

**Listing Particulars dated 22 December 2015**



**HSBC France**

**USD 15,000,000 Spread Range Accrual Credit Linked Notes due 2030 linked to the Republic of France**  
**Issue Price: 100 per cent.**

The USD 15,000,000 Spread Range Accrual Credit Linked Notes due 20 December 2030 linked to the Republic of France (the **Notes**) will be issued on 23 December 2015 (the **Issue Date**) by HSBC France (the **Issuer**).

Unless for taxation reasons, illegality or if a Credit Event has occurred (all as defined in the Terms and Conditions of the Notes), the Notes will be redeemed on the Maturity Date at par. The Notes may be redeemed prior to the Scheduled Maturity Date (i) at the Credit Event Redemption Amount if a Credit Event Determination Date has occurred or (ii) at their fair market value less unwind costs in case of early redemption for taxations reasons or illegality (in the absence of a Credit Event Determination Date) (all as further described in the Terms and Conditions of the Notes below).

Interest on the Notes will accrue (i) from, and including, the Issue Date until the Interest Payment Date falling on 20 December 2020 (excluded) at a rate equal to 5.00 per cent. *per annum* and (ii) from (and including) the Interest Payment Date falling on 20 December 2020 until the Scheduled Maturity Date (excluded), at a rate floored at zero (0) and capped at six (6) per cent. *per annum* equal to a formula based on the annual mid-swap rate for USD swap transactions with a maturity of ten (10) years plus a margin of 210 bps subject to a range (as further described in the Terms and Conditions of the Notes below). Interest will be payable annually in arrear the 20 December in each year, commencing on 20 December 2016. There will be short first coupon with respect to the first Interest Period.

This Listing Particulars (which expression shall include all documents incorporated by reference herein) has been prepared for the purpose of providing disclosure information with regard to Notes to be admitted to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market. The Irish Stock Exchange's Global Exchange Market is not a regulated market for the purposes of the Markets in Financial Instruments Directive (2004/39/EC), as amended. This Listing Particulars constitutes listing particulars for the purposes of listing on the Irish Stock Exchange's Official List and trading on its Global Exchange Market and does not constitute a prospectus for the purposes of Directive 2003/71/EC (as amended), (the Prospectus Directive). Application has been made for this Listing Particulars to be approved by the Irish Stock Exchange and the Notes to be admitted to the Irish Stock Exchange's Official List and to trading on its Global Exchange Market with effect from the Issue Date. Investors should note that securities to be admitted to the Irish Stock Exchange's Official List and trading on its Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

The Notes will be issued in dematerialised bearer form in the denomination of USD 1,000,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book entries. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. **Account Holder** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V.

The senior, unsecured long-term debt of the issuer is rated A2 by Moody's Investors France S.A.S. (**Moody's**), AA- by Standard & Poor's Credit Market Services France SAS (**S&P**) and AA- by Fitch Ratings Limited (**Fitch**). Each Moody's, S&P and Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009

(as amended) (the **CRA Regulation**). As such, Moody's and S&P are included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<http://esma.europa.eu/page/list-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Copies of this Listing Particulars and the documents incorporated by reference herein are available either on the website of the Issuer ([www.hsbc.fr](http://www.hsbc.fr)).

**See the "Risk Factors" section for a description of certain factors which should be considered by potential investors in connection with any investment in the Notes (see the section "Risk Factors" on page 7 hereof.**

**DEALER**

**HSBC Bank plc**

## IMPORTANT INFORMATION

*This document has been prepared for the purpose of giving information with respect to the Issuer and the Issuer and its consolidated subsidiaries taken as a whole (the **Group** or **HSBC Group**) as well as the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.*

*Neither this Listing Particulars nor any other information supplied in connection with the offering of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by, or on behalf of, any of the Issuer or the Dealer that any recipient of this Listing Particulars or any other financial statements should purchase the Notes.*

*No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Notes not contained in this Listing Particulars. Any information or representation not so contained herein must not be relied upon as having been authorised by, or on behalf of, the Issuer the Dealer. The delivery of this Listing Particulars or any offering or sale of Notes at any time does not imply (i) that there has been no change with respect to the Issuer or the Group, since the date hereof and (ii) that the information contained or incorporated by reference in it is correct as at any time subsequent to its date. The Dealer does not undertake to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Listing Particulars nor to advise any investor or prospective investor in the Notes of any information coming to its attention.*

*The Listing Particulars and any other information relating to the Issuer or the Notes should not be considered as an offer, an invitation, a recommendation by any of the Issuer or the Dealer to subscribe or purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained in this Listing Particulars and its purchase of Notes should be based upon such investigation as it deems necessary. Investors should review, inter alia, the documents incorporated by reference into this Listing Particulars (see "Documents Incorporated by Reference" below) when deciding whether or not to subscribe for or to purchase the Notes. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, the Group, their business, their financial condition and the issued Notes and consult their own financial or legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances. Potential investors should read carefully the section entitled "Risk Factors" set out in this Listing Particulars before making a decision to invest in the Notes.*

*The distribution of this Listing Particulars and the offering or the sale of the Notes in certain jurisdictions may be restricted by law or regulation. The Issuer and the Dealer do not represent that this Listing Particulars may be lawfully distributed, or that any Notes may be lawfully offered or sold, 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, offering or sale. In particular, no action has been taken by the Issuer or the Dealer which is intended to permit a public offering of any Notes or distribution of this Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Note may be offered or sold, directly or indirectly, and neither this Listing Particulars nor any 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 Listing Particulars comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Notes and distribution of this Listing Particulars and of any other offering material relating to the Notes, see section "Subscription and Sale" set out in this Listing Particulars.*

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the **Securities Act**). The Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act.*

*In this Listing Particulars, references to \$, USD and US dollars are to the lawful currency of the United States of America.*

## **FORWARD LOOKING STATEMENTS**

*This Listing Particulars includes forward-looking statements. All statements other than statements of historical facts included in this Listing Particulars, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.*

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**DECLARATION OF RESPONSIBILITY OF THE PERSONS ASSUMING RESPONSIBILITY FOR  
THE LISTING PARTICULARS**

Having taken all reasonable care to ensure that such is the case the information contained in the Listing Particulars is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect the import of such information.

The Issuer accepts responsibility for the information contained or incorporated by reference in this Listing Particulars.

The Issuer

**HSBC France**

103, avenue des Champs Elysées  
75008 Paris  
France

Represented by Yonathan Ebguy  
in charge of the *Banque de marchés (responsable à la Banque de marchés)*, HSBC France

Duly authorised  
Dated 22 December 2015

## RISK FACTORS

*The following paragraphs describe the principal risk factors that the Issuer believes material to the Notes in order to assess the market risk associated with these Notes. Prospective investors should also read the detailed information set out elsewhere in this Listing Particulars and consult their own financial and legal advisers about risks associated with investments in a particular Series of Notes and the suitability of investing in the Notes in light of their particular situation.*

### **1. Risks in respect of the Issuer**

Risk factors in connection with the Issuer are set out in details on pages 81 to 109 and 193 to 217 of the English translation of the Issuer's 2014 Registration Document and on pages 7 to 11 of the Update to the 2014 Registration Document which are incorporated by reference in this Listing Particulars.

### **2. Risks related to the Notes generally**

#### *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.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the 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.

#### *The Notes may not be a suitable investment for all investors*

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

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

- (vi) consult their legal advisers in relation to possible legal or fiscal risks that may be associated with any investment in the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes 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.

#### *Legality of purchase*

Neither the Issuer, the Dealer nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, 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.

#### *No active secondary market for the Notes*

An investment in the Notes should be considered primarily with a view to holding them until their maturity. Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Notes. Although application has been made for the Notes to be admitted to trading on the Global Exchange Market of the Irish Stock Exchange, there is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

#### *The Notes may be redeemed prior to maturity*

In the event that the Issuer would be obliged to pay additional amounts in respect of any Notes due to any withholding as provided in "Terms and Conditions of the Notes - Taxation" and in case of illegality, the Issuer may and, in certain circumstances shall, redeem all of the Notes then outstanding in accordance with such Condition. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

#### *Modification of the Conditions*

Noteholders will be grouped automatically for the defence of their common interests in a Masse, as defined in "Terms and Conditions of the Notes - Representation of Noteholders", and a general meeting of Noteholders can be held. The provisions of the French *Code de commerce* permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority.

The general meeting of Noteholders may deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.



### *Rating*

The senior, unsecured long-term debt of the issuer is rated A2 by Moody's Investors France S.A.S., AA- by Standard & Poor's Credit Market Services France SAS and AA- by Fitch Ratings Limited. 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 rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

### *Taxation*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the tax treatment of financial instruments such as the Notes. Potential investors cannot rely upon the tax summary contained in this Listing Particulars but should ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor.

### *EU Savings Directive*

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **Savings Directive**), EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State to or for the benefit of an individual resident in another EU Member State or certain limited types of entities established in another EU Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The rate of such withholding tax equals 35%. The end of the transitional period is 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).

On 10 November 2015, the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

If a payment were to be made or collected through an EU 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. If a withholding tax is imposed on payment made by a paying agent, the Issuer will be required to maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

*Financial transaction tax (FTT)*

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **Participating Member States**).

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

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

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

*U.S. Foreign Account Tax Compliance Act Withholding may affect payments on the Notes*

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are held within Euroclear France, Clearstream, Luxembourg or Euroclear (the **ICSDs**), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has paid the clearing ICSDs, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing ICSDs and custodians or intermediaries. Prospective investors should refer to the section "Taxation – Foreign Account Tax Compliance Act".

## *EU Resolution and Recovery Directive*

Directive 2014/59/EU of the European Parliament and of the Council establishes an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**).

The implementation of the BRRD in France was made by two main texts of legislative nature. Firstly, the banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (as modified by the ordonnance dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the **Banking Law**) had anticipated the implementation of the BRRD. Secondly, Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance no 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the **Ordinance**) published in the Official Journal on 21 August 2015 has introduced various provisions amending and supplementing the Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning, (ii) resolution planning and (iii) criteria to assess the resolvability of an institution or group, have been published on 20 September 2015 to mostly implement the BRRD in France. The ultimate precise changes which will be made by these decree(s) and order(s) remain unknown at this stage.

The impact of the BRRD and its implementing provisions on credit institutions, including the Issuer, is currently unclear but its implementation or the taking of any action under it could materially affect the value of any Notes.

The aim of the BRRD is to provide resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' contributions to bank bail-outs and/or exposure to losses. The powers provided to authorities (the ACPR or the Single Resolution Board if the case may be in France depending on the competent supervisory authority regarding the Single Supervision Mechanism) in the BRRD are divided into three categories: (i) preparatory steps and plans to minimize the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a firm's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) if insolvency of a firm presents a concern as regards the general public interest, a clear means to reorganize or wind down the firm in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses.

Moreover, Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund has established a centralised power of resolution and entrusted to a Single Resolution Board and to the national resolution authorities.

The BRRD currently contains four resolution tools and powers:

- sale of business: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- bridge institution: enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a public controlled entity holding such business or part of business with a view of reselling it);

- asset separation: enables resolution authorities to transfer impaired or problem assets to a asset management vehicles to allow such assets to be managed and worked out over time; and
- bail-in: gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity (the **general bail-in tool**), which equity could also be subject to any future write-down by application of the general bail-in tool.

The French *Code monétaire et financier*, as amended by the Ordinance also provides that in exceptional circumstances, where the general bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers, in particular where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines of the institution under resolution; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State or of the Union; or (d) the application of the general bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in. Consequently, where the relevant resolution authority decides to exclude or partially exclude an eligible liability or class of eligible liabilities, the level of write down or conversion applied to other eligible liabilities - as the holders of the Notes as the case may be - when not excluded, may be increased to take account of such exclusions. Subsequently, if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the French “Resolution and Deposits Guarantee Fund” (*Fonds de garantie des dépôts et de résolution*) or any other equivalent arrangement from a Member State, may make a contribution to the institution under resolution, under certain limits, including the requirement that such contribution does not exceed 5% of the global liabilities of such institution to (i) cover any losses which have not been absorbed by eligible liabilities and restore the net asset value of the institution under resolution to zero and/or (ii) purchase shares or other instruments of ownership or capital instruments in the institution under resolution, in order to recapitalise the institution. The last step - if there are losses left - would be an extraordinary public financial support through additional financial stabilisation tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework. An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The provisions of the French *Code monétaire et financier*, as amended by the Ordinance currently apply, except for the general bail-in tool which is to be applied from 1 January 2016. The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. In particular, holders of Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of the holders of the Notes, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

The powers currently set out in the BRRD and its implementation in the *French Code monétaire et financier* will probably impact how credit institutions and large investment firms (those which are required to hold initial capital of € 730,000 by the fourth Capital Requirements Directive (CRD)) are managed as well as, in certain circumstances, the rights of creditors. For Member States participating in the Banking Union, the Single Resolution Mechanism fully harmonises the range of available tools but Member States are authorized to introduce additional tools at national level to deal with

crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD.

Starting on 1 January 2015, the Single Resolution Board works in close cooperation with the ACPR, in particular in relation to the elaboration of resolution planning, and will assume full resolution powers, on 1 January 2016 provided that the conditions for the transfer of contributions to the Single Resolution Fund are met by that date. It is not yet possible to assess the full impact of the BRRD and the French law provisions implementing the BRRD on the Issuer and there can be no assurance that its implementation or the taking of any actions currently contemplated in it will not adversely affect the rights of holders of Notes, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

#### *Changes in law*

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Listing Particulars. No assurance can be given as to the impact of any possible judicial decision or change to French law or administrative practice after the date of this Listing Particulars.

#### *French Insolvency Law*

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

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes).

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

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

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

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Listing Particulars will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

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

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the Notes. These incidental costs may significantly reduce or even exclude the potential profit of the Notes. For instance, credit institutions as a rule charge their clients for own commissions, which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any additional costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

#### *Change of law*

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Listing Particulars. No assurance can be given as to the impact of any possible judicial or administrative decision or change to French law or administrative practice after the date of this Listing Particulars.

#### *No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Notes*

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations of the Issuer under the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, and if the Issuer were liquidated (whether voluntary or not), Noteholders could suffer loss of their entire investment. In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer and its subsidiaries and affiliates may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes.

#### *There are no events of default under the Notes*

The Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

## **2.1 Risks related to the market generally**

#### *Market value of the Notes*

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the volatility of market interests 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 or 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.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in Euro. 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 Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro 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 Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) 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*

The Notes bearing interest at a fixed rate from (and including) the Issue Date, to (but excluding) 20 December 2020, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

From and including 20 December 2020, interest on the Notes shall be calculated on a formula based on the annual mid-swap rate for USD swap transactions with a maturity of ten (10) years. The Rate of Interest will be determined two (2) Business Days before each Interest Payment Date and as such is not pre-defined at the date of issue of the Notes. The Rate of Interest in relation to a relevant Interest Period may be different from the initial Rate of Interest or from a Rate of Interest applicable to a previous Interest Period and may adversely affect the yield of the Notes.

