from the sale or redemption of Notes acquired against consideration will be subject to income tax of 25% and the tax will be deducted by way of a withholding tax, if an Austrian paying agent or an Austrian securities account keeping agent will be involved. The tax base is, in general, the difference between (a) the amount realized (*e.g.*, the sale proceeds or, the redemption or other pay-off amount) and (b) the acquisition costs, in all cases including accrued interest, if any. Please also refer to the above described tax laws applying to "Resident Individuals".

Zero coupon Notes, index linked Notes bearing interest (including index linked interest), callable yield notes and cash or share-notes will qualify as notes under the new taxation rules but be subject to the taxation (25% withholding tax) of the difference between (a) the amount realized (*e.g.*, the sales price, the redemption amount) including accrued interest, if any and (b) the acquisition costs (including

accrued interest) if paid out by an Austrian securities account keeping agent or an Austrian paying agent. If held as business assets, interest upon redemption of the Zero coupon Notes is not subject to final taxation, but taxed like capital gains.

Index certificates (not bearing interest), discount certificates, leveraged certificates (*Hebelzertifikate*) and other derivative securities will qualify as (securitized) derivative financial instruments and be subject to the 25% withholding tax on capital gains and other income from such financial instruments. If the settlement of such Notes will be linked to an acquisition or receipt of shares and/or investment funds units, such receipt of shares and/or investment funds units will qualify as acquisition of the pertaining underlying. The acquisition costs of the underlying will correspond to the acquisition costs of the Notes. Any capital gains achieved upon the sale of the underlying will be subject to the special income tax rate of 25% for sales, which will be deducted by way of a withholding tax if an Austrian paying agent and or securities account keeping agent will be involved.

### **Non-Residents**

Income including any capital gain derived from the Notes by individuals who have neither a domicile nor their habitual abode in Austria or corporate investors who have neither their corporate seat nor their place of management in Austria ("non-residents") is not taxable in Austria provided the income is not attributable to a permanent establishment in Austria (for withholding tax under the EU Savings Directive see below).

Thus, non-resident investors in case they receive income from the Notes through a paying agent or a securities account keeping agent located in Austria may avoid the application of Austrian withholding tax if they evidence their non-resident-status vis-à-vis the entity obliged to deduct the Austrian withholding tax by disclosing information as required in the Austrian income tax guidelines. The provision of evidence that the investor is not subject to Austrian withholding tax is the responsibility of the investor.

If any Austrian withholding tax is deducted by the agent, the tax withheld shall be refunded to the non-resident investor upon his application, which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax.

Where non-residents receive income from the Notes as part of business income taxable in Austria (permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

### **EU Council Directive on Taxation of Savings Income**

EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ("**EU Savings Tax Directive**") provides for an exchange of information between the authorities of EU member states regarding interest payments made in one member state to beneficial owners who are individuals and resident for tax purposes in another member state. Austria has implemented the Savings Directive by way of the EU Withholding Tax Act (*EU-Quellensteuergesetz*) which provides for a withholding tax as an alternative to an exchange of information if the investor decides to remain anonymous. Such EU Withholding tax is levied on interest payments within the meaning of the EU Withholding Tax Act made by a paying agent located in Austria to an individual resident for tax purposes in another member state of the European Union or certain dependent associated territories. The EU Withholding Tax rate amounts to 35%.

Withholding tax will be deducted upon actual or deemed interest payments as well as upon sale, refund or redemption of debt claims. Further, withholding tax will be deducted - on a *pro rata temporis* basis - in case of changes of the individual's withholding tax status such as changes of his country of residence or transfer of his securities to a non Austrian account.

Deduction of EU Withholding Tax can be avoided if the EU-resident investor provides the paying agent

with a certificate drawn up in his name by the tax office of his member state of residence. Such certificate has to indicate, *inter alia*, the name and address of the paying agent as well as the account number of the investor or the identification of the Notes.

The scope of the definition of interest payments for EU Withholding Tax purposes may differ from the scope of interest payments for Austrian income and withholding tax purposes. For example, under certain conditions and subject to the guidelines and information issued by the Austrian Ministry of Finance income from share linked notes, index linked notes or fund linked notes may not be considered as interest for EU Withholding Tax purposes while being interest for Austrian tax purposes. Subject to the guidelines and information issued by the Austrian Ministry of Finance the treatment of structured notes (certificates) for EU Withholding tax purposes depends on the underlying as well as whether or not the Notes are capital guaranteed. Generally, interest payments are subject to EU Withholding tax, whereas the gains realised upon the redemption or sale are treated as follows:

Notes without capital guarantee (the term "capital guarantee" for such tax purposes is deemed to include guaranteed interest payments) are treated as follows: Interest payments are subject to EU Withholding Tax. Gains from Notes linked to shares, share indices, metals, currencies, exchange rates and the like which are not in advance guaranteed are not subject to EU Withholding Tax. If such gains are derived from Notes linked to bonds or bond indices they are not subject to EU Withholding Tax if the index or basket is comprised of minimum five different bonds of different issuers, if the portion of a single bond does not exceed 80% of the index and, with regard to dynamic Notes, the 80%-threshold is complied with throughout the entire term of the Notes. With regard to Notes linked to funds or fund indices, the difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index/fund is composed of minimum five different funds and a portion of each fund does not exceed 80%; in the case of dynamic notes the 80%-threshold must be complied with during the entire term of the Notes. If Notes are linked to mixed indices composed of funds as well as of bonds, gains do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index is composed of minimum five bonds and five funds of different issuers and a portion of a single bond or a single fund does not exceed 80% of the pertaining index.