## **2.2 Risks specific to Credit Linked Notes**

The amount of principal in respect of the Notes is dependent upon whether certain events (**Credit Events**) have occurred in respect of the Reference Entity (as defined in Part 2 of the Credit Linked Annex) and, if so, on the value of certain specified assets of the Reference Entity or, where, if such events have occurred, the Issuer's obligation is to deliver certain specified assets upon redemption of the Notes. In this respect the Notes provide investors with a return linked to the credit of the Reference Entity, as well as the credit risk of the Issuer in performing its obligations under the Notes, and will not provide protection of principal or a guarantee of interest.

Prospective investors in the Notes should be aware that payment of principal may occur at a different time than expected and they may lose all or a substantial portion of their investment. It is the responsibility of investors to ensure that their accounting, regulatory and all other treatments of the Notes are consistent with the conditional nature of their entitlement to receive payments under the Notes.

The market price of the Notes may be volatile and will be affected by factors that interrelate in complex ways, including amongst other things, the Issuer's creditworthiness, the time remaining to the redemption date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions. It is important for

investors to understand that the effect of one factor may offset the increase in the market price of the Notes caused by another factor, and that the effect of one factor may exacerbate the decrease in the market price of the Notes caused by another factor. For example, a drop in the creditworthiness of the Reference Entity may more than offset any increase in the Issuer's creditworthiness. The market price of the Notes may be zero.

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

The holders of the Notes will be exposed to the credit of the Reference Entity, which exposure shall be to the full extent of their investment in the Notes. Upon the occurrence of any of the default events comprising a Credit Event with respect to the Reference Entity, the Noteholders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of the Reference Entity. However, the holding of a Note is unlikely to lead to outcomes which exactly reflect the impact of investing in an obligation of the Reference Entity, and losses could be considerably greater than would be suffered by a direct investor in the obligations of the Reference Entity and/or could arise for reasons unrelated to the Reference Entity. Noteholders should also note that a Credit Event may occur even if the obligations of the Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

The Calculation Agent may exercise its right to deliver a Credit Event Notice even if the relevant Credit Event is no longer continuing and Noteholders will have no right to compel the exercise of this right or to control the timing of a Credit Event Determination Date. Notwithstanding this, in most cases a Credit Event can only be triggered (whether by an ISDA Credit Derivatives Determinations Committee determination or the Calculation Agent) if the relevant event occurred within a 60 calendar day look-back period. These provisions mean that there is a time limit on the ability to act on a Credit Event and that it is possible that the Notes could be affected by a Credit Event that took place prior to the Trade Date.

Not all of the Credit Events require an actual default with respect to the Reference Entity's obligations. Thus Noteholders may bear losses based on a deterioration in the credit of the Reference Entity short of default. Also, not all Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event. Under the terms of the Notes, subject to certain Credit Derivatives Determinations Committee determinations, the Calculation Agent's determination will be binding on the Issuer and Noteholders and may be different from the view of Noteholders, other financial institutions and/or commentators.

Certain terms of the Notes (for example the applicable Credit Events, Deliverable Obligations and Obligations) are those set in the Credit Derivatives Physical Settlement Matrix for the Transaction Types specified in the Credit Linked Annex for the Reference Entity. The Physical Settlement Matrix, sets out a number of terms which will apply to standard credit derivatives transactions, and is published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto). The version of the Physical Settlement Matrix which will apply will be that dated the Issue Date.

#### *Redemption following a Credit Event*

Where cash settlement or auction settlement applies, the occurrence of a Credit Event Determination Date in relation to the Reference Entity from time to time may result in a redemption of the Notes in a reduced nominal amount or at zero, and the Notes may cease to bear interest on or prior to the date of occurrence of such circumstance. The value of obligations of the Reference Entity which will affect the amount (if any) due on such redemption may substantially decrease in value during the period between the Credit Event and settlement of the Notes.



Where cash settlement applies and the amount (if any) due on redemption of the Notes is to be calculated by reference to the value of one or more Valuation Obligations of the Reference Entity, the Issuer will select the relevant Valuation Obligations in its sole and absolute discretion irrespective of their market value or liquidity and will not be obliged to consider the interests of Noteholders or mitigate their losses.

Investors in the Notes are accordingly exposed, as to both principal and (if applicable) interest, to the credit risk of the Reference Entity. The maximum loss to an investor in the Notes is 100 per cent. of their initial principal investment, together with (if applicable) any accrued interest amounts.

#### *A Credit Event may occur prior to the Trade Date*

As mentioned above, holders of the Notes may suffer a loss of some or all principal amount of the Notes in respect of one or more Credit Events that occur prior to the Trade Date or the Issue Date. Neither the Calculation Agent nor the Issuer nor any of their respective affiliates has any responsibility to inform any Noteholder, or avoid or mitigate the effects of a Credit Event that has taken place prior to the Trade Date or the Issue Date.

#### *Successors*

The Reference Entity may be replaced as Reference Entity by one or more Successors. For these purposes the relevant Succession Date must occur within a 90 calendar day look-back period, other than in the case of a universal succession, where the Succession Date must have occurred on or after 1 January 2014. These provisions mean that there is a time limit on the ability to act on a succession and that it is possible that the Securities could be affected by a succession that took place prior to the Trade Date.

The Calculation Agent may, if it determines appropriate, select an alternative Transaction Type for any Successor to the Reference Entity and adjust such of the Credit Linked Conditions as it determines appropriate to reflect such new Transaction Type and determine the effective date of any such change and adjustment.

In addition, where more than one Successor to the Reference Entity has been identified the Calculation Agent shall adjust such of Credit Linked Conditions as it shall determine to be appropriate (including, without limitation, the Reference Entity Notional Amount and (if applicable) the relevant Transaction Type) to reflect that the Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment.

#### *Maturity Date extension, interest postponement and settlement suspension*

Investors should note that the maturity of the Notes may be extended beyond the Scheduled Maturity Date in circumstances where a Credit Event may have occurred in relation to the Reference Entity or a Potential Credit Event has or may have occurred in relation to the Reference Entity. As a result repayment to the Noteholders may be delayed for a significant period of time even in circumstances where it transpires no Credit Event has occurred. In addition, the maturity of the Notes may be extended and ongoing interest payments may be delayed if there is a pending Credit Derivatives Determinations Committee decision at the relevant time.

The Credit Linked Conditions also provide that if, following the determination of a Credit Event Determination Date but prior to a cut-off date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may at its option determine that the applicable timing requirements of the Credit Linked Conditions and the definitions of Credit Event Redemption Date, Credit Event Payment Date, Valuation Date, Maturity Date, Physical Settlement Period and PSN Cut-off Date and any other Credit Linked Condition as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a **Suspension Period**) until the date of

the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. At that point, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary.

In the event of any such Suspension Period, the Calculation Agent may make (i) such consequential or other adjustment(s) or determination(s) to or in relation to the Credit Linked Conditions as may be desirable or required either during or following any relevant Suspension Period to account for or reflect such suspension and (ii) determine the effective date of such adjustment(s) or determination(s).

In addition, if a Suspension Period falls in any one or more Interest Period(s), then no interest shall accrue during each portion of an Interest Period during which a Suspension Period exists; and if an Interest Payment Date falls in a Suspension Period, payment of the relevant interest will be deferred until after the end of the Suspension Period.

#### *Amendment of Credit Linked Conditions in accordance with market convention*

The Calculation Agent may from time to time amend any provision of the Credit Linked Conditions (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees, including without limitation, in relation to settlement, credit events and successors and/or (ii) in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable to reflect or account for market practice for credit derivative transactions and/or reflect hedging arrangements of the Issuer.

#### *2014 ISDA Credit Derivatives Definitions*

This Listing Particulars contains Credit Linked Conditions for Notes with terms based on the 2014 ISDA Credit Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. (**ISDA**). Whilst there are many similarities between the 2014 ISDA Credit Derivatives Definitions and the 2003 Credit Derivatives Definitions published by ISDA (the **2003 ISDA Definitions**) which were used in the past, there are many substantial differences and a prospective investor should understand that the complete terms and conditions of the Notes are as set out in the relevant sections of this document, notably the Credit Linked Annex, and that the 2014 ISDA Definitions are not incorporated by reference herein. Consequently, investing in Credit Linked Notes is not necessarily equivalent to investing a credit default swap that incorporates the 2014 ISDA Definitions.

While ISDA has published and, where appropriate, supplemented the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2014 ISDA Definitions and the terms applied to credit derivatives generally, including the Notes are subject to further evolution. Past events have shown that the view of market participants may differ as to how sets of ISDA Definitions operate or should operate. As a result of the continued evolution of the market, the Notes may not conform to future market standards. Such a result may have a negative impact on the Notes and there can be no assurances that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or the Noteholders.

#### *Differences between the 2003 ISDA Definitions and the 2014 ISDA Definitions*

There are a number of important differences between the 2003 ISDA Definitions and the 2014 ISDA Definitions. In particular the 2014 ISDA Definitions have:

- (a) introduced a new Credit Event of "Governmental Intervention", which is intended to capture "bail-in" procedures to which financial institutions may be subject;
- (b) made certain amendments to the Restructuring Credit Event to provide for the possibility of a Euro exit;
- (c) reduced the number of buckets applicable in circumstances where Mod Mod R is applicable and deleted the concept of the "Enabling Obligation" which was previously applicable to both Mod R and Mod Mod R;
- (d) introduced the concept of Asset Package Delivery in respect of certain Financial Reference Entities and Sovereigns. This provides that if Deliverable Obligations are exchanged into non-Deliverable assets or written-down in part or in full, in certain circumstances, the credit protection buyer will be able to deliver the resultant package of Assets or the written-down Deliverable Obligation to realise its protection;
- (e) split credit protection between senior and subordinated coverage in respect of a Governmental Intervention and Restructuring Credit Event for Financial Reference Entities, i.e. a Senior Transaction will only be triggered by a Restructuring or Governmental Intervention of Senior Obligations and a Subordinated Transaction will not be capable of being triggered by a Restructuring or Governmental Intervention of an obligation which is Subordinated to the Subordinated Reference Obligation;
- (f) made a number of changes to the provisions for determining a Successor to a Reference Entity, particularly with respect to Financial and Sovereign Reference Entities;
- (g) provided for a new election of "Standard Reference Obligation" which, if chosen, will mean that the Reference Obligation will be the obligation of the relevant seniority level published in respect of the relevant Reference Entity on a List maintained by ISDA. A transaction on the terms of the 2014 ISDA Definitions may elect not to apply that election such that the Reference Obligation would remain as chosen by the parties, although, if this is the case, the procedure for selecting a Substitute Reference Obligation has also changed significantly in the 2014 ISDA Definitions;
- (h) replaced the Not Contingent Deliverable Obligation Characteristic with the concept of Outstanding Principal Balance. In order for an obligation (including the Reference Obligation) to constitute a Deliverable Obligation, it must have an Outstanding Principal Balance greater than zero;
- (i) amended the definition of "Qualifying Guarantee" to expand the universe of guarantees that can constitute Qualifying Guarantees (with a particular emphasis on including, to some extent, guarantees with caps or transfer provisions); and
- (j) introduced a large number of technical and other changes.

These changes in the 2014 ISDA Definitions as compared to the 2003 ISDA Definitions have been reflected in these Credit Linked Conditions, but in each case subject to important differences, including to reflect the nature of the Notes as compared to "over-the-counter" transactions and to reflect any hedging arrangements the Issuer may put in place. Some changes, such as the inclusion of a new Credit Event, may have significant economic effect on the Notes and may have an impact on the value of the Notes and the return (if any) to investors. Some changes may be disadvantageous to Noteholders and prospective investors should review carefully the terms of any issue of Notes and, where in any doubt, take advice from suitably qualified professional advisers.

### *Risks relating to Auction Settlement of Credit Linked Notes*

Where an Auction Final Price Determination Date occurs in respect of the Notes, the Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, a form of which will be published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and may be amended from time to time. The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the Reference Obligation.

The Issuer and the Noteholders may have little or no influence in outcome of any such auction. However, there is a possibility that the Issuer or the Calculation Agent (or one of their affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant Deliverable Obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), neither the Issuer nor the Calculation Agent (or any of their affiliates) shall be under any obligation to consider the interests of any Noteholder.

### *No representation by Issuer, Calculation Agent and affiliates*

None of the Issuer, the Calculation Agent nor any of their respective affiliates makes any representation whatsoever with respect to the Reference Entity, the Reference Obligation or other underlying obligations.

### *Dealings by Issuer, Calculation Agent and affiliates*

The Issuer, the Calculation Agent and any of their respective affiliates may deal in the Reference Obligation or other underlying obligations of the Reference Entity and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, the Reference Entity and/or any other person or entity having obligations relating to the Reference Entity and may act with respect to such business in the same manner as each of them would if the Notes had not been issued, regardless of whether any such action might have an adverse effect on the Reference Entity, the Reference Obligation or other underlying obligations or the Noteholders or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event).

### *No disclosure of information*

The Issuer, the Calculation Agent and any of their respective affiliates may, whether by virtue of the types of relationships described herein or otherwise, on the issue date of the Notes or at any time thereafter, be in possession of information in relation to the Reference Entity, the Reference Obligation or other underlying obligations thereof that is or may be material in the context of the issue of Notes and that may or may not be publicly available or known to Noteholders. There is no obligation on the part of the Issuer, the Calculation Agent or any such affiliates to disclose to the Noteholders any such relationship or information (whether or not confidential).

### *Potential conflicts of interest*

The Calculation Agent or the Issuer will be entitled to make certain determinations and actions and exercise certain discretions under the Credit Linked Conditions including (*inter alia*) as to whether an event constituting a Credit Event has occurred. In doing so, potential conflicts of interest may exist between the Calculation Agent and the Noteholders. The Calculation Agent and the Issuer do not act as fiduciary for or as an adviser to any of the Noteholders in respect of any such or otherwise.

*No post-issuance information*

The Issuer will not provide investors with any post-issuance information regarding the Reference Entity, the Reference Obligation or other underlying obligations. In addition, prospective investors should understand that historical performance of the Reference Entity, the Reference Obligation or other underlying obligation should not be viewed as predictive of future results.

## DOCUMENTS INCORPORATED BY REFERENCE

This Listing Particulars shall be read and construed in conjunction with the following documents (excluding any documents incorporated by reference in such documents) which are incorporated by reference in, and shall be deemed to form part of, this Listing Particulars:

- the English translation of the Issuer's *Actualisation du Document de référence 2014* filed with the *Autorité des marchés financiers* on 5 August 2015 under No. D. 15-0095-A01 (the **Update to the 2014 Registration Document**);
- the English translation of the Issuer's 2014 *Document de référence* filed with the *Autorité des marchés financiers* on 2 March 2015 under No. D. 15-0095 (the **2014 Registration Document**); and
- the English translation of the Issuer's 2013 *Document de référence* filed with the *Autorité des marchés financiers* on 3 March 2014 under No. D. 14-0103 (the **2013 Registration Document**).

The parts of the documents incorporated by reference in this document that are not mentioned in the cross reference list below shall not form part of this Listing Particulars and are not relevant for the investors.

All documents incorporated by reference in this Listing Particulars may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agent set out at the end of this Listing Particulars during normal business hours so long as any of the Notes are outstanding. In addition such documents will be published on the website of the issuer ([www.hsbc.fr](http://www.hsbc.fr)).