Relating to capital guaranteed Notes, factually paid interest amounts, whether guaranteed or not, are subject to EU Withholding Tax. Guaranteed parts of difference amounts (between issue price and redemption price respectively sale price) are subject to EU Withholding Tax on the basis of the yield upon issue. Other non-guaranteed income (difference between issuance amount or higher guaranteed part of redemption amount and non-guaranteed parts of redemption amount/sales proceeds) is treated as follows: If the underlying qualifies as bond, interest rate or inflation rate, then the income will qualify as interest within the meaning of the EU Withholding Tax Act and be subject to EU Withholding Tax. If shares, share indices, share baskets, metals, currencies and commodities are referred to as underlyings, the income is not subject to EU Withholding Tax. If funds and fund indices are referred to as underlying, the income is not subject to EU Withholding Tax, provided that the funds do not generate interest income within the meaning of the EU Withholding Tax Act. Should the underlyings qualify as certificates or other securities the proceeds of which do not qualify as interest subject to EU Withholding Tax, then the income derived therefrom is not subject to EU Withholding Tax, too.

#### **Other Taxes**

There is no transfer tax, registration tax or similar tax payable in Austria by holders of bearer Notes as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The sale and purchase of bearer securities as well as the redemption of Notes is in general not subject to Austrian stamp duty.

The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) has been abolished as of August 1, 2008. No such tax is levied anymore upon a transfer of assets by way of inheritance or gifts occurring after July 31, 2008. However, according to the Gift Notification Act 2008 (*Schenkungsmeldegesezt 2008*) gifts have to be notified to the tax authorities within a three-month

notification period. There are certain exemptions from such notification obligation, e.g., for gifts among relatives that do not exceed EUR 50,000 within a year or gifts among unrelated persons that do not exceed EUR 15,000 within five years.

## **BELGIUM**

*Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the Notes. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisers regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive.*

*This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Base Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.*

### **Belgian income tax**

For Belgian tax purposes, interest includes any interest paid on the Notes as well as any amount paid in excess of the initial price upon redemption or purchase by the Issuer.

#### ***Belgian resident individuals***

For individuals subject to Belgian personal income tax who are not holding Notes as professional investors, all interest payments (as defined in the Belgian Income Tax Code) will be subject to the tax regime described below.

If interest is paid through a Belgian intermediary, such intermediary must levy withholding tax. The current applicable withholding tax rate is 21 per cent. (applicable as from January 1<sup>st</sup>, 2012). In addition, a supplementary contribution of 4 per cent. is applicable for investors who have received dividend and certain interest income exceeding an aggregate annual total of 13,675 EUR (2012 indexed amount: 20,020 EUR). The investor may opt for withholding of this supplementary contribution. In that case, the withholding tax increased by the supplementary contribution amounts to 25 per cent. and can be the final tax. If the investor does not request for the withholding of this supplementary contribution of 4 per cent., the investor will have to report this interest payment in his or her yearly personal income tax return. Application for the local surcharge on interest reported in the yearly personal income tax return is currently subject to discussions and no further comments can be provided in this regard at the time of drafting this summary. If no Belgian intermediary is involved in the interest payment, the investor must report this interest as moveable income in his or her personal income tax return. Such income will, in principle, be taxed separately, currently at a rate of 21 per cent. (plus the above-mentioned supplementary contribution of 4 per cent., if any, and the local surcharge if applicable).

Any capital gain upon a sale of Notes, not allocated to the professional activity of the individual, to a party other than the Issuer, except for that part of the sale price attributable to the pro rata interest component, is in principle tax exempt (unless the tax authorities can prove that the capital gain does not result from the normal management of a non-professional investment). The investor must report the interest as income in his or her personal income tax return. Such income will in principle be taxed separately, currently at a rate of 21 per cent. (plus the above-mentioned supplementary contribution of 4 per cent., if any, according to the same conditions described above and the local surcharge if applicable), unless it can be demonstrated that such income will be subject to the 21 per cent. Belgian withholding tax together with the supplementary contribution of 4 per cent. upon maturity.

If a levy has been applied according to the European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the **Savings Directive**), this levy does not free the

Belgian individual from the obligation to declare the interest income in the personal income tax return. However, this levy will be credited against personal income tax, and any excess amount will be refunded. The levy can also apply to interest paid through paying agents of certain dependent or associated territories, including, as the case may be, Curaçao.

Losses on the Notes held as a non-professional investment cannot usually be deducted.

### ***Belgian companies***

Interest paid through an intermediary established in Belgium to a Belgian company subject to corporate income tax will generally be subject to Belgian withholding tax (the current applicable withholding tax rate is 21 per cent.). However, an exemption may apply provided that certain formalities are complied with. For zero or capitalization bonds, the above exemption will not apply, unless the Belgian company and the Issuer are associated companies. If Belgian withholding tax is applicable, Belgian companies are, in principle, entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

For any Belgian company subject to Belgian corporate income tax, all interest and any gain on a sale of the Notes will form part of that company's taxable profit. The current normal corporate income tax rate in Belgium is 33.99 per cent.

Losses on the Notes are, in principle, tax deductible.

### ***Other Belgian legal entities subject to the legal entities income tax***

For other Belgian legal entities subject to the legal entities income tax, all interest payments (as defined by the Belgian Income Tax Code) will be subject to withholding tax, currently at a rate of 21 per cent.

If this interest is paid through a Belgian intermediary, such intermediary will have to levy withholding tax, currently at the rate of 21 per cent. No other legal entities income tax will be levied on this income. If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

Any capital gain on a sale of the Notes to a party not being the Issuer will, in principle, be tax exempt, except for that part of the sale price attributable to the pro rata interest component. Such interest is subject to withholding tax, currently at the rate of 21 per cent. This withholding tax must be paid by the legal entity itself, unless it can demonstrate that the withholding tax will be paid at maturity.

### **Tax on stock exchange transactions**

The sale and acquisition of the Notes will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.09 per cent. on each sale and acquisition separately, with a maximum of €650 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are no longer subject to the tax on stock exchange transactions.

### **Savings Directive**

Under the Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State.

However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to

information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Belgium also entered into an agreement with the Kingdom of the Netherlands in respect of Curaçao concerning the automatic exchange of information regarding savings income in the form of interest payments. Individual investors should seek professional advice to verify what obligation a paying agent in Curaçao is under to withhold any tax from the interest payable by the agent on the Notes under the aforementioned agreement.

## **FRANCE**

### **Payments made by the Guarantor**

There is no direct authority under French law on the withholding tax status of payments by the Guarantor under the Guarantee. Hence, the statements below are based on the interpretation of general French tax principles and any future legislative, judicial or administrative development may affect, potentially with retroactive effect, such statements. Under one interpretation of French tax law, payments made by the Guarantor of any amount due by the Issuer to a Noteholder which is a non-French tax resident and which is not acting through a French establishment or branch may be treated as a payment in lieu of payments to be made by the Issuer with respect to the Notes. Accordingly, under this interpretation, payments made by the Guarantor of any amounts due by the Issuer under the Notes should be exempt from the withholding tax set out under article 125 A III of the French *Code général des impôts*, to the extent that interest payments made or to be made by the Issuer would be exempt from withholding tax by reason of the Issuer not being resident of, or otherwise established in, France.

Under another interpretation, any such payment may be treated as a payment independent from the payments to be made by the Issuer with respect to the Notes. In the absence of any specific provision in the article 125 A III of the French *Code général des impôts*, such payments should be exempt from the withholding tax set out under article 125 A III of the French *Code général des impôts*.

In the improbable case that none of the two above interpretations would prevail and if the payments by the Guarantor under the Guarantee would qualify as interest payments paid by a French debtor within the meaning of article 125 A III of the French *Code général des impôts*, such payments would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax, 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 French *Code général des impôts*.

### **Tax regime applicable to French tax residents**

#### **1. Individuals holding the Notes as private assets**

##### **a) Income**

Under the laws, regulations and administrative guidelines now in force in France, the income derived from Notes (interest and redemption premium, as set out in article 238 septies A of the French *Code Général des Impôts* held as private assets by individuals domiciled in France for tax purposes are subject to:

- (i) a progressive scale of income tax (in this case, income subject to income tax is reduced by deductible expenses, such as custody and coupon-payment costs),

- (ii) or, optionally, a flat withholding income tax rate of 24% (“*prélèvement forfaitaire libératoire*” - Article 125 A of the French *Code Général des Impôts*). This option must be expressly specified by the beneficiary, at the very latest, when the income is received.