## CROSS REFERENCE LIST

INFORMATION INCORPORATED BY REFERENCE	REFERENCE
<b>Annex XI of the European Regulation 809/2004/EC</b>	
<b>2. STATUTORY AUDITORS</b>	Update to the 2014 Registration Document page 52. 2014 Registration Document page 297. 2013 Registration Document page 269.
<b>3. RISK FACTORS</b>	Update to the 2014 Registration Document pages 7 to 11. 2014 Registration Document pages 81 to 109 and 193 to 217.
<b>4. INFORMATION ABOUT THE ISSUER</b>	
<b><u>4.1. History and development of the Issuer</u></b>	2014 Registration Document page 292.
<b><u>4.1.2. Place of registration of the Issuer and its registration number</u></b>	2014 Registration Document page 290.
<b><u>4.1.3 Date of incorporation and the length of life of the</u></b>	2014 Registration Document page 290.

<b>INFORMATION INCORPORATED BY REFERENCE</b> <b>Annex XI of the European Regulation 809/2004/EC</b>	<b>REFERENCE</b>
<u>issuer, except where indefinite</u>	
<u>4.1.4 Domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business of different from its registered office)</u>	2014 Registration Document page 290 and 300.
<u>4.1.5. Recent Developments</u>	Update to the 2014 Registration Document, page 51. 2014 Registration Document page 295.
<b>5. BUSINESS OVERVIEW</b>	
<u>5.1. Principal activities:</u>	Update to the 2014 Registration Document pages 3 to 16. 2014 Registration Document pages 2 to 11 and 246.
<u>5.1.2. New product and/or activities:</u>	Update to the 2014 Registration Document pages 2 to 11 and 246.
<u>5.1.3. Principal markets:</u>	Update to the 2014 Registration Document pages 2 to 11 and 246. 2014 Registration Document pages 2 to 11 and 246.
<u>5.1.4 Basis for any statement in the registration document made by the issuer regarding its competitive position.</u>	Update to the 2014 Registration Document pages 2 to 11 and 246.
<b>6. ORGANISATIONAL STRUCTURE</b>	
<u>6.1 Brief description of the group and of the issuer's position within it</u>	2014 Registration Document pages 2 to 11, 240 to 243 and 280 to 283
<b>9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
<b>Name, business addresses and functions in the Issuer of the members of the administrative, management or supervisory bodies and indication of the principal activities performed by them outside the Issuer</b>	2014 Registration Document pages 12 to 24.
<b>Conflict of Interest</b>	2014 Registration Document page 43
<b>10. MAJOR SHAREHOLDERS</b>	
<u>10.1 To the extent know to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control</u>	2014 Registration Document pages 25 and 294.

<b>INFORMATION INCORPORATED BY REFERENCE</b> <b>Annex XI of the European Regulation 809/2004/EC</b>	<b>REFERENCE</b>
<b><u>is not abused</u></b>	
<b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
<b><u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2014</u></b>	
<b>- Balance sheet</b>	Update to the 2014 Registration Document page 19.
<b>- Income statement</b>	Update to the 2014 Registration Document page 17.
<b>- Cash flow statement</b>	Update to the 2014 Registration Document page 23.
<b>- Notes</b>	Update to the 2014 Registration Document pages 24 to 49.
<b>- Auditors' report relating to the above</b>	Update to the 2014 Registration Document page 50.
<b>- Consolidated statement of comprehensive income</b>	Update to the 2014 Registration Document page 18.
<b>- Consolidated statement of changes in equity</b>	Update to the 2014 Registration Document pages 21 and 22 .
<b><u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2013</u></b>	
<b>- Balance sheet</b>	2013 Registration Document page 105.
<b>- Income statement</b>	2013 Registration Document page 103.
<b>- Cash flow statement</b>	2013 Registration Document page 107.
<b>- Notes</b>	2013 Registration Document pages 108 to 206.
<b>- Auditors' report relating to the above</b>	2013 Registration Document pages 207 and 208.
<b>- Consolidated statement of comprehensive income</b>	2013 Registration Document pages 104.
<b>- Consolidated statement of changes in equity</b>	2013 Registration Document pages 106.
<b>11.6 Legal and arbitration proceedings</b>	Update to the 2014 Registration Document page 47 to 49.  2014 Registration Document pages 100 to 102.



<b>INFORMATION INCORPORATED BY REFERENCE</b> <b>Annex XI of the European Regulation 809/2004/EC</b>	<b>REFERENCE</b>
<b>12. MATERIAL CONTRACTS</b>	2014 Registration Document page 292.

## TERMS AND CONDITIONS OF THE NOTES

*The terms and conditions of the Notes (the **Conditions**) will be as follows and as set out in the Credit Linked Annex.*

The issue of the USD 15,000,000 spread range accrual credit linked notes due 2030 linked to the Republic of France (the **Notes**) by HSBC France (the **Issuer**) was authorised by the Board of Directors (*Conseil d'Administration*) of the Issuer on 22 July 2015 and pursuant to a decision of Yonathan Ebguay dated 16 December 2015. A agency agreement in respect of the Notes was entered into 9 January 2015 (the **Agency Agreement**) between the Issuer, BNP Paribas Securities Services, as fiscal agent and paying agent and HSBC Bank plc as calculation agent (the **Fiscal Agent, Paying Agent and Calculation Agent**). Copies of the Agency Agreement are available, without charge, for inspection, during normal business hours at the specified offices of the Fiscal Agent. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below. In these Conditions, "**holder of Notes**", "**holder of any Note**" or "**Noteholder**" means the person whose name appears in the account of the relevant Account Holder (as defined below) as being entitled to such Notes.

Capitalised terms used in these Conditions and not otherwise defined below shall have the meanings ascribed to them in the Credit Linked Annex below. In case of discrepancy between the definitions below and the definitions provided in the Credit Linked Annex, the definitions provided below shall prevail. Definitions specific to the credit linked provisions are set out in Part 1 of the Credit Linked Annex.

### 1. **Form, Denomination and Title**

The Notes are issued on 23 December 2015 (the **Issue Date**) in dematerialised bearer form (*au porteur*) in the denomination of USD 1,000,000 each (the **Principal Amount**). Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in book entry form in the books of Euroclear France (**Euroclear France**), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes depositary banks for Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. (**Euroclear**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books, and only in the denomination of USD 1,000,000.

### 2. **Status of the Notes**

The principal and interest in respect of the Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer. There will be no negative pledge in respect of the Notes.

### 3. Interest

#### 3.1 Interest Payment Dates

Subject to the provisions of the Credit Linked Annex, the Notes bear interest on their Principal Amount (i) at a fixed rate of 5.00 per cent. *per annum* from, and including, the Issue Date to, but excluding, 20 December 2020, and (ii) thereafter, from and including 20 December 2020 to, but excluding, the Interest Payment Date (as defined below) falling on, or nearest to, 20 December 2030 (the **Scheduled Maturity Date**), at a rate based on the following formula:  $\text{Min}(\text{Max}(\text{Reference Rate} + 210 \text{ bps}; 0\%); 6\%) \times \text{N/D}$  (the **Rate of Interest**), payable annually in arrears on each Interest Payment Date.

The amount of interest (the **Interest Amount**) shall be payable in arrear on 20 December in each year (each an **Interest Payment Date**). The first payment of interest will be made on 20 December 2016. There will be a short first coupon with respect of the first Interest Period which amounts to USD 50,000. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day.

The Amount of Interest will be the product of the Principal Amount of such Note and the Rate of Interest (as defined above), multiplied by the Day Count Fraction (except with respect to the first Interest Period) and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Interest Amount shall be calculated by the Calculation Agent.

If on a Business Day during the Interest Period the rate used for a Reference Spread or Reference Rate is not published on the relevant fixing page for such rate used for the Reference Spread or Reference Rate or is otherwise not available (i) the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Reference Spread or Reference Rate, as the case may be, at approximately 11 am New York time on such date; (ii) if at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the Reference Spread or Reference Rate, as the case may be, for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest quotations) and the lowest quotation (or, in the event of equality, one of the lowest quotations) and (iii) if on any such date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the Reference Spread or Reference Rate, as the case may be, shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with the then prevailing standard market practice.

For the purposes of the Conditions:

**Accrual Barrier** means zero point ten (0,10) per cent.

**Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchanges settle payments and are open for business (including dealings in foreign exchanges and foreign currency deposits) in London and New York.

**CMS Reference Banks** means the principal office of five leading swap dealers in the US dollar inter-bank market.

**D** means the total number of calendar days in each Interest Period.

**Day Count Fraction** means  $30/360$  which means that the number of days in the period in respect of which payment is made will be divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \left[ \left[ 360 \times (Y2 - Y1) \right] + \left[ 30 \times (M2 - M1) \right] + (D2 - D1) \right] / 360.$$

Where:

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

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

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

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

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

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

**Interest Accrual Date** means subject to the Conditions, 20 December in each year, commencing on and including the Issue Date and ending on the Scheduled Maturity Date.

**Interest Determination Date** the day falling two Business Days prior to the first day of each Interest Period.

**Interest Period** means the period from and including an Interest Accrual Date to but excluding the next succeeding Interest Accrual Date, with the exception that the first such period shall commence on and include the Issue Date and end on but exclude the Interest Accrual Date falling on 20 December 2016 and the last such period shall end on but exclude the Scheduled Maturity Date.

**Max(...;...;...)** means the mathematical highest term of the series of numbers between the parenthesis.

**Min(...;...;...)** means the mathematical smallest term of the series of numbers between the parenthesis.

**N** means the number of calendar days in the Interest Period where the Reference Spread fixes at or above the Accrual Barrier.

**Reference Rate** means USD CMS10y. Whereby "USD CMS 10y" means the rate for fixed float interest rate swaps in USD for a period of 10 years which appears on Reuters Page ISDAFIX1 as of 11:00 am New York time on the Interest Determination Date. In case such Interest Determination Date is not a Business Day, the relevant rate is the rate displayed on the ISDAFIX1 page at the Business Day immediately prior to such calendar day.

**Reference Spread** means USD CMS 10y – USD CMS 2y

Whereby "USD CMS 10y" means the rate for fixed float interest rate swaps in USD for a period of 10 years which appears on Reuters Page ISDAFIX1 as of 11:00 am New York time on each calendar day. In case a calendar day is not a Business Day, the rate for that calendar day is the rate displayed on the ISDAFIX1 page on the Business Day immediately preceding that calendar day.

Whereby "USD CMS 2y" means the rate for fixed float interest rate swaps in USD for a period of 2 years which appears on Reuters Page ISDAFIX1 as of 11:00 am New York time on each calendar

day. In case a calendar day is not a Business Day, the rate for that calendar day is the rate displayed on the ISDAFIX1 page on the Business Day immediately preceding that calendar day.

Provided that, in respect of each Interest Period, the relevant Reference Spread determined in respect of each of the calendar days during one week prior to the end of the relevant Interest Period shall be fixed on the fifth Business Day prior to the end of such Interest Period.

### **3.2 Interest Payments**

Subject to the provisions of the Credit Linked Annex, each Note will cease to bear interest from the due date for redemption, unless payment of principal is improperly withheld or refused on such date. In such event, interest on such Note shall continue to accrue at the same rate of interest (both before and after judgment) until the calendar day (included) on which all sums due in respect of such Note up to that calendar day are received by or on behalf of the relevant Noteholder.

If interest is required to be calculated for a period of less than one year, it will be calculated in accordance with the relevant Day Count Fraction, the result being rounded to the nearest cent (half a cent being rounded upwards).

## **4. Redemption of the Notes**

### **4.1 Final Redemption of the notes in the absence of a Credit Event**

Subject to the provisions of the Credit Linked Annex and unless previously redeemed or purchased and cancelled, the Notes will be redeemed by the Issuer at par on the Scheduled Maturity Date.

### **4.2 Early Redemption for Taxation Reasons**

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 6.2 below, the Issuer may at any time, subject to having given not more than 45 nor less than 30 calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 8, redeem all, but not some only, of the Notes at their Early Redemption Amount together with interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.
- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 6.2 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than 7 days' prior notice to the Noteholders in accordance with Condition 8, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with any interest accrued to the date set for redemption, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes or, if that date is passed, as soon as practicable thereafter.

### **4.3 Early Redemption for illegality**

The Issuer shall have the right to terminate its obligations under the Notes, if the Calculation Agent shall have determined in its absolute discretion that the performance of such obligations under the Notes (or the Issuer's or the Issuer's designated affiliates' obligations under any hedging arrangements established in connection therewith) shall have become unlawful or impracticable in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power. In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 8.

For the purposes of Conditions 4.2 and 4.3, **Early Redemption Amount** means an amount (which shall not be less than zero) determined in good faith by the Calculation Agent in its absolute discretion to be the fair market value of the Notes immediately prior to the early redemption date less a *pro rata* share of any Unwind Costs (as defined in the Credit Linked Annex).

#### **4.4 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offer) at any price and on any condition, subject to compliance with any applicable laws. Notes so purchased by the Issuer may be held and resold in accordance with Articles L.213-1-A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

#### **4.5 Cancellation**

All Notes which are redeemed or purchased for cancellation by the Issuer pursuant will forthwith be cancelled and accordingly may not be reissued or resold.

### **5. Payments**

#### **5.1 Method of Payment**

Payments of principal, interest and other amounts in respect of the Notes will be made in USD, by credit or transfer to an account denominated in USD (or any other account to which USD may be credited or transferred) specified by the payee with a bank in a city in which banks use the TARGET System (as defined in Condition 5.2 below). Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

All payments in respect of the Notes will be made subject to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 6 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

#### **5.2 Payments on Business Days**

If any due date for payment of principal, interest or any other amount in respect of any Note is not a Business Day (as defined below), then the Noteholder shall not be entitled to payment of the amount due until the next following calendar day which is a Business Day and the Noteholder shall not be entitled to any interest or other additional sums in respect of such postponed payment.

For the purposes of this Condition, **Business Day** means any day, not being a Saturday or a Sunday, (i) on which foreign exchange markets and commercial banks are open for business in Paris (ii) on which Euroclear France is operating and (iii) on which the Trans-European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) system (the **TARGET System**) or any successor thereto is operating.

### **5.3 Financial Agent, Calculation Agent and Paying Agent**

The name and specified office of the initial Fiscal Agent, Paying and Calculation Agent are as follows:

#### **Fiscal Agent and Paying Agent**

##### **BNP Paribas Securities Services**

Les Grands Moulins de Pantin  
9 rue du Débarcadère  
93500 Pantin  
France

#### **Calculation Agent**

##### **HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Paying Agent or the Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent or Calculation Agent and additional or other paying agents or approve any change in the office through which the Fiscal Agent, the Paying Agent, the Calculation Agent or paying agent acts, provided that, so long as any Note is outstanding, there will at all times be (i) a Fiscal Agent having a specified office in a major European city and (ii) so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of that exchange so require, a Paying Agent ensuring financial services in Ireland. Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 8.