Whatever the taxpayer decides, interest and bond redemption premiums are subject to the following social security contributions at a global rate of 13.5% (15.5% from 1 July 2012):

- (i) general social security contribution (*contribution sociale généralisée*) at 8.2% (Article 1600-O D and O E of the *Code Général des Impôts*). When income subject to this contribution is taxed to a progressive scale income tax (ie in the absence of option for the standard withholding income tax referred to above -*prélèvement forfaitaire libératoire* -) up to 5.8% of the general social security contribution paid is deductible, from global income that is subject to income tax for the year of payment of the aforementioned contribution (Article 154 *quinquies* II of the *Code Général des Impôts*),
- (ii) social security (*prélèvement social*) at 3.4% (5.4% from 1 July 2012 - Article 1600-0 F bis of the *Code Général des Impôts*),
- (iii) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3% (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (iv) an additional social security contribution at 1.1% to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (v) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5% (Article 1600-0 J and O L of the *Code Général des Impôts*).

b) Capital gains

Under current legislation, capital gains made by individuals domiciled in France for tax purposes on the sale of Notes are taxable at a rate of 19% (Article 150-0A *et seq.* and 200 A 2 of the *Code Général des Impôts*) to which is added the following social security contributions (at a global rate of 15.5%):

- (i) general social security contribution (*contribution sociale généralisée*) at 8.2% (Article 1600-OC and OE of the *Code Général des Impôts*),
- (ii) social security (*prélèvement social*) at 5.4% (Article 1600-0 F bis of the *Code Général des Impôts*),
- (iii) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3% (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (iv) an additional social security contribution at 1.1 % to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (v) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5% (Article 1600-0 J and O L of the *Code Général des Impôts*).

c) Capital losses

Capital losses on sales are only deductible from capital gains of the same kind realised during the year of sale or the next ten years.

## 2. Legal entities subject to corporate income tax

### a) Income

Interest on Notes held by legal entities liable to corporation tax is included in taxable income for the year.

The bond redemption premium is the difference between amounts or securities to be received and those paid out when the Notes are acquired. The bond redemption is taxable at the time of redemption. However, if the premium exceeds 10% of the cost of acquiring the Notes and the average issue price of the Notes does not exceed 90% of the redemption value, the bond redemption premium will be spread out over the life of the Notes under the following conditions.

The fraction of premium and interest to be applied to taxable income up to the date of redemption of a Note is determined by applying to the acquisition cost (increased if necessary by the fraction of the capitalised premium and interest on the anniversary of the borrowing thus allowing the progressive taxation of annuities), the actuarial rate of interest determined at the acquisition date.

Interest and redemption premiums are taxable at a rate of 33.33% (or at a reduced rate of 15% under certain conditions and within certain limits for companies specified in Article 219 I b) of the *Code Général des Impôts*) to which is added a social security contribution at 3.3% calculated on the amount of corporate tax, with an allowance of Euro 763,000 for each 12-month period. Besides, an additional contribution of 5% will apply for fiscal years ending between 31 December 2011 and 31 December 2013 to companies with turnover exceeding €250 millions.

### b) Capital gains

Under current legislation, capital gains (exclusive of accrued interest made) realised when Notes are sold by legal entities domiciled in France for tax purposes are taken into account in order to determine a legal entity's taxable income under the general regime.

Under the general regime, capital losses are deductible from taxable income.

## 3. Legal entities carrying out commercial activity subject to income tax

### a) Income

The rules for the affectation and taxation of interest and redemption premiums are identical to those described above concerning legal entities liable to corporation tax.

### b) Capital gains

If the Notes have been held for more than two years, the capital gain on a sale is defined as a long-term capital gain on a sale subject to tax at a rate of 16% to which is added social security contributions (which translates as a global rate of 29.5%).

If they have not been held for more than two years, the short-term capital gain will be taken into account in determining the taxable net income under the general regime.

Net long-term capital losses can be affected to the losses for the (tax) year and/or offset against long-term capital gains realised within the course of either the (tax) year or next 10 (tax) years.

### Savings Directive

The Savings Directive was implemented into French law under article 242 *ter* of the *Code général des impôts* which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner ,

the total amount of interest paid to that beneficial owner and the total amount of the proceeds from sale, redemption or refund of debt claims of every kind realised by the beneficial owner during the calendar year.

## ITALY

*The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Programme and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary 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 purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

### Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers.

#### *Italian resident Noteholders*

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the "*risparmio gestito*" regime – see under "*Capital gains tax*", below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, then interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax referred to as *imposta sostitutiva*, levied at the rate of 20 per cent. If the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status of the Noteholder, also to IRAP – the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economic Affairs and Finance through Circular No. 47/E of 8 August 2003, payments of interest premium or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the **Fund**) or a SICAV, subjects to supervisory measures, and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund accrued at the end of each tax period.'

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Where an Italian resident Noteholder is a company or similar commercial entity and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation.

#### *Non-Italian resident Noteholders*

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

#### **Atypical securities**

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 20 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 20 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (b) a commercial partnership, or (c) a commercial private or public institution.

#### **Payments made by a non resident Guarantor**

With respect to payments made to Italian resident Noteholders by a non Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non resident guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

#### **Capital gains tax**

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial

entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries, and (b) an express election for the *risparmio amministrato regime* being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato regime*, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato regime*, the Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito regime*, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Noteholder which is an Italian open ended or a closed-ended investment fund or a SICAV, subjects to supervisory measures, will be included in the result of the relevant portfolio accrued at the end of the tax period..

Any capital gains realised by a Noteholder which is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by Italian resident real estate funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Italian Law No. 86 of 25 January 1994, on the Notes are not taxable at the level of the real estate funds.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes are not subject to *imposta sostitutiva*, provided that the Notes (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

### **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

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;

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 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

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.

### **Transfer tax**

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €168; and (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

### **EU Savings Directive**

Under EC Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### **Implementation in Italy of the EU Savings Directive**

Italy has implemented the Savings Directive through Legislative Decree No. 84 of 18 April 2005 (Decree No. 84). Under Decree No. 84, subject to a number of important conditions being met, in the

case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

## **LUXEMBOURG**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. 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.*

### **Withholding Tax**

#### **(i) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes other than profit participating Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of the Notes.

Under the Laws implementing the European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent. 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 Laws will at present be subject to withholding tax of 35 per cent.

#### **(ii) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes other than profit participating Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by Luxembourg resident holders of the Notes.

Under the 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 10 per cent. Such withholding tax 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 Law would be subject to withholding tax of 10 per cent.

## THE NETHERLANDS

### General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner or (blood) relative in a straight line (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) investment institutions (*fiscale beleggingsinstellingen*); and
- (iii) pension funds, exempt investment institution (*vrijgestelde fiscale beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

Where this summary refers to a holder of Notes, such reference is restricted to a holder holding legal title to as well as an economic interest in such Notes.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is not a resident or not deemed to be a resident of the Netherlands for Netherlands tax purposes.

### Netherlands Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

### Netherlands Corporate and Individual Income Tax

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the average exceeds a certain threshold (in 2012 amounts to EUR 21,139 per person per annum). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

#### **Netherlands Gift and Inheritance Tax**

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is a (deemed) resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

#### **Netherlands Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

#### **Other Netherlands Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

### **EU Savings Directive**

Under European Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

The Notes are freely transferable. Offers and sales of Notes issued under this Programme are subject to the selling restrictions applicable in the jurisdictions where the Notes are offered or sold. The selling restrictions in respect of Austria, France, the Grand Duchy of Luxembourg and Italy and in general such jurisdictions as are parties to the Agreement on the European Economic Area (EEA), the United States, are set out below. Additional selling restrictions, if any, may be set out in the Final Terms.

### UNITED STATES

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any state securities law, and may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

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 U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.

The Dealer has agreed that it will not offer, sell or deliver any Notes of any Tranche within the United States or to, or for the account or benefit of, any U.S. person, except as permitted by the Programme Agreement.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### EEA STATES

#### *Public Offer Selling Restriction under the Prospectus Directive*

In relation to each Member State of the EEA 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 and each other Purchaser 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 the 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 as defined under the Prospectus Directive. And in respect of investors in Norway that are duly registered as a professional investor pursuant to the Norwegian Securities Trading Act;

- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the 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 (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression 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 the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

#### **AUSTRIA**

No offer of the Notes issued by the Issuer may be made to the public in Austria, except that an offer of the Notes issued by the Issuer may be made to the public in Austria (a) in the case of bearer Notes in the period beginning minimum one bank working day following (i) the date of publication of this Base Prospectus including any supplements but excluding any Final Terms in relation to those Notes issued by the Issuer which has been approved by the *Finanzmarktaufsichtsbehörde* in Austria (the "FMA") or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive; (ii) or being the date of publication (and communication to FMA) of the relevant Final Terms for the Notes issued by the Issuer and (iii) the date of filing of a notification with *Oesterreichische Kontrollbank*, all as prescribed by the Capital Market Act 1991 ("CMA": *Kapitalmarktgesetz 1991*), or (b) in the case of bearer Notes otherwise in compliance with the CMA.

Further, the Dealer represents, warrants and agrees that it has not and will not offer any registered Notes in Austria, either by private placement or to the public in Austria.

For the purposes of this provision, the expression "an offer of the Notes issued by the Issuer to the public" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes issued by the Issuer to be offered so as to enable an investor to decide to purchase or subscribe the Notes issued by the Issuer.

#### **FRANCE**

The Dealer and the Issuer has represented and agreed that, and each further dealer appointed under the Programme and each other Purchaser will be required to represent and agree that:

- (a) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public in France in the period beginning: (a) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers (AMF)*, on the date of such publication; or (b) when a prospectus has been approved by the competent authority of another Member State of the EEA which has implemented the EU Prospectus Directive 2003/71/EC, on

the date of notification of such approval to the AMF, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus; or

(b) **Private placement in France:**

[in connection with their initial distribution,]<sup>8</sup> it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to: (a) providers of investment services relating to portfolio management for the account of third parties; and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

## THE GRAND DUCHY OF LUXEMBOURG

In addition to the cases described in the selling restrictions under the heading "*Public Offer Selling Restriction under the Prospectus Directive*" in which any Dealer can make an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg), any Dealer can also make an offer of Notes to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Directive 2003/71/EC (the **Prospectus Directive**) into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the *Commission de surveillance du secteur financier* as the competent authority in Luxembourg in accordance with the Prospectus Directive.