## **6. Taxation**

### **6.1 Withholding Tax**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

### **6.2 Additional Amounts**

If French law should require that payments of principal or interest in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would

have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties assessments or governmental charges by reason of his having some connection with France other than the mere holding of the Note; or
- (b) where such withholding or deduction is required to be made pursuant to Council Directive 2003/48/EC (as amended) or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

### **6.3 Supply of Information**

Each Noteholder shall be responsible for supplying to the Paying Agent, in a reasonable and timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the Council Directive 2003/48/EC (as amended) or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

### **7. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

### **8. Notices**

Any notice to the Noteholders will be duly given if delivered to Euroclear France or published, so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of that stock exchange so require, on the Irish Stock Exchange website ([www.ise.ie](http://www.ise.ie)).

Any notice to the Noteholders shall be deemed to have been given on the date of such publication or if published on different dates, on the date of the first publication.

### **9. Representation of Noteholders**

The provisions of this Condition 9 regarding the representation of the Noteholders shall not apply if all the Notes are held by one Noteholder. A representative of the Noteholders shall only be appointed if the Notes are held by more than one Noteholder.

As of the Issue Date, there will only be one Noteholder and accordingly no representative is appointed and this Condition 9 shall not apply.

However, if there are more than one Noteholder at any time after the Issue Date, a representative will be appointed no later than one month prior to any redemption and the provisions set out below shall apply.

The Noteholders will be grouped automatically for the defence of their common interests in a masse (the **Masse**) which will be subject to the below provisions:



The Masse will be governed by the provisions of the French *Code de commerce* (the **Code**) with the exception of Articles L.228-48, L.228-59, L.228-65 I (1°), (3°) and (4°), L.228-71, R.228-63, R-228-67 and R.228-69 subject to the following provisions:

(i) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through the general assembly of Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(ii) Representative

As set out above, the Representative shall only be appointed if the Notes are held by more than one Noteholder.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general assembly of Noteholders.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(iii) Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the general assembly of Noteholders) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(iv) General general assembly of Noteholders

A general assembly of Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the general assembly of Noteholders. If such general assembly of Noteholders has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the general assembly of Noteholders.

Notice of the date, hour, place and agenda of any general assembly of Noteholders will be published as provided under Condition 8.

Each Noteholder has the right to participate in a general assembly of Noteholders in person or by proxy, correspondence or, if the statutes of the Issuer so specify, videoconference or

any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one vote.

In accordance with Article R.228-71 of the French Code de Commerce, the rights of each Noteholder to participate in the general assembly of Noteholders must be evidenced by entries in the books of the relevant Account Holder in the name of such Noteholder at midnight Paris time on the second Paris business day preceding the date set for the relevant general assembly of Noteholders.

(v) Powers of the general assembly of Noteholders

The general assembly of Noteholders is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The general assembly of Noteholders may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the general assembly of Noteholders may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General assembly of Noteholders may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such general assembly of Noteholders or represented thereat.

In accordance with Article R.228-71 of the French Code de commerce, the right of each Noteholder to participate in general assembly of Noteholders will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant general assembly of Noteholders.

Decisions of general assembly of Noteholders must be published in accordance with the provisions set forth in Condition 8.

(vi) Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each general assembly of Noteholders, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the general assembly of Noteholders, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the general assembly of Noteholders.

(vii) Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of general assembly of Noteholders and, more generally, all administrative expenses resolved upon by the general assembly of Noteholders, it being

expressly stipulated that no expenses may be imputed against interest payable under the Notes.

For the avoidance of doubt, in this Condition 9, the term “outstanding” shall not include those Notes purchased by the Issuer in accordance with Article L.213-1 A of the French Code monétaire et financier that are held by it and not cancelled.

#### **10. Further Issues and Assimilation**

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for the issue price and the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

In the event of such an assimilation, the Noteholders and the holders of such further notes will be grouped together in a single *masse* for the defence of their common interests. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

#### **11. Governing Law and Jurisdiction**

The Notes are governed by, and shall be construed in accordance with, the laws of France. Any claim against the Issuer in connection with the Notes may be brought before any competent court in Paris.

## CREDIT LINKED ANNEX

### PART 1 – ADDITIONAL CREDIT LINKED TERMS AND CONDITIONS (2014 ISDA CREDIT DERIVATIVES DEFINITIONS VERSION)

The section headed "*Terms and Conditions of the Notes*" of this Listing Particulars shall be supplemented and modified by the following "*Additional Credit Linked Terms and Conditions (2014 ISDA Credit Derivatives Definitions Version)*", as amended or supplemented by Parts 2 and 3 below (together, the **Credit Linked Conditions**).

Any reference to a "Credit Linked Condition x" shall be to the relevant numbered paragraph of the Credit Linked Conditions and any reference to a "Condition x" shall be to the relevant numbered paragraph of the "Terms and Conditions of the Notes".

Unless otherwise stated in these Credit Linked Conditions, in the event that any day specified in the section "Credit Linked Redemption" or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be postponed to the next day which is a Business Day.

For the avoidance of doubt, the Notes will not be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

- (a) the Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or
- (b) Obligations, Deliverable Obligations, Valuation Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

#### 1. Redemption of the Notes in case of a Credit Event Determination Date

- (a) If a Credit Event Determination Date has occurred in respect of the Reference Entity, the Issuer shall redeem the Notes as described below.

References in these Credit Linked Conditions to a Note are to a nominal amount of the Notes equal to the Principal Amount. Any payment of a "*pro rata*" amount in respect of a Note will be determined by reference to its nominal amount relative to the then aggregate nominal amount of Notes.

- (b) If a Credit Event Determination Date has occurred in relation to the Reference Entity, then the Notes will be settled in accordance with Credit Linked Condition 2 or Credit Linked Condition 3, as applicable.
- (c) Where any Credit Event Redemption Amount is or would be zero then, other than for the payment of accrued interest or any other due but unpaid amounts, the Notes will be cancelled as of the Credit Event Redemption Date with no payment being due other than any final amount of accrued interest or any other due but unpaid amounts. The Issuer will have no further obligations in respect of the Notes.
- (d) If any purchase and cancellation of Notes occurs under Condition 4.5, the Calculation Agent will make such adjustments to these Credit Linked Conditions as it determines appropriate (including Reference Entity Notional Amount) to ensure the Notes continue to reflect economic intentions.

## 2. Auction Settlement

- (a) Since (i) Auction Settlement is specified as the applicable Settlement Method where a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice an **Auction Settlement Notice**) to the Noteholders in accordance with Condition 8 (*Notices*), and, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, redeem all but not some only of the Notes, each Note being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date. Any delay in the delivery of an Auction Settlement Notice or failure by the Issuer to deliver an Auction Settlement Notice shall not affect the validity of a Credit Event Determination Date.
- (b) Unless settlement has occurred in accordance with the paragraph above, if:
- (i) an Auction Cancellation Date occurs;
  - (ii) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraphs (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);
  - (iii) a DC Credit Event Question Dismissal occurs;
  - (iv) a Credit Event Determination Date was determined pursuant to paragraph (a) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date; or
  - (v) the Calculation Agent determines that it is otherwise reasonably likely that the Reference Transaction would be settled in accordance with the Fallback Settlement Method and gives notice of such to the Issuer (the date on which the Calculation Agent gives such notice, the **Calculation Agent Fallback Settlement Determination Date**),

then the Issuer shall redeem the Notes in accordance with Credit Linked Condition 3 below.

*If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 2, upon payment of the Credit Event Redemption Amounts in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the nominal amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.*

## 3. Cash Settlement

If a Credit Event Determination Date has occurred and Credit Linked Condition 2(b) above applies, the Issuer shall give notice (such notice a **Cash Settlement Notice**) to the Noteholders in accordance with Condition 8 (*Notices*), and, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, redeem all but not some only of the Notes, each Note being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date. Any delay in the delivery of a Cash Settlement Notice or failure by the Issuer to deliver a Cash Settlement Notice shall not affect the validity of a Credit Event Determination Date.

*If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 3, upon payment of the Credit Event Redemption Amounts in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the nominal amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.*

#### **4. Accrual of Interest**

Notwithstanding any other provision, each Note shall cease to bear interest from the Credit Event Determination Date or, if earlier, the last day of the Interest Period ending on (but excluding) the Scheduled Maturity Date,

Provided that, if:

- (A) (1) Credit Linked Condition 5, Credit Linked Condition 6 or Credit Linked Condition 7 applies in respect of the Notes and, in the case of Credit Linked Condition 5, a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Credit Linked Condition 6, a Failure to Pay has not occurred on the Grace Period Extension Date or, in the case of Credit Linked Condition 7, a Credit Event has not occurred on or prior to the DC Determination Cut-off Date, as the case may be; and/or
- (2) Credit Linked Condition 8 applies in respect of the Notes and a Credit Event Determination Date or the Repudiation/Moratorium Extension Condition, as applicable, has not occurred or is not satisfied on or prior to the Postponed Cut-off Date,

then interest will accrue as provided in Credit Linked Condition 5, Credit Linked Condition 6, Credit Linked Condition 7 or Credit Linked Condition 8, as the case may be; and

- (B) without duplication to any adjustment pursuant to the final paragraph of "Credit Event Determination Date" below, if one or more Interest Payment Dates has occurred between the Credit Event Determination Date and its determination, the Issuer may elect in its sole and absolute discretion to instigate the clawback of any overpaid Interest Amount(s) paid in respect of such Interest Payment Date(s).

#### **5. Repudiation/Moratorium Extension**

Since "Repudiation/Moratorium" is an applicable Credit Event pursuant to these Credit Linked Conditions, the provisions of this Credit Linked Condition 4 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 8(y) applies, the Postponed Cut-off Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Noteholders in accordance with Condition 8 (*Notices*) that a Potential Repudiation/Moratorium has occurred and the maturity of the Notes will be delayed and:

- (a) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

- (i) each nominal amount of the Notes equal to the Principal Amount will be redeemed by the Issuer at par on the fifth Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed Cut-off Date; and
  - (ii) the Issuer shall be obliged to pay interest (if any) calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed Cut-off Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 1 and Credit Linked Condition 2 or Credit Linked Condition 3, as the case may be, shall apply to the Notes.

Any failure to provide notice of any such delay to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the above provisions.

## 6. Grace Period Extension

If "Grace Period Extension" is specified as applicable in these Credit Linked Conditions, the provisions of this Credit Linked Condition 6 shall apply.

***Please note that Grace Period Extension is not applicable at the date of this Listing Particulars for the Standard Western European Sovereign Transaction Type.***

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then the Calculation Agent shall notify the Noteholders in accordance with Condition 8 (*Notices*) that a Potential Failure to Pay has occurred and the maturity of the Notes will be delayed and:

- (a) where a Failure to Pay has not occurred on the Grace Period Extension Date:
  - (i) each nominal amount of the Notes equal to the Principal Amount will be redeemed by the Issuer at par on the fifth Business Day following the Grace Period Extension Date; and
  - (ii) the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Failure to Pay has occurred on the Grace Period Extension Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 1 and Credit Linked Condition 2 or Credit Linked Condition 3, as the case may be, shall apply to the Notes.

Any failure to provide notice of any such delay to Noteholders will not affect the validity of any of the above provisions.

## 7. Credit Derivatives Determinations Committee Extension

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and following a Credit Event Resolution Request Date the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Maturity Date or any Interest Payment Date scheduled then the Calculation Agent shall notify Noteholders in accordance with Condition 8 (*Notices*) that the Maturity Date or the relevant interest payment has been postponed to a date (the **DC Determination Postponed Date**) being the day falling five Business Days after (a) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, fifteen (15) Business Days following the relevant DC Credit Event Announcement or (b) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement or, as applicable, (c) fifteen (15) Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the **DC Determination Cut-off Date**), and:

- (a) in the case of the scheduled Maturity Date, where a Credit Event has not occurred on or prior to the DC Determination Cut-off Date:
  - (i) each nominal amount of the Notes equal to the Principal Amount will be redeemed by the Issuer at par on the relevant DC Determination Postponed Date; and
  - (ii) the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or if none the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the relevant DC Determination Postponed Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 1 and Credit Linked Condition 2 or Credit Linked Condition 3, as applicable, shall apply to the Notes; or
- (c) in relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (i) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date then the relevant amount of interest shall be payable on the relevant DC Determination Postponed Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; or (ii) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be adjusted accordingly and may be zero and (if any) will be payable on the relevant DC Determination Postponed Date.

Any failure to provide notice of any such postponement to Noteholders will not affect the validity of any of the above provisions.



## 8. Maturity Date Extension

The following provisions of this Credit Linked Condition 8 apply to Notes and, for the avoidance of doubt, may be applied on more than one occasion:

If:

- (x) on (A) the Scheduled Maturity Date, (B), if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the Credit-Linked Annex, the Grace Period Extension Date, (D) the last day of the Notice Delivery Period or (E) the DC Determination Cut-off Date, as the case may be, a Credit Event Determination Date has not occurred but, in the determination of the Calculation Agent, a Credit Event or Potential Credit Event may have occurred; or
- (y) on the Scheduled Maturity Date, in the determination of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may at its option notify the Noteholders in accordance with Condition 8 (*Notices*) that redemption of the Notes has been postponed and, in the case of (x) above, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period (which for these purposes shall apply in the case of (x)(A) as well as (x)(D) above) or the DC Determination Cut-off Date, as the case may be, has been postponed to the Postponed Cut-off Date and:

where:

- (a) in the case of Credit Linked Condition 8(x), a Credit Event Determination Date has not occurred on or prior to the Postponed Cut-off Date or, in the case of Credit Linked Condition 8(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Cut-off Date:
  - (i) subject as provided below, each Note will be redeemed by the Issuer at par on the Postponed Maturity Date; and
  - (ii) the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Postponed Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where:
  - (i) in the case of Credit Linked Condition 8(x), a Credit Event Determination Date has occurred on or prior to the Postponed Cut-off Date, the provisions of Credit Linked Condition 1 and Credit Linked Condition 2 or Credit Linked Condition 3, as applicable, shall apply to the Notes; or
  - (ii) in the case of Credit Linked Condition 8(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Cut-off Date, the provisions of Credit Linked Condition 5 shall apply to the Notes.

For the purposes hereof:

**Postponed Cut-off Date** means the fifteenth (15th) Business Day after the Scheduled Maturity Date, the relevant Repudiation/Moratorium Evaluation Date or Grace Period Extension Date, or the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be; and

**Postponed Maturity Date** means the fifth (5th) Business Day after the Postponed Cut-off Date.

## 9. Settlement Suspension

### (a) Suspension

Without prejudice to Condition 8, if, following the determination of a Credit Event Determination Date but prior to the Credit Settlement Date or, to the extent applicable, a Valuation Date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may, at its option, determine that the applicable timing requirements of the Credit Linked Conditions and the definitions of Credit Event Redemption Date, Credit Event Payment Date, Valuation Date, Maturity Date, Physical Settlement Period and PSN Cut-off Date, and any other Credit Linked Condition provision(s) as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a **Suspension Period**) until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary.

In the event of any such Suspension Period, the Calculation Agent may make (x) such consequential or other adjustment(s) or determination(s) to or in relation to the Conditions and these Credit Linked Conditions as may be desirable or required either during or following any relevant Suspension Period to account for or reflect such suspension and (y) determine the effective date of such adjustment(s) or determination(s).