## ITALY

Unless it is specified within the relevant Final Terms that a non exempt offer may be made in Italy, the offering of the Notes has not been registered with the Italian Financial Regulator (*Commissione Nazionale per le Società e la Borsa* or **CONSOB**) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold, promoted, advertised or delivered, directly or indirectly, to the public in the Republic of Italy, nor may copies of the Base Prospectus, any Final Terms or of any other document relating to the Notes be distributed, made available or advertised in the Republic of Italy, except:

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<sup>8</sup> Relevant if admission to trading on Euronext Paris is contemplated.

- (i) to **Qualified Investors** (*investitori qualificati*), as defined pursuant to Article 100, first paragraph, letter a) of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**);
- (ii) the delivery of any prospectus relating to the Notes, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, in an offer of financial products to the public in the period commencing on the date of publication of such prospectus or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, on the date of the approval of such prospectus, all in accordance with the Prospectus Directive, as implemented in the Republic of Italy under the Financial Services Act and Regulation No. 11971, until 12 months after the date of publication of such prospectus or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, after the date of the approval of such prospectus; or
- (iii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (iii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

***Provisions relating to the secondary markets in Italy***

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, article 100-bis of the Financial Services Act affects the transferability of the Notes to the extent that any placing of the Notes is made solely with Qualified Investors and such Notes are then systematically resold to non-Qualified Investors on the secondary market at any time in the 12 months following such placing and no exemption under (iii) above applies. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase null and void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Financial Services Act applies.

**General**

The Dealer has agreed, and any further dealer appointed under the Programme and each other Purchaser will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus or any offering material 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 the Guarantor nor the Dealer shall have any responsibility therefor.

Neither the Issuer, nor the Guarantor, nor the Dealer 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 Purchaser will be required to comply with such other restrictions as the Issuer and the relevant Purchaser shall agree and as shall be set out in the applicable Final Terms and relevant syndication agreement (if applicable).

GENERAL INFORMATION

**Authorisation**

No specific resolutions, authorisations or approvals by the Issuer's corporate bodies are required for the issue of Notes and/or Certificates under the Programme.

No authorisation procedures are required of Société Générale by French law for the establishment of the Programme on a fiduciary basis or the granting of the guarantee in respect of the Notes.

**Availability of documents**

During the validity of this Base Prospectus (i.e. period of twelve (12) months following the date of its publication), copies of the following documents will be, when published, available for inspection during normal business hours at the registered offices of Société Générale, Frankfurt am Main branch, at Neue Mainzer Str. 46 - 50, D-60311 Frankfurt am Main:

- the Issuer's articles of association (with English translation thereof) as amended on 5th October, 1990;
- the 2012 Registration Document of Societe Generale Effekten GmbH dated 8 June 2012 containing the Issuer's audited financial statements as well as the management reports and cash-flow statements (with English translations thereof) for the years ended 31 December 2011 and 31 December 2010;
- the 2012 Registration Document of Societe Generale dated 14 June 2012 containing the Guarantor's audited financial statements, the management reports and cash-flow statements (with English translations thereof) for the years ended 31 December 2011 and 31 December 2010 as well as the English translation of the First Update to the 2012 French Registration Document of Societe Generale;
- this Base Prospectus, any Supplement(s) and any supplementary information that the Issuer may be required to provide pursuant to Sec. 16 German Securities Prospectus Act (Wertpapierprospektgesetz – WpPG) as well as the Final Terms containing the final terms in relation to Notes offered for public subscription and/or listed Notes (being understood that Final Terms relating to Private Placement Notes will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the relevant Paying Agent as to its holding of such Notes and identity);
- any document to be provided annually following the disclosure of the financial statements pursuant to Sec. 10 WpPG;
- the Agency Agreement entered into by the Issuer and the Guarantor;
- Société Générale's articles of association in the current version;
- the Guarantee dated 19 June 2012 of Société Générale in favour of the Noteholders; and
- the Trust Agreement between the Issuer and Société Générale dated 28 February 2006.

**No material adverse change**

There has been no material adverse change in the prospects of the Issuer and of the Guarantor since their last respective audited financial statements dated 31 December 2011.

### **Significant change in the financial or trading position**

There has been no significant change in the financial or trading position of the Issuer since the end of its audited financial statements dated 31 December 2011 and of the Guarantor and its consolidated subsidiaries (taken as a whole) since its unaudited financial statements for the first quarter 2012 as of 31 March 2012.

### **Litigation**

No governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability do exist or have existed.

The most significant litigation in which Societe Generale is currently involved is briefly described in the section headed "*Risks and litigation*" in the 2012 Registration Document of Societe Generale, copies of which are available at the offices of the Issuer and of the Guarantor specified at the end of this Base Prospectus. The information provided in the section headed "*Risks and litigation*" may be updated from time to time, and if any such updates constitutes a significant new factor for the purposes of Article 16 of the Prospectus Directive and for the purposes of paragraph 16 WpPG, this section "Litigation" shall be updated by way of a Supplement to the Base Prospectus.

### **Third party information**

Any information included in this Base Prospectus and specified to be sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information available to it from the relevant third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information. The Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

### **Placing and underwriting**

#### *Paying Agents*

The Issuer will appoint Société Générale, Frankfurt am Main branch, to act as Paying Agent. The Issuer may appoint further paying agents other than the Paying Agent referred to above and will give notice of any changes made to such Paying Agent. The relevant Paying Agent(s) will be specified in the Final Terms.

#### *Underwriting*

Unless otherwise specified in the Final Terms, the Notes issued under this Programme will be underwritten in whole by Société Générale in its capacity as Dealer and/or by any additional dealer specified in the Final Terms appointed pursuant to the Programme Agreement entered into between the Issuer and Société Générale..

#### *Calculation Agent*

Details relating to the calculation agent, if any and if different from Société Générale, will be specified in the applicable Final Terms.

### **Admission to trading and dealing arrangements**

#### *Admission to trading*

The Issuer may apply for the admission of the Notes issued on the basis of this Base Prospectus to trading on the Official Market and the Regulated Market of the Frankfurt Stock Exchange or any other regulated or unregulated market in the European Economic Area, as specified in the Final Terms.

#### *Secondary market*

The Programme Agreement does not contain a firm commitment by the Dealer or any other person to act as intermediary in the secondary market and to provide liquidity through bid and offer rates. Information relating to a secondary market making on a case by case basis, if any, will be set forth in the relevant Final Terms.

#### **Additional information**

##### *Advisers*

If any advisers beside the Legal Advisers named below are involved in an issue, such advisers will be set out in the Final Terms.

##### *Audit reports*

The issues of Notes will be audited or reviewed by a statutory auditor only in connection with the auditing of the annual or interim financial statements of the Issuer, to the extent such audits are required.

##### *Experts*

In connection with the preparation of this Base Prospectus, the Issuer has not relied on statements made by experts.

##### *Information sources*

Details relating to the information sources from which information included in the Final Terms have been obtained can be found in the relevant Final Terms.

##### *Credit rating*

Due to the issue of the Notes by the Issuer on a fiduciary basis for the benefit and for the account of the Guarantor, the Noteholders directly depend on the credit risk of the Guarantor (see "*Description of the Trust Agreement and the Limitation of Recourse*"). As of the date of approval of this Base Prospectus, the Guarantor has received the following ratings from Standard and Poor's, Moody's and Fitch set out below:

A1<sup>9</sup> by Moody's

A<sup>10</sup> by Standard & Poor's

A+<sup>11</sup> by Fitch

The credit ratings mentioned above have been issued by Moody's France S.A.S., Paris, France, Standard and Poor's Credit Market Services France S.A.S., Paris, France and Fitch France S.A.S. Paris, France, respectively, as indicated. Each of these credit rating agencies is established in the European Community and is registered under Regulation (EC) n° 1060/2009 of the European Parliament and of the Council of 16 September 2009 (as amended by Regulation (EU) No. 513/2011, the "**CRA Regulation**"). The latest update of the list of registered credit rating agencies is published on the website of the European Securities and Markets Authority (ESMA).

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<sup>9</sup> **Long-Term Ratings:** Moody's long-term ratings are opinions of the relative credit risk of financial obligations with an original maturity of one year or more. A rating of "A" means: Obligations rated A are considered upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>10</sup> **Long-term issuer credit ratings:** Rating "A" means: An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>11</sup> **Issuer Credit Rating Scales (Long-Term):** A rating of "A" means: **A: High credit quality.** 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. *The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-Term IDR category, or to Long-Term IDR categories below 'B'.*

**Responsibility Statement**

Société Générale Effekten GmbH, having its registered office at Neue Mainzer Str. 46 - 50, 60311 Frankfurt am Main (the **Issuer**), and Société Générale, having its registered seat at 29, boulevard Haussmann, 75009 Paris (the **Guarantor**) (the **Responsible Persons**), assume, within the meaning of Section 5(4) German Securities Prospectus Act, responsibility for the information contained in, or incorporated into, this Base Prospectus, and declare that, to the best of their knowledge, the information contained in this Base Prospectus is in accordance with the facts and no material circumstances are omitted in the Base Prospectus, and that they have taken all reasonable care to ensure that the information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

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Frankfurt am Main, 19 June 2012

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**Annex to the Debt Issuance Programme Prospectus der Société Générale Effekten GmbH of 19 June 2012**

Übersetzung aus der englischen Sprache

**GARANTIEURKUNDE**

Société Générale Effekten GmbH  
Neue Mainzer Straße 46 - 50  
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**Garantie auf erstes Anfordern**

Im Rahmen ihres Debt Issuance Programme mit einem Volumen von EUR 30.000.000.000,00 (das „DIP“) kann die Société Générale Effekten GmbH (der „Emittent“) Noten und Zertifikate (die „Schuldtitel“) in einem Volumen von bis zu EUR 30.000.000.000,00 (dreißig Milliarden Euro) oder dem entsprechenden Gegenwert in einer anderen Währung gemäß dem Basisprospekt für Noten und Zertifikate vom 19. Juni 2012 (der „DIP-Prospekt“) ausgeben, der dem deutschen Wertpapierprospektgesetz entspricht, mit dem die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (die „Prospektrichtlinie“) in deutsches Recht umgesetzt wird.