### (b) Interest

- (i) if a Suspension Period falls in any one or more Interest Period(s), then no interest (or any interest on any delayed payment of interest) shall accrue during each portion of an Interest Period during which a Suspension Period exists; and
- (ii) if an Interest Payment Date falls in a Suspension Period, payment of the relevant interest will be deferred until such date as determined by the Calculation Agent falling no earlier than the first Business Day and no later than the fifth Business Day following the end of the Suspension Period, all subject to the provisions of Condition 5 (*Payments*) and Credit Linked Conditions 5, 6, 7 and 8.

## 10. Provisions relating to Multiple Holder Obligation

Notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a) to (e) of the definition of **Restructuring** shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (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 Credit Event, provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in paragraph (ii).

## 11. Calculation Agent, Calculation Agent Notices and Timings

- (a) Whenever any state of affairs, circumstance, event or other matter falls to be determined, considered or otherwise decided upon, or any discretion is required to be exercised, by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon, or that discretion shall be exercised, by the Calculation Agent or such other person, as the case may be, acting in its sole and absolute discretion and shall in the absence of manifest error) be final and binding on the Issuer and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion. Neither the Calculation Agent nor the Issuer shall be liable for any loss, liability, cost, claim, action, demand or expense (including without limitation, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) arising out of or in relation to or in connection with the Calculation Agent's appointment or the exercise of its functions (including, without limitation, any such delay, deferral or forbearance), except in the case of the Calculation Agent such as may result from its own wilful default, negligence or bad faith or that of its officers or agents.
- (b) Any notice to be delivered by the Calculation Agent to the Issuer pursuant to these Credit Linked Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice will be effective when given, regardless of the form in which it is delivered. A notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.
- (c) Any notice to be delivered by the Issuer to the Calculation Agent pursuant to these Credit Linked Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice will be effective when given, regardless of the form in which it is delivered. A notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.
- (d) For the purposes of determining the day on which an event occurs for purposes of these Credit Linked Conditions, the Calculation Agent will determine the demarcation of days by reference to Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time) irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.
- (e) In addition, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone of its place of payment.

## 12. Amendment of Credit Linked Conditions

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by Credit Derivatives Determinations Committees, including without limitation, in relation to settlement, credit events and successors and/or (ii) in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable to reflect or account for market practice for credit derivative transactions and/or reflect or account for a Hedge Disruption Event. Any amendment made in accordance with this Credit Linked Condition 12 shall be notified to the Noteholders in accordance with Condition 8 (*Notices*). Any failure to provide notice of any such amendment to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.

## 13. DC Resolution Adjustment Events

If following the publication of a DC Resolution (the **Prior DC Resolution**), a further DC Resolution (the relevant **Further DC Resolution**) is published the effect of which would be to reverse all or part of the Prior DC Resolution or if any DC Resolution would reverse any determination made by the Calculation Agent and/or the occurrence of a Credit Event Determination Date, notwithstanding any other provisions of these Credit Linked Conditions the Calculation Agent may, in its sole and absolute discretion, make any adjustment(s) that the Calculation Agent determines is necessary or desirable to the Conditions or these Credit Linked Conditions to reflect the publication of such Further DC Resolution or DC Resolution, including, without limitation, as a result of the impact or effect of such Further DC Resolution or DC Resolution on the Hedging Arrangements (if any at the relevant time).

## 14. Definitions applicable to the Notes

"**Accrued Interest**" means for the purpose of "the definition of Physical Settlement":

- (a) in respect of any Notes for which "Physical Settlement" is specified to be the Settlement Method in these Credit Linked Conditions, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in these Credit Linked Conditions, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Calculation Agent shall determine in its reasonable discretion);
- (b) in respect of any Notes for which Cash Settlement is applicable as the Fallback Settlement Method in accordance with Credit Linked Condition 2, and:
  - (i) "Include Accrued Interest" is specified in these Credit Linked Conditions, the Outstanding Principal Balance of the relevant Valuation Obligation shall include accrued but unpaid interest;
  - (ii) "Exclude Accrued Interest" is specified in these Credit Linked Conditions, the Outstanding Principal Balance of the relevant Valuation Obligation shall not include accrued but unpaid interest; or
  - (iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in these Credit Linked Conditions, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Valuation Obligation whether the Outstanding Principal Balance of the relevant Valuation Obligation

shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof.

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

"**Aggregate Principal Amount**" means USD 15,000,000.

"**Asset**" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

"**Asset Market Value**" means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

"**Asset Package**" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a holder of a certain amount of the latest Prior Deliverable Obligation or Package Observable Bond immediately prior to the relevant Asset Package Credit Event (a "**Relevant Holder**") in connection with the relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

"**Asset Package Credit Event**" means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in these Credit Linked Conditions:
  - (i) a Governmental Intervention; or
  - (ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in these Credit Linked Conditions and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in these Credit Linked Conditions, a Restructuring,

in each case whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

**Asset Package Delivery** Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if Sovereign No Asset Package Delivery is applicable, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto.

"**Auction**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Covered Transaction**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Final Price**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Final Price Determination Date**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Settlement Date**" means the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the Auction Final Price Determination Date.

"**Bankruptcy**" means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof or before the Scheduled Maturity Date, whichever is earlier;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter or before the Scheduled Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (a) to (g).

"**Calculation Agent Fallback Settlement Determination Date**" has the meaning given to that term in Credit Linked Condition 2.

"**Cash Settlement Notice**" has the meaning given to that term in Credit Linked Condition 3.

"**Credit Derivatives Auction Settlement Terms**" means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and may be amended from time to time.

"**Credit Derivatives Determinations Committee**" (and each a "Credit Derivatives Determinations Committee") means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

"**Credit Events**" means the occurrence of any one or more of the Credit Events specified in these Credit Linked Conditions, which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention.

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

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

"**Credit Event Backstop Date**" means:

- (a) For purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, the event described in paragraph (b) of the definition Repudiation/Moratorium), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or
- (b) otherwise, the date that is sixty (60) calendar days prior to the earlier of:
  - (i) if the Notice Delivery Date occurs during the Notice Delivery Period, the Notice Delivery Date; and
  - (ii) if the Notice Delivery Date occurs during the Post Dismissal Additional Period, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Credit Event Determination Date**" means, with respect to a Credit Event with respect to which:

- (a) Auction Settlement is the applicable Settlement Method:

- (i) Subject to paragraph (a)(ii) of this definition, the Notice Delivery Date if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (ii) notwithstanding paragraph (a)(i) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
  - (A)
    - (1) the Credit Event is not an M(M)R Restructuring; and
    - (2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
  - (B)
    - (1) the Credit Event is an M(M)R Restructuring; and
    - (2) a Credit Event Notice is delivered and is effective on or prior to the fifth Business Day following the Exercise Cut-off Date,

provided that no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered (I) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date or (II) unless the Calculation Agent otherwise determines this is consistent with the Hedging Arrangements or, if none at the relevant time, (x) unless, and to the extent that, the Partial Redemption Amount specified in any such Credit Event Notice was less than the relevant Reference Entity Notional Amount or (y) unless the Deliverable Obligations set out on the Final List applicable to the Transaction Auction Settlement Terms are identical to the Permissible Deliverable Obligations, or

- (b) if paragraph (a) of this definition does not apply, the Non-Standard Credit Event Determination Date,

provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Settlement Date, the Credit Event Redemption Date, the relevant Credit Event Payment Date or the Maturity Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant event.

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to one or more preceding Interest Payment Dates, the Calculation Agent will determine (1) such adjustment(s) to terms of the Notes (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Noteholders as would have prevailed had a Credit Event Determination Date occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s).

**Credit Event Notice** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Maturity Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation 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 the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in Credit Linked Condition 12.

**"Credit Event Redemption Amount"** means, unless otherwise specified in these Credit Linked Conditions:

- (a) in the case of Single Reference Entity Credit Linked Notes which are not Leveraged Credit Linked Notes, an amount calculated by the Calculation Agent equal to each Note's pro rata share of:

$$(RENA \times FP) - UC - E.$$

Expressed in words, this is (1) the product of the Reference Entity Notional Amount and the Final Price or Auction Final Price, as applicable, minus (2) the Unwind Costs, minus (3) if paragraph (a)(ii) of Credit Linked Condition 2 applies, Expenses, if any; or

- (b) in the case of Single Reference Entity Credit Linked Notes which are Leveraged Credit Linked Notes, an amount calculated by the Calculation Agent equal to each Note's pro rata share of:

$$"APA - (RENA \times [100\% - FP]) - UC."$$

Expressed in words, this is (i) (a) the Aggregate Principal Amount minus the product of (a) the Reference Entity Notional Amount and (b) (x) 100 per cent. minus (y) the Final Price or Auction Final Price, as applicable, minus (ii) Unwind Costs.

Where:

**"RENA"** is the Reference Entity Notional Amount;

**"FP"** is the Final Price or the Auction Final Price, as applicable; and

**"UC"** is Unwind Costs,

provided that, in each case, in no event shall the Credit Event Redemption Amount be less than zero. The Credit Event Redemption Amount will be rounded to the nearest sub-unit of the Settlement Currency (half a sub-unit being rounded upwards).

**"Credit Event Redemption Date"** means, subject to Credit Linked Condition 9, the day falling five Business Days, or such other number of Business Days specified in these Credit Linked Conditions, after (i) the calculation of the Final Price or (ii) the Auction Settlement Date, as applicable, in each case in respect of the Reference Entity in respect of which the relevant Credit Event Determination Date has occurred.

**"Credit Event Resolution Request Date"** means, with respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

**"Credit Settlement Currency"** means the currency specified as such in these Credit Linked Conditions, or if no currency is specified in these Credit Linked Conditions, the Settlement Currency of the Credit Linked Notes.

**"Credit Settlement Date"** means the last day of the longest Physical Settlement Period following the PSN Cut-off Date (the **"Scheduled Credit Settlement Date"**) provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Credit Settlement Date, the Credit Settlement Date shall be the second Business Day following the date on which no Hedge Disruption Event subsists or such earlier date (if any) on which the Calculation Agent determines that in its opinion such Hedge Disruption Event is unlikely to cease.

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

**"Currency Rate"** means, with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, the rate of conversion between the Credit Settlement Currency and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

**"Currency Rate Source"** means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee or, if no such successor rate source is approved by the relevant Credit Derivatives Determinations Committee where relevant, any successor rate source selected by the Calculation Agent in its sole and absolute discretion.

**"Cut-off Date"** has the meaning given to that term in the definition of "Physical Settlement".

**"DC Announcement Coverage Cut-off Date"** means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

**"DC Credit Event Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Scheduled Maturity Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

**"DC Credit Event Meeting Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

**"DC Credit Event Question"** means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

**"DC Credit Event Question Dismissal"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

**"DC No Credit Event Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

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

**"DC Rules"** means the Credit Derivatives Determinations Committees Rules, as 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.

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

**"Default Requirement"** means the amount specified as such in these Credit Linked Conditions or its equivalent in the relevant Obligation Currency or, if no such amount is specified in these Credit Linked Conditions, USD 10,000,000 or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

**"Deliver"** means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Entitlement to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) provided that (i) if all or a portion of the Entitlement consists of Direct Loan Participations, "Deliver" means to create (or procure the creation of) a participation in favour of the relevant Noteholder and (ii) if a Deliverable Obligation is a Guarantee, "Deliver" means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "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.

If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) the preceding paragraph above shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer has notified the Noteholders in accordance with the definition of "Physical Settlement" of the detailed description of the Asset Package that it intends to Deliver, (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value and the term Asset Package shall be construed accordingly.

**"Deliverable Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "(i) Method for Determining Deliverable Obligations" below;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation;
- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in these Credit Linked Conditions, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond; and
- (e) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) received by the Issuer and/or any of its Affiliates in relation to the settlement of any credit derivative Hedging Arrangements in connection with the relevant Credit Event,

(f) in each case, (i) other than in the case of paragraph (e) above, unless it is an Excluded Deliverable Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d) above, immediately prior to the relevant Asset Package Credit Event).

(i) *Method for Determining Deliverable Obligations.* For the purposes of this definition of "Deliverable Obligation", the term "Deliverable Obligation" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in these Credit Linked Conditions, and, subject to paragraph (ii) (*Interpretation of Provisions*) below, having each of, the Deliverable Obligation Characteristics, if any, specified in these Credit Linked Conditions, in each case, as of each such date the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the PSN Effective Date and the Delivery Date (unless otherwise specified). The following terms shall have the following meanings:

(A) "**Deliverable Obligation Category**" are set out in these Credit Linked Conditions .

(B) "**Deliverable Obligation Characteristics**" are set out in these Credit Linked Conditions.

(1) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

(2) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;

(3) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

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

shall be considered contractual, statutory or regulatory restrictions:

- 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);
  - II restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - III restrictions in respect of blocked periods on or around payment dates or voting periods;
- (5) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in these Credit Linked Conditions (or if no such period is specified, thirty years);
- (6) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (7) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream International or any other internationally recognised clearing system.

(ii) Interpretation of Provisions

- (A) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in these Credit Linked Conditions, these Credit Linked Conditions shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- (B) If (i) any of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in these Credit Linked Conditions, these Credit Linked Conditions shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in these Credit Linked Conditions, these Credit Linked Conditions shall be construed as though such Deliverable Obligation Characteristic had been specified as a

Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in these Credit Linked Conditions, these Credit Linked Conditions shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.

- (C) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics in these Credit Linked Conditions, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.
- (D) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:
  - (1) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (2) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in these Credit Linked Conditions from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (3) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in these Credit Linked Conditions from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured" and "Not Bearer"; and
  - (4) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
  - (5) For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining

maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.

- (6) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in these Credit Linked Conditions, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.
- (7) For purposes of determining the applicability of Deliverable Obligation Characteristics to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (8) If "Subordinated European Insurance Terms" is specified as applicable in these Credit Linked Conditions, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

For the avoidance of doubt the provisions of this paragraph (ii) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

**"Deliverable Obligation Terms"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**"Delivery Date"** means, with respect to a Deliverable Obligation or an Asset Package, the date such Deliverable Obligation is Delivered (or deemed to be Delivered pursuant to the definition of "Deliver" above).

**"Domestic Currency"** means the currency specified as such in these Credit Linked Conditions and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

**"Domestic Law"** means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

**"Downstream Affiliate"** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than fifty per cent.- owned, directly or indirectly, by the Reference Entity. As used herein, "Voting Shares" means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.



**"Eligible Information"** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

**"Entitlement"** means Deliverable Obligations, as selected by the Calculation Agent, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance; or
- (b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the Calculation Amount; less

- (1) if Unwind Costs are specified as applying in these Credit Linked Conditions, Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to Unwind Costs; and
- (2) to the extent that the Issuer in its sole and absolute discretion determines that it is not satisfied that any Expenses have been or will be paid in full by the relevant Noteholder on or prior to the relevant Credit Settlement Date, an amount of Deliverable Obligations with a market value determined by the Calculation Agent at the time of calculation of the Entitlement in aggregate at least equal to such Expenses.