Société Générale (der „Garantiegeber“) garantiert hiermit unbedingt und unwiderruflich zugunsten der Inhaber von Schuldtiteln, die gemäß dem DIP-Prospekt zwischen dem 19. Juni 2012 und dem 19. Juni 2013 ausgegeben wurden, die ordnungsgemäße und pünktliche Zahlung aller fälligen und zahlbaren Beträge und/oder die ordnungsgemäße und pünktliche physische Lieferung von Wertpapieren, die gemäß den jeweiligen Bestimmungen von seitens des Emittenten ausgegebenen Schuldtiteln zu liefern sind (die „Verpflichtungen“), soweit am Ausgabetag der betreffenden Schuldtitel (A) die Gesamt-Nennbeträge dieser Schuldtitel und (B) sämtliche Gesamt-Nennbeträge von vom Emittenten ausgegebenen Schuldtiteln, die am betreffenden Ausgabetag ausstehen, jeweils zum Devisenkassakurs an dem betreffenden Ausgabetag in Euro umgerechnet, einschließlich der nach früheren DIP-Prospekten (die „früheren Prospekte“) ausgegebenen Schuldtitel, EUR 30.000.000.000,00 (dreißig Milliarden Euro) (die „Garantiehöhe“) nicht übersteigt.

Wenn der Emittent mit der pünktlichen Zahlung und/oder physischen Lieferung von Wertpapieren für sämtliche Verpflichtungen oder einen Teil davon in Verzug gerät, wird der Garantiegeber sämtliche Zahlungen auf erstes Anfordern vornehmen bzw. sämtliche Wertpapiere auf erstes Anfordern physisch liefern, vorausgesetzt

- die Anforderung ergeht per Einschreiben mit Rückschein an den Garantiegeber und darin wird bestätigt, (i) dass die Zahlung der geforderten Beträge bzw. die physische Lieferung von Wertpapieren im Rahmen dieser Garantie garantiert ist und (ii) die Voraussetzungen für die Zahlung bzw. Lieferung erfüllt sind und (iii) der Emittent die geforderten Zahlungen noch nicht geleistet bzw. die betreffenden Wertpapieren noch nicht physisch geliefert hat,
- der Garantiegeber ist verpflichtet, die geforderten Beträge zu zahlen bzw. die geforderten Wertpapiere zu liefern, ohne Einwendungen erheben zu können, insbesondere aufgrund des früheren oder künftigen Verhältnisses zwischen den Inhabern von Schuldtiteln und dem Emittenten.

Für vor dem Datum dieser Garantie gemäß früheren Prospekten ausgegebene Schuldtitel gelten nach wie vor die von der Société Générale für die betreffenden Schuldtitel gegebenen Garantien.

Diese Garantie tritt am Tag der Unterzeichnung dieser Urkunde in Kraft und gilt bis zur vollständigen oder teilweisen Zahlung bzw. Lieferung auf alle gemäß den vom Emittenten ausgegebenen Schuldtiteln fälligen Verpflichtungen.

Diese Garantie begründet eine unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeit des Garantiegebers und ist gleichrangig mit allen anderen bestehenden und künftigen unmittelbaren, unbedingten, nicht besicherten und nicht nachrangigen Verbindlichkeiten des Garantiegebers, ausgenommen derzeit gesetzlich vorgeschriebene Vorrangstellungen.

Falls der Emittent gemäß den Bestimmungen von Schuldtiteln durch eine Tochter des Garanten (der „**neue Emittent**“) ersetzt wird, erstreckt sich diese Garantie auf alle vom neuen Emittenten gemäß den Bestimmungen dieser Schuldtitel zu zahlenden Beträge.

Diese Garantie und alle sich daraus oder im Zusammenhang damit ergebenden nicht-vertraglichen Verpflichtungen unterliegen französischem Recht und sind dementsprechend auszulegen. Für sämtliche Streitigkeiten, die sich aus ihrer Gültigkeit, Auslegung oder Erfüllung ergeben oder damit zusammenhängen, ist ausschließlich das *Tribunal de Commerce de Paris* in Frankreich zuständig.

Paris, 19. Juni 2012

Für

**SOCIÉTÉ GÉNÉRALE**

**Name:**

**Position:**

**SG Corporate & Investment Banking**