**"Excluded Deliverable Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in these Credit Linked Conditions;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**"Excluded Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in these Credit Linked Conditions;
- (b) if "Financial Reference Entity Terms" is specified as applicable in these Credit Linked Conditions and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable in these Credit Linked Conditions and the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**"Excluded Valuation Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in these Credit Linked Conditions;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**"Exercise Cut-off Date"** means either

- (a) with respect to an M(M)R Restructuring and any Note (x) to which paragraph (a) of the definition of Credit Event Determination Date above applies or (y) to which paragraph (a)(ii) of Credit Linked Condition 2 applies:
  - (i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days (as defined in the DC Rules) following the date on which such Final List is published; or
  - (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date,
- (b) with respect to a Credit Event where paragraph (a) of the definition of Credit Event Determination Date does not apply, unless paragraph (a)(y) above applies, the relevant Non-Standard Exercise Cutoff Date,

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves.

**"Expenses"** means all costs, taxes, duties and/or expenses including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery or attempted Delivery of the Entitlement in respect of a Note and any related receipt of or attempt to receive the Deliverable Obligations that comprise or would or may comprise the Entitlement, as applicable, by the Issuer and/or its Affiliates, as applicable, under any Hedging Arrangements.

**"Extension Date"** means the latest of:

- (a) the Scheduled Maturity Date (for the purposes of this definition of Extension Date, the **"Scheduled Termination Date"**);
- (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applying in these Credit Linked Conditions, and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Termination Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in these Credit Linked Conditions, as applicable.

**"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 the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure provided that, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at

the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Fallback Settlement Method"** means Cash Settlement.

**"Final Price"** means:

- (a) if there is more than one Valuation Obligation, the weighted average of the prices of each such Valuation Obligation, each expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable; or
- (b) otherwise, the price of the relevant Valuation Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable,

in either case determined in accordance with the Valuation Method specified in these Credit Linked Conditions.

Notwithstanding the foregoing and anything to the contrary herein (including, without limitation, that the Settlement Method is not Physical Delivery), if Asset Package Delivery is applicable and a Prior Deliverable Obligation or Package Observable Bond is specified in the Valuation Obligation Notification, (i) the related Asset Package may be treated as the Valuation Obligation in lieu of such Prior Deliverable Obligation or Package Observable Bond, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) if such Asset Package is zero, its price shall be deemed to be zero per cent. on the relevant Valuation Date and (iii) if the Calculation Agent determines in its sole and absolute discretion that a price cannot reasonably be determined in accordance with the Valuation Method, then the price of the Asset Package will be calculated by the Calculation Agent in its sole and absolute discretion as equal to the fair market value of the Asset Package, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable.

The Calculation Agent shall make available for inspection by Noteholders on request (i) each Quotation for a Valuation Date that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

**"Fixed Cap"** means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

**"Full Quotation"** means, in accordance with the Quotation Method each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

**"Governmental Authority"** means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);

- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

**"Governmental Intervention"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in paragraphs (a) to (c).

For purposes of this definition of Governmental Intervention, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**"Grace Period"** means:

- (a) subject to paragraphs (b) and (c), the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is specified as applying in these Credit Linked Conditions, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in these Credit Linked Conditions or, if no period is specified in these Credit Linked Conditions, thirty (30) calendar days; and

- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in these Credit Linked Conditions, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

**"Grace Period Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified (a) if the Obligation Currency is the US dollar, a day on which the TARGET2 System is open, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"Grace Period Extension Date"** means, if:

- (a) Grace Period Extension is specified as applicable in these Credit Linked Conditions; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the date falling the number of days in the relevant grace period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in these Credit Linked Conditions, Grace Period Extension shall not apply.

**"Guarantee"** means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**"Hedging Arrangements"** means any Representative Auction-Settled Transaction (the "Hedging Representative Auction-Settled Transaction") that is to be entered into by the Issuer and/or any of its Affiliates or agents pursuant to the Transaction Auction Settlement Terms (if any) relating to any relevant Credit Event (the "Hedging Transaction Auction Settlement Terms") in order that the Issuer may satisfy any of its physical delivery obligations under the Credit Linked Notes, and (without duplication) any underlying or related transaction(s), swap(s), asset(s), financing or other arrangement(s) or trading position(s) the Issuer and/or any of its Affiliates or agents may enter into or hold from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other price risk or funding of the Issuer issuing and performing its obligations with respect to the Credit Linked Notes and, as applicable, any Additional Note Issuance.

**"Hedge Disruption Event"** means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of the Hedging Arrangements (if any).

**"Hedge Disruption Obligation"** means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

**"ISDA"** means the International Swaps and Derivatives Association, Inc.

**"Leveraged Credit Linked Notes"** means Single Reference Entity Credit Linked Notes, where the terms of the Notes include leverage.

**"M(M)R Restructuring"** means a Restructuring Credit Event in respect of which either Mod R or Mod Mod R is specified as applicable in these Credit Linked Conditions.

**"Market Value"** means, with respect to the Valuation Obligation on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having 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 shall be disregarded);
- (b) if exactly three Full Quotations are obtained, 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 shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount the Calculation Agent shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**"Minimum Quotation Amount"** means the amount specified as such in these Credit Linked Conditions (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

**"Next Currency Fixing Time"** means 4:00 p.m. (London time) on such London Business Day as the Calculation Agent shall select falling no more than five (5) London Business Days immediately preceding the date on which the Notice of Physical Settlement or relevant Physical Settlement Amendment Notice, as applicable, is effective. For the purposes of determining the Next Currency Fixing Time, "London Business Day" means a day on which banks and foreign exchange markets are generally open to settle payments in London.

**"No Auction Announcement Date"** means, with respect to a Credit Event, the date on which the DC Secretary 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 an M(M)R Restructuring no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either:
  - (i) no Parallel Auction will be held; or

- (ii) one or more Parallel Auctions will be held.

**"Non-Financial Instrument"** means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

**"Non-Standard Exercise Cut-off Date"** means, with respect to a Credit Event to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

- (a) if such Credit Event is not an M(M)R Restructuring, either:
  - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
  - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
  - (iii) the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable; or
- (b) if such Credit Event is an M(M)R Restructuring and:
  - (i) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
  - (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

**"Non-Transferable Instrument"** means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

**"Notice Delivery Date"** means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in these Credit Linked Conditions, an effective Notice of Publicly Available Information have been delivered by the Calculation Agent.

**"Notice Delivery Period"** means the period from and including the Trade Date to and including the fifth Business Day following the date that is fourteen (14) calendar days after the Extension Date.

**"Notice of Physical Settlement"** has the meaning given to that term in the definition of "Physical Settlement".

**"Notice of Publicly Available Information"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) 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. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as applicable in these Credit Linked Conditions and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Credit Linked Condition 12.

**"Obligation"** means

- (a) Any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below); and
- (b) the Reference Obligation,

in each case unless it is an Excluded Obligation.

**"Obligation Category"** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in these Credit Linked Conditions, where:

- (a) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
- (b) **"Borrowed Money"** means any obligation (excluding an obligation under 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);
- (c) **"Reference Obligation Only"** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
- (d) **"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;
- (e) **"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; and
- (f) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.

**"Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in these Credit Linked Conditions, where:

- (a) **"Not Subordinated"** means an obligation that is not Subordinated to (1) the Reference Obligation or, (2) the Prior Reference Obligation, if applicable;
- (b) **"Subordination"** means, with respect to an obligation (the **"Second Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"First Obligation"**), a contractual, trust or other similar arrangement providing that (I) upon the liquidation, dissolution, reorganization or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (II) the holders of the Second Obligation will not be entitled to receive or retain principal 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 First 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, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security 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 and (y) in the case of the Reference



Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date;

- (c) "**Prior Reference Obligation**" means, in circumstances where there is no Reference Obligation applicable to the relevant Notes, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in these Credit Linked Conditions as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;
- (d) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in these Credit Linked Conditions (or, if Specified Currency is specified in these Credit Linked Conditions and no currency is so specified, any Standard Specified Currency) provided that if the US dollar is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the US dollar, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (e) "**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";
- (f) "**Not Domestic Currency**" means any obligation that is payable in any currency other than applicable Domestic Currency provided that a Standard Specified Currency shall not constitute the Domestic Currency;
- (g) "**Not Domestic Law**" means any obligation that is not governed by applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (h) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (i) "**Not Domestic Issuance**" means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

"**Obligation Acceleration**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event or default or other similar condition or

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

**"Obligation Currency"** means the currency or currencies in which the Obligation is denominated.

**"Original Non-Standard Reference Obligation"** means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in these Credit Linked Conditions (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Notes (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless the relevant Notes are Reference Obligation Only Notes.

**"Outstanding Amount"** means, in respect of a Prior Deliverable Obligation or Package Observable Bond, the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Credit Settlement Currency as specified in the relevant Notice of Physical Settlement or, as applicable, the Quotation Amount specified in the relevant Valuation Obligation Notification.

**"Outstanding Principal Balance"** means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);
- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the **"Non-Contingent Amount"**); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (i) unless otherwise specified, in accordance with the terms of the obligation in effect on either (A) the relevant PSN Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (B) the relevant Valuation Date; and
- (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

**"Package Observable Bond"** means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (a) or (b) of the definition of Deliverable Obligation (above) or, as

applicable, Valuation Obligation (below), in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**"Parallel Auction"** means an "Auction" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**"Parallel Auction Settlement Terms"** means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring and for which (i) the Deliverable Obligation Terms therein are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction provided that if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select in its sole discretion the applicable Credit Derivatives Auction Settlement Terms.

**"Payment Requirement"** means the amount specified as such in these Credit Linked Conditions or its equivalent in the relevant Obligation Currency or, if no such amount is specified in these Credit Linked Conditions, USD 1,000,000 or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

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

**"Permitted Contingency"** means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
  - (iv) if "Subordinated European Insurance Terms" are specified as applicable in these Credit Linked Conditions, any Solvency Capital Provisions; or
  - (v) if "Financial Reference Entity Terms" are specified as applicable in these Credit Linked Conditions, provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**"Permitted Transfer"** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

**"Physical Settlement"**

***Please note that Physical Settlement does not constitute the Settlement Method of the Notes. This definition is only included for cross references purposes in these definitions.***

- (a) If a Credit Event Determination Date has occurred, the Issuer shall give notice (such notice a Notice of Physical Settlement) to the Noteholders in accordance with Condition 8 (Notices), and, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, redeem each Note by the Delivery of the Deliverable Obligations comprising the Entitlement on or prior to the Credit Settlement Date, subject to and in accordance with the Conditions and these Credit Linked Conditions, unless in the determination of the Issuer in its sole and absolute discretion in its opinion (i) it would not have any Deliverable Obligations to so Deliver or (ii) all of the Deliverable Obligations would be Undeliverable Obligations, in which case the provisions of Credit Linked Condition 2 above shall apply as if Auction Settlement were thereafter the Settlement Method and these Credit Linked Conditions will be construed accordingly and the Issuer shall redeem the Notes in accordance with Credit Linked Condition 2. Any delay in the delivery of a Notice of Physical Settlement or failure by the Issuer to deliver a Notice of Physical Settlement shall not affect the validity of a Credit Event Determination Date.

The relevant Asset Package, if applicable, will be deemed to be a Deliverable Obligation and the composition of the Asset Package and the Entitlement in respect of each Note will be determined by reference to the relevant Prior Deliverable Obligation or Package Observable Bond specified in the relevant Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable. Where appropriate the Calculation Agent may make any adjustment in relation to provisions for physical delivery and determination of the Entitlement to take account of the relevant Asset Package.

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Entitlement that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value.

The Issuer may, from time to time, amend a Notice of Physical Settlement by delivering a notice to Noteholders in accordance with Condition 8 (Notices), (each such notification, a Physical Settlement Amendment Notice) that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a Replacement Deliverable Obligation) and shall also specify the Outstanding Principal Balance or Due and Payable Amount (determined on the same basis as in the definition of Entitlement) of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced or the equivalent Currency Amount of any such amount (with respect to each such Deliverable Obligation, the Replaced Deliverable Obligation Outstanding Amount). The Replacement Deliverable Obligation(s), taken together, shall have an aggregate Replaced Deliverable Obligation Outstanding Amount at least equal to the Outstanding Principal Balance(s) and/or Due and Payable Amount(s) (or the equivalent Currency Amount(s) of any such amount(s)) of the Deliverable Obligations being replaced. Each such Physical Settlement Amendment Notice must be effective on or prior to the Credit Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies contained in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, by notice to Noteholders in accordance with Condition 8 (Notices), prior to the relevant Delivery Date; and (ii) if Asset Package Delivery is applicable, the Issuer shall on the PSN

Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Noteholders (in accordance with Condition 8 (Notices)) of the detailed description of the Asset Package, if any, that the Issuer will Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice of correction shall not constitute a Physical Settlement Amendment Notice.

If "Mod R" is specified as applicable in these Credit Linked Conditions and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation falls within paragraph (e) of the definition thereof or the Deliverable Obligation or Valuation Obligation, as applicable, is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement and a Valuation Obligation may be specified in a Valuation Obligation Notification 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, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the PSN Effective Date and the Delivery Date or the date of delivery of the Valuation Obligation Notification, as applicable.

If "Mod Mod R" is specified as applicable in these Credit Linked Conditions and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation falls within paragraph (e) of the definition thereof or the Deliverable Obligation or Valuation Obligation, as applicable, is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement and a Valuation Obligation may be specified in a Valuation Obligation Notification only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the PSN Effective Date and the Delivery Date or the date of delivery of the Valuation Obligation Notification, as applicable. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if Sovereign No Asset Package Delivery is specified as applicable in these Credit Linked Conditions, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto.

If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this definition, upon Delivery of the Deliverable Obligations and/or payment of the Partial Cash Settlement Amounts, as the case may be, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount, as the case may be, may be less than the nominal

amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

(b) Terms relating to Physical Delivery

(i) Asset Transfer Notices

In relation to a Note to be redeemed by Delivery of the Entitlement(s), in order to obtain Delivery of the Entitlement in respect of any Note, the relevant Noteholder must deliver to any Paying Agent, with a copy to the Fiscal Agent, the Issuer and the Delivery Agent (as defined above) no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

For the purposes hereof, **Cut-Off Date** means the date specified as such in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable.

A form of Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered in writing.

It must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

- (1) specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer or Delivery Agent may obtain details for the Delivery of the Entitlement;
- (2) specify the series number of the Notes;
- (3) include an undertaking to pay all Expenses;
- (4) include such details as are required for Delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be Delivered and/or any other Delivery instructions and specify the name and number of the Noteholder's account to be credited with any cash payable by the Issuer; and
- (5) authorise the production of such certification in any applicable administrative or legal proceedings,

Copies of the Asset Transfer Notice may be obtained from any Paying Agent.

(ii) Determination and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the relevant Paying Agent in consultation with the Fiscal Agent, and shall be conclusive and binding on the Issuer, the Fiscal Agent, any Delivery Agent and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is

not copied to the Fiscal Agent, the Issuer and any Delivery Agent immediately after being delivered or sent as provided in paragraph (i) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Paying Agent, in consultation with the Fiscal Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

The relevant Clearing System or the Paying Agent, as applicable, shall use its reasonable efforts as soon as reasonably practicable to notify the Noteholder submitting an Asset Transfer Notice, if, in consultation with the Fiscal Agent and the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents or the relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Noteholder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Note which are the subject of such notice.

In relation to each Deliverable Obligation comprising an Entitlement, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation on or prior to the Credit Settlement Date at the risk of the relevant Noteholder in the manner provided below and provided that the Asset Transfer Notice is duly delivered as provided above not later than the close of business in each place of reception on the Cut-Off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to each relevant party prior to the close of business in each place of reception on the Cut-Off Date, then the Deliverable Obligations comprising the relevant Entitlement will be treated as Hedge Disruption Obligations.

The Issuer (or any Delivery Agent on its behalf) shall, at the risk of the relevant Noteholder, Deliver (or procure the Delivery) of the Entitlement for a Note, in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in these Credit Linked Conditions. All Expenses shall be for the account of the relevant Noteholder and no Delivery of the Entitlement shall be made until all Expenses have been paid by the relevant Noteholder to the satisfaction of the Issuer.

(iii) General

The Entitlement will be rounded down to the nearest whole unit of the Deliverable Obligation or each of the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Fractions of the Deliverable Obligation or of each of the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Noteholder.

For such period of time after Delivery of the Entitlement and for the Intervening Period, none of the Issuer, the Paying Agents, any Delivery Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to

any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Entitlement, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

(c) Rights of Noteholders and Calculations

None of the Issuer, the Calculation Agent, any Delivery Agent and the Agents shall have any responsibility for any errors or omissions in any calculation or determination in respect of a Note.

The purchase of a Note does not confer on any holder of such Note any rights (whether in respect of voting, distributions or otherwise) attaching

**"Physical Settlement Amendment Notice"** has the meaning given to that term in the definition of "Physical Settlement"

**"Physical Settlement Period"** means, subject to Credit Linked Condition 9, the number of Business Days specified as such in these Credit Linked Conditions or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Entitlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent provided that if the Issuer has notified the Noteholders in accordance with the definition of "Physical Settlement" that it will Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be 35 Business Days.

**"Post Dismissal Additional Period"** means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is five Business Days following the fourteenth calendar day thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**"Potential Credit Event"** means a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has occurred and the relevant Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event. A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred.

**"Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**"Potential Repudiation/Moratorium"** means the occurrence of an event described in paragraph (a) of the definition of Repudiation/Moratorium.

**"Prior Deliverable Obligation"** means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement),



any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (a) or (b) of the definition of Deliverable Obligation above or, as applicable, Valuation Obligation below, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or

- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

**"Prohibited Action"** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in (a) to (d) of the definition of Credit Event above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

**"PSN Cut-off Date"** means the later of:

- (a) the later of:
  - (i) the thirtieth calendar day after the Credit Event Determination Date; and
  - (ii) the tenth calendar day after either the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal, if any (or, if the relevant Credit Event is an M(M)R Restructuring, the tenth calendar day after the Non-Standard Exercise Cut-off Date),provided that in the case of paragraph (ii) above, the relevant Credit Event Resolution Request Date, if any, occurred on or prior to the date described in paragraph (i) above; and
- (b) the fifth Business Day after the date on which the Notice of Physical Settlement is required to be delivered under the relevant Hedging Representative Auction-Settled Transaction (if any).

**"PSN Effective Date"** means the date on which an effective Notice of Physical Settlement or Physical Settlement Amendment Notice, as the case may be, is delivered by the Issuer in accordance with the definition of "Physical Settlement".

**"Public Source"** means each source of Publicly Available Information specified as such in these Credit Linked Conditions (or if no such source is specified in these Credit Linked Conditions, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**"Publicly Available Information"** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

- (a) has been published in or on not less than the Specified Number of Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
- (b) is information received from or published by (i) the Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the

central bank) of such Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

- (c) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body;

provided that where any information of the type described in paragraphs (b) or (c) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in paragraphs (b) or (c) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

- (d) Without limitation, Publicly Available Information need not state:
  - (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and
  - (ii) that the relevant 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.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (a) and (b) of the definition of Repudiation/Moratorium below.

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
  - (i) by payment;

- (ii) by way of Permitted Transfer;
- (iii) by operation of law;
- (iv) due to the existence of a Fixed Cap; or
- (v) due to:
  - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in these Credit Linked Conditions; or
  - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in these Credit Linked Conditions.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy above in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- I. the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- II. if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

**"Qualifying Participation Seller"** means any participation seller that meets the requirements specified in these Credit Linked Conditions. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**"Quantum of the Claim"** means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

**"Quotation"** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm

quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**"Quotation Amount"** means:

- (a) the amount specified as such in these Credit Linked Conditions (which may be specified by reference to an amount in a currency or by reference to a Representative Amount); or
- (b) if no amount is specified in these Credit Linked Conditions, as specified in the Valuation Obligation Notification,

or, in each case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained.

**"Quotation Dealer"** means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in these Credit Linked Conditions. If no Quotation Dealers are specified in these Credit Linked Conditions, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**"Quotation Method"** means the applicable Quotation Method specified in these Credit Linked Conditions by reference to one of the following terms:

- (a) **"Bid"** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **"Offer"** means that only offer quotations shall be requested from Quotation Dealers; or
- (c) **"Mid-market"** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in these Credit Linked Conditions, Bid shall apply.

**"Reference Entity"** means the entity specified as such in these Credit Linked Conditions. Any Successor to the Reference Entity either (a) identified pursuant to the definition of "Successor" on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Series.

**"Reference Entity Notional Amount"**, in respect of a Reference Entity, means the amount specified as such in these Credit Linked Conditions (or, if no such amount is so specified, the Aggregate Principal Amount of the Notes as of the Issue Date divided by the number of Reference Entities), subject to adjustment as provided in "Successor" and pursuant to Credit Linked Condition 10 and as otherwise provided in these Credit Linked Conditions.

**"Reference Obligation Only Notes"** means any Notes in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category in these Credit Linked Conditions and (b) "Standard Reference Obligation" is specified as not applicable in these Credit Linked Conditions.

**"Reference Obligation"** means the Standard Reference Obligation, if any, unless:

- (a) "Standard Reference Obligation" is specified as not applicable in these Credit Linked Conditions, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or
- (b) (i) "Standard Reference Obligation" is specified as applicable in these Credit Linked Conditions (or no election is specified in these Credit Linked Conditions), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in these Credit Linked Conditions, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.

**"Reference Transaction"** means a hypothetical credit derivative transaction:

- (a) for which the Deliverable Obligation Terms, the Reference Obligation and (as applicable) the provisions for determining the Valuation Obligation(s) are (i) the same as in respect of the Credit Linked Notes (if such Deliverable Obligation Terms, Reference Obligation and Valuation Obligation terms are specified in these Credit Linked Conditions) or (ii) if and to the extent the Deliverable Obligation Terms and/or the Reference Obligation and/or (as applicable) the Valuation Obligation terms are not specified, the Deliverable Obligation Terms, Reference Obligation and provisions for determining Valuation Obligation(s) determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;
- (b) with a scheduled termination date matching the Scheduled Maturity Date of the Credit Linked Notes; and
- (c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Issuer's hedging arrangements (if any at the relevant time) and/or any credit derivative elections made in relation to the Credit Linked Notes.

**"Relevant City Business Day"** has the meaning given in the DC Rules.

**"Relevant Holder"** means a holder of the latest Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Notice of Physical Settlement or Physical Settlement Amendment Notice or Valuation Obligation Notification, as applicable.

**"Replaced Deliverable Obligation Outstanding Amount"** has the meaning given to that term in the definition of "Physical Settlement".

**"Replacement Deliverable Obligation"** has the meaning given to that term in the definition of "Physical Settlement".

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

**"Representative Auction-Settled Transaction"** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

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

- (a) an authorised officer of the Reference Entity or a Governmental Authority:
  - (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**"Repudiation/Moratorium Evaluation Date"** means if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (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 sixty (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.

**"Repudiation/Moratorium Extension Condition"** will be satisfied:

- (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen (14) calendar days after 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 Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date; or
- (b) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in these Credit Linked Conditions, a Notice of Publicly Available Information that are each effective on or prior to the fifth (5th) Business Day following the date that is fourteen (14) calendar days after the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Scheduled Maturity Date.

**"Repudiation/Moratorium Extension Notice"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to 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.

**"Resolve"** has the meaning set out in the DC Rules, and "Resolved" and "Resolves" shall be construed accordingly.

**"Restructuring"** means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the relevant Credit Linked Notes and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest, or (ii) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (i) the payment in euro of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no

reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

- (iii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (iv) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) 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, provided that in respect of paragraph (e) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring and Credit Linked Condition 11, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of Restructuring and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (i) to (iv) of this definition of Restructuring shall continue to be deemed to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a) to (e) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**"Restructuring Date"** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Revised Currency Rate"** means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent.

**"Scheduled Maturity Date"** has the meaning given to it in these Credit Linked Conditions.

**"Seniority Level"** means, with respect to an obligation of the Reference Entity:

- (a) "Senior Level" or "Subordinated Level" as specified in these Credit Linked Conditions, or
- (b) if no such seniority level is specified in these Credit Linked Conditions, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which "Senior Level".

**"Senior Obligation"** means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity.



"**Settlement Method**" means Auction Settlement. "**Single Reference Entity Credit Linked Notes**" means Credit Linked Notes indicated as such in these Credit Linked Conditions, where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity.

"**Solvency Capital Provisions**" means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

"**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including without limiting the foregoing, the central bank) thereof.

"**Sovereign Restructured Deliverable Obligation**" means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of Deliverable Obligation above immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"**Sovereign Restructured Valuation Obligation**" means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of Valuation Obligation below immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"**Specified Number**" means the number of Public Source(s) specified in these Credit Linked Conditions, or if no such number is specified in these Credit Linked Conditions, two.

"**Standard Reference Obligation**" means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

"**SRO List**" means the list of Standard Reference Obligations as published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

"**Subordinated Obligation**" means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of that Reference Entity existed.

**Successor and Succession Event** means:

- (a) subject to paragraph (b) below, the entity or entities, if any, determined as follows:
  - (i) subject to paragraph (vii), if one entity succeeds, either directly or indirectly, as a provider of a Relevant Guarantee, to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
  - (ii) if only one entity succeeds directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity, 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;

- (iii) if more than one entity each succeeds directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, 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 Conditions and/or these Credit Linked Conditions, as relevant, will be adjusted as provided below;
  - (iv) if one or more entity each succeed directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, 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 Conditions and/or these Credit Linked Conditions, as relevant, will be adjusted as provided below;
  - (v) if one or more entities succeed directly as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, 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 Reference Entity will not be changed in any way as a result of such succession;
  - (vi) if one or more entities succeed, either directly or indirectly, as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, 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 will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and the Conditions and/or these Credit Linked Conditions, as relevant, will be adjusted as provided below); and
  - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor; and
- (b) An entity may only be a Successor if:
- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
  - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
  - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above, provided that the Calculation Agent will not make such determination if, at the time of

determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis **Eligible Information** and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by Noteholders at the specified office of the Fiscal Agent. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

Where pursuant to paragraph (a)(iii), (a)(iv) or (a)(vi) or (b) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Conditions and/or these Credit Linked Conditions as it shall determine to be appropriate (including, without limitation, the Reference Entity Notional Amount and (if applicable) the Transaction Type) to reflect that the Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Conditions and/or these Credit Linked Conditions in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Credit Linked Notes under the provisions of the 2014 Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 8 (*Notices*) stating the adjustment to the Conditions and/or these Credit Linked Conditions and giving brief details of the relevant Successor event. For the avoidance of doubt any failure to provide such a notice to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.

If two or more entities (each, a "Joint Potential Successor") jointly succeed to a Relevant Obligation (the "Joint Relevant Obligation") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

For the purposes of this definition of "Successor", "succeed" means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition of "Successor", "succeeded" and "succession" shall be construed accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph (a) of this definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

The Calculation Agent may, if it determines appropriate, select an alternative Transaction Type for any Successor to a Reference Entity and adjust such of the Conditions and/or these Credit Linked Conditions as it determines appropriate to reflect such new Transaction Type and determine the effective date of any such change and adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if any such Transaction Type and adjustment reflects any adjustment to any credit derivative transaction(s) related to or underlying the Credit Linked Notes incorporating the provisions of the 2014

ISDA Credit Derivatives Definitions (the "**2014 Definitions**"). Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 8 (*Notices*) stating the new Transaction Type and the adjustment to the Conditions and/or these Credit Linked Conditions (if any). For the avoidance of doubt any failure to provide such a notice to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.

Notwithstanding the provisions above and sub-paragraph (b) of the definition of Reference Entity, where a Reference Entity is determined as a Successor to another Reference Entity pursuant to the above provisions, then it will be deemed to be a Reference Entity only once hereunder, and from and including the date of such determination the Reference Entity Notional Amount with respect to such Reference Entity will be the sum of the Reference Entity Notional Amounts that would otherwise be applicable to it.

**"Relevant Obligation"** means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if "Financial Reference Entity Terms" is specified as applicable in these Credit Linked Conditions and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and

if "Financial Reference Entity Terms" is specified as applicable in these Credit Linked Conditions, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" provided that if no such Relevant Obligations exist, "Relevant Obligations" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

**"Sovereign Succession Event"** means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or, other similar event.

**"Steps Plan"** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant

to paragraph (a) of the definition of Successor below would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

As set out more fully in these Credit Linked Conditions.

**"Successor Backstop Date"** means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Succession Event Backstop Date"** The Succession Event Backstop Date for purposes of any Successor determination determined by DC Resolution, is the date that is ninety calendar days prior to the Successor Resolution Request Date and otherwise, it is the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

*The above provisions mean that a succession occurring prior to the Trade Date and/or the Issue Date may have an impact on the Notes.*

**"Successor Notice"** means an irrevocable notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (a) of the definition of Successor above.

**"Successor Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"Trade Date"** means the date specified as such in these Credit Linked Conditions.

**"Transaction Auction Settlement Terms"** means the relevant form of Credit Derivatives Auction Settlement Terms published by ISDA in relation to a Credit Event for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms), as selected by the Calculation Agent. The Reference Transaction is a hypothetical credit derivative transaction, with certain terms similar to those of the Notes (or in certain circumstances terms determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity), included in the terms of the Notes principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Notes.

"**Transaction Type**" is as specified in these Credit Linked Conditions, subject to adjustment as provided in "Successor".

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

"**Underlying Obligation**" means, with respect to a guarantee, the obligation which is the subject of the guarantee.

"**Underlying Obligor**" means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

"**Unwind Costs**" means an amount determined by the Calculation Agent equal to the aggregate sum of (without duplication) all costs (including loss of funding), fees, charges, expenses, tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption or credit settlement of the Credit Linked Notes and the related termination, liquidation, transfer, settlement or re-establishment (whether in whole or in part) of any Hedging Arrangements.

"**Valuation Date**" means if "Single Valuation Date" is specified in these Credit Linked Conditions and subject to Credit Linked Condition 9, the date that is the Number of Valuation Business Days following the Calculation Agent Fallback Settlement Determination Date, if any, the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable, and if "Multiple Valuation Dates" is specified in these Credit Linked Conditions, each of the following dates:

- (a) subject to Credit Linked Condition 9, the date that is the Number of Valuation Business Days following the Calculation Agent Fallback Settlement Determination Date, if any, the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable; and
- (b) each successive date that is the Number of Valuation Business Days after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "**Multiple Valuation Dates**" is specified in these Credit Linked Conditions, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in these Credit Linked Conditions (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in these Credit Linked Conditions, Single Valuation Date shall apply.

"**Valuation Obligations**" means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "(A) Method for Determining Valuation Obligations" ;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign and unless Asset Package Delivery is applicable, any Sovereign Restructured Valuation Obligation; and

- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable, any Prior Deliverable Obligation or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond,

in each case, as selected by the Issuer in its sole and absolute discretion and notified to the Calculation Agent (a "**Valuation Obligation Notification**") on or prior to the Valuation Date and (i) unless it is an Excluded Valuation Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d) above, immediately prior to the relevant Asset Package Credit Event). For the avoidance of doubt, the Issuer shall be entitled to select any such obligation to constitute a Valuation Obligation, irrespective of its market value.

- (i) *Method for Determining Valuation Obligations.* For the purposes of this definition of "Valuation Obligation", the term "Valuation Obligation" may be defined as each obligation of the Reference Entity described by the Valuation Obligation Category specified in these Credit Linked Conditions, and, subject to paragraph (ii) (*Interpretation of Provisions*) below, having each of, the Valuation Obligation Characteristics, if any, specified in these Credit Linked Conditions, in each case, as of each such date the Issuer determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification. The following terms shall have the following meanings:
- (A) "**Valuation Obligation Category**" means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" above, except that, for the purpose of determining Valuation Obligations, the definition of "Reference Obligation Only" shall be amended to state that no Valuation Obligation Characteristics shall be applicable to Reference Obligation Only).
- (B) "**Valuation Obligation Characteristics**" means, as set out in these Credit Linked Conditions, any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" above), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;
- (C) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;
- (D) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;
- (E) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by

such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

- (F) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
- 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);
  - II. restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - III. restrictions in respect of blocked periods on or around payment dates or voting periods;
- (G) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in these Credit Linked Conditions (or if no such period is specified, thirty years);
- (H) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (I) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream International or any other internationally recognised clearing system.

(ii) *Interpretation of Provisions*

- (A) If (i) any of the Valuation Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in these Credit Linked Conditions, these Credit Linked Conditions shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds; (ii) the Valuation Obligation Characteristic "Transferable" is specified in these Credit Linked Conditions, these Credit Linked Conditions shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans; or (iii) any of the Valuation Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in these Credit Linked Conditions, these Credit



Linked Conditions shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans.

- (B) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Valuation Obligation Characteristics in these Credit Linked Conditions, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics.
- (C) If a Valuation Obligation is a Relevant Guarantee, the following will apply:
- (1) for purposes of the application of the Valuation Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (2) for purposes of the application of the Valuation Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Valuation Obligation Characteristics, if any, specified in these Credit Linked Conditions from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (3) for purposes of the application of the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Valuation Obligation Characteristics, if any, specified in these Credit Linked Conditions from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured" and "Not Bearer";
  - (4) for purposes of the application of the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor;
  - (5) for purposes of the application of the Valuation Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the remaining maturity shall be zero;
  - (6) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in these Credit Linked Conditions, if an obligation would otherwise satisfy a particular Valuation Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in

circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Valuation Obligation Characteristic;

- (7) for purposes of determining the applicability of Valuation Obligation Characteristics to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event; and
- (8) if "Subordinated European Insurance Terms" is specified as applicable in these Credit Linked Conditions, if an obligation would otherwise satisfy the "Maximum Maturity" Valuation Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Valuation Obligation Characteristic.

The Valuation Obligation Notification shall describe the selected Valuation Obligation(s) in reasonable detail and shall specify the relevant title(s) or designation(s), maturity date(s) and coupon rate(s) and, unless the Quotation Amount is specified in these Credit Linked Conditions, the applicable Quotation Amount in respect of each such Valuation Obligation (Provided That the aggregate of the Quotation Amounts in respect of the Valuation Obligations shall not exceed the relevant Reference Entity Notional Amount). The Issuer may at any time after delivering a Valuation Obligation Notification but prior to the Valuation Time on the Valuation Date deliver a further Valuation Obligation Notification which shall replace all prior Valuation Obligation Notifications in relation to any additional or replacement Valuation Obligation(s) specified therein.

For the avoidance of doubt the Issuer shall be entitled to select any Valuation Obligations for the purposes of calculating the Final Price irrespective of their market value and, provided that (in the case of a Valuation Obligation selected pursuant to sub-paragraph (a) above) the selected obligation satisfies the applicable Valuation Obligation Category and Valuation Obligation Characteristics on the relevant date, such obligation(s) may constitute the Valuation Obligation(s) for the purposes hereof notwithstanding that this is not the case subsequent to such date.

**"Sovereign Restructured Valuation Obligation"** means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of Valuation Obligation immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Valuation Time"** means the time specified as such in these Credit Linked Conditions or, if no time is so specified, 11.00 a.m. in the principal trading market for the Valuation Obligation.

**"Voting Shares"** means the 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 in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but, of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

**PART 2**

<b>Reference Entity</b>	The Republic of France
<b>Seniority</b>	Senior Level
<b>Transaction Type</b>	Standard Western European Sovereign
<b>Reference Entity Notional Amount</b>	USD 15,000,000
<b>Trade Date</b>	2 December 2015
<b>Standard Reference Obligation</b>	<p>Applicable</p> <p>The Standard Reference specified on the SRO List at the Issue Date is OAT 4.25% 25Apr19 - ISIN: FR0000189151. The relevant Standard Reference Obligation may be modified in accordance with the SRO List.</p> <p>Information on the current Standard Reference Obligation, on its past and further performance and its volatility can be obtained on Bloomberg via FRTR 4.25 04/25/19 Govt &lt;GO&gt;</p>
<b>Notice of Publicly Available Information</b>	<p>Applicable :</p> <p>Public Source(s) Specified Number</p>
<b>Excluded Obligation(s)</b>	None
<b>Accrual of Interest upon Credit Event</b>	Applicable
<b>Valuation Date</b>	<p>Applicable</p> <p>Single Valuation Date : Fixed Valuation Date : Non Applicable</p>
<b>Quotation Dealers</b>	<p>ABN Amro Bank NV Barclays Bank PLC BNP Paribas Citibank, N.A., London Branch Commerzbank AG Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc The Hongkong and Shanghai Banking Corporation Limited HSBC France HSBC Bank Middle East Limited HSBC Bank USA, National Association J.P. Morgan Securities LLC Merrill Lynch International Morgan Stanley &amp; Co. International plc Société Générale The Royal Bank of Scotland plc UBS Limited</p>

<b>Valuation Method</b>	Highest (subject to the Conditions)
<b>Valuation Obligation Category</b>	The Deliverable Obligation Category set out in Part 3
<b>Valuation Obligation Characteristics</b>	The Deliverable Obligation Characteristics set out in Part 3
<b>Excluded Valuation Obligation(s)</b>	Not Applicable

**PART 3**

<b>Transaction Type</b>	<b>STANDARD WESTERN EUROPEAN SOVEREIGN</b>
<b>Business Days:</b>	If the Principal Amount is denominated in  USD: London & New York EUR: London & TARGET CAD: London & Toronto GBP: London
<b>All Guarantees:</b>	Applicable
<b>Credit Events:</b>	Failure to Pay Repudiation/Moratorium Restructuring
<b>Obligation Category:</b>	Borrowed Money
<b>Obligation Characteristics:</b>	None
<b>Deliverable Obligation Category:</b>	Bond or Loan
<b>Deliverable Obligation Characteristics:</b>	Specified Currency  Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer
<b>Financial Reference Entity Terms</b>	Not Applicable
<b>Subordinated European Insurance Terms</b>	Not Applicable
<b>Sovereign No Asset Package Delivery</b>	Not Applicable

## TAXATION

*The following is an overview limited to certain tax considerations in Europe and France relating to the Notes and specifically contains information on taxes on the income from the Notes withheld at source. This overview is based on the laws in force in Europe and France as of the date of this Listing Particulars and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe, purchase, hold or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.*

### 1. EU SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **Savings Directive**), EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State to or for the benefit of an individual resident in another EU Member State or certain limited types of entities established in another EU Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The rate of such withholding tax equals 35%. The end of the transitional period is 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).

On 10 November 2015, the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

### 2. FRENCH TAXATION

#### 2.1 French Withholding Tax

*The following is an overview of certain withholding tax considerations that may be relevant to holders of the Notes who do not concurrently hold shares of the Issuer.*

- (a) Payments of interest and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* 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* (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on a bank account opened in a financial institution located in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30% or 75% (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the main purpose and effect of such issue of Notes if such Notes are *inter alia* admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Accordingly, payments of interest and other revenues under the Notes by the Issuer are not subject to the 75 per cent. Withholding Tax and the Deductibility Exclusion does not apply to such payments.

- (b) Pursuant to Article 125 A I of the French *Code général des impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain limited exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on such interest and other similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

## 2.2 EU Savings Directive

The Savings Directive has been implemented into French law by Article 242 *ter* of the French *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to French *Code général des impôts*. Article 242 *ter* of the French *Code général des impôts* 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 and a detailed list of the different categories of interest paid to that beneficial owner.

## 3. FOREIGN ACCOUNT TAXPAYER COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS certain information in respect of its account holders and investors

or is not otherwise exempt from or in deemed compliance with FATCA. The Issuer is classified as an FFI.

The new withholding regime is currently in effect for payments received from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 2017. This withholding would apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued or materially modified after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have entered into an agreement (the **US-France IGA**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

Whilst the Notes are held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depository, given that each of the entities in the payment chain between the Issuer and the participants in the clearing ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may be in definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations, official guidance and the US-France IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.



## SUBSCRIPTION AND SALE

### General selling restrictions

No action has been taken or will be taken by the Dealer that would, or is intended to, permit a public offering of the Notes or the possession or distribution of this Listing Particulars or any other offering material in relation to the issue of the Notes in any country or jurisdiction where action for that purpose is required.

The Dealer has represented, warranted and agreed that it will comply with all applicable laws and regulations in force in any jurisdiction in or from which it purchases, offers or sells Notes or possesses or distributes the Listing Particulars (as supplemented and amended as the case may be) or any part of it or any other offering material relating to the Notes, and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes such purchases, offers or sales.

The Dealer will not offer, sell or deliver, directly or indirectly, the Notes or distribute the Listing Particulars or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligations on the Issuer and all offers, sales and deliveries of Notes and distributions of the Listing Particulars or any offering materials relating to the Notes by the Dealer will be made on the same terms.

Neither the Issuer nor the Dealer represents that the 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. The distribution of this Listing Particulars and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Listing Particulars comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions. This Listing Particulars does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction that would permit a public offering of the Notes or the distribution of this Listing Particulars in any jurisdiction where action for that purpose is required.

### United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. Terms used in this paragraph and not otherwise defined in the Listing Particulars have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

The Dealer has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Notes (a) as part of its distribution at any time or (b) otherwise until forty (40) calendar days after completion of the distribution of the Notes as determined, and certified to the Issuer by the Dealer, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are being offered and sold only outside the United States to non-U.S. persons in compliance with Regulation S and U.S. tax law.

In addition, until forty (40) calendar days after the commencement of the offering of the 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.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Listing Particulars. Any representation to the contrary is a criminal offence in the United States.

### **European Economic Area**

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Dealer has represented and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Listing Particulars 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) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) 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 paragraphs (a) to (c) 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, as amended.

### **United Kingdom**

The Dealer has represented, warranted and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in an investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes only under circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## France

The Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Listing Particulars 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 of the French *Code monétaire et financier*.

Prospective investors are informed that (a) the Listing Particulars has not been approved by the *Autorité des marchés financiers*, (b) such prospective investors may only take part in the transaction solely for their own account as provided in articles D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier* and (c) that the Notes may not be further distributed directly or indirectly to the public in France otherwise than in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*.

## Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein.

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Listing Particulars nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Listing Particulars nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Listing Particulars nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

## GENERAL INFORMATION

### 1. Authorisations

The issue of the Notes has been authorised by the Board of Directors (*Conseil d'Administration*) of on 22 July 2015 and pursuant to a decision of Yonathan Ebguay, dated 16 December 2015.

### 2. Interest of the persons involved in the issue

Save for any fees payable to the Dealer, as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue of the Notes.

### 3. Approval, listing and admission to trading on the Irish Stock Exchange

Application has been made to the Irish Stock Exchange to approve this Listing Particulars. Application has also been made to the Irish Stock Exchange for Notes to be admitted to trading on the Irish Stock Exchange's Global Exchange Market and to be listed on the official list of the Irish Stock Exchange. The Irish Stock Exchange's Global Exchange Market is not a regulated market for the purposes on the Markets in Financial Instruments Directive (Directive 2004/39/EC), as amended. The estimate of the total expenses related to the admission of the Notes to trading is €4,540.

### 4. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) and Euroclear France (66 rue de la Victoire, 75009 Paris, France) with the common code 133262695. The International Securities Identification Number (ISIN) code for the Notes is FR0013071594.

### 5. Disputes

Except as disclosed on pages 100 to 102 of the 2014 Registration Document and pages 47 to 49 of the Update to the 2014 Registration Document, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceeding 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 financial position or profitability of the Issuer.

### 6. No Material adverse change

There have been no material adverse changes modifying the prospects of the Issuer since the closing date of the last financial year (31 December 2014).

### 7. No significant change

No significant change has occurred in the financial position and trading position of the Issuer since the last financial statements established on 30 June 2015.

### 8. Availability of documents

As long as Notes remain outstanding, copies of the following documents may be obtained free of charge on request, during business hours, from the Issuer's registered office and, where applicable, from the Issuer's website [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investor relations', 'Fixed income securities' and 'Issuance programmes'). and from each paying agent, ie:

- (a) the Issuer's articles of association;

- (b) the Update to the 2014 Registration Document, the 2014 Reference Document and the 2013 Reference Document;
- (c) this Listing Particulars and any supplement; and
- (d) the Agency Agreement.

**9. Yield**

The yield of the Notes, calculated from the Issue Date to 20 December 2020 is 5.00 per cent. *per annum*. It is not an indication of future yield.

**10. Post-issuance information**

The Issuer does not intend to provide any post issuance information in relation to the underlyings, except as required by any applicable laws and regulations.

**ISSUER**

**HSBC France**  
103, avenue des Champs-Élysées  
75008 Paris  
France

**DEALER**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**FISCAL AGENT AND PAYING AGENT**

**BNP Paribas Securities Services**  
Les Grands Moulins de Pantin  
9 rue du Débarcadère  
93500 Pantin  
France

**CALCULATION AGENT**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**LEGAL ADVISERS**

**Allen & Overy LLP**  
52 avenue Hoche  
CS 90005  
75379 Paris Cedex 08  
France