

**DEBT ISSUANCE PROGRAMME PROSPECTUS**  
**Dated 4th May, 2010**

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

**SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**

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

**as Issuer**

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

**and**

**SOCIÉTÉ GÉNÉRALE**

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

**as Guarantor**

**Debt Issuance Programme for the Issue of Notes and Certificates**

Under this Debt Issuance Programme (the "**Programme**"), Société Générale Effekten GmbH (the "**Issuer**"), acting in its own name but for the account of Société Générale, may from time to time issue Notes (the "**Notes**") and/or Certificates (the "**Certificates**") denominated in any currency agreed by the Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s), as specified in the relevant Final Terms, in an undetermined aggregate principal amount. Certificates may be issued pursuant to the Programme provided that (i) all current references to "Notes" in the relevant sections of the Programme shall be deemed to be instead to "Certificates"; (ii) all current references to "Noteholders" in the relevant sections of the Programme shall be instead to "Holders". The principal amount of the Notes, the interest payable in respect of the Notes, if any, the issue prices and maturities of the Notes and all other terms and conditions not contained herein which are applicable to a particular Tranche of Notes (as defined in "**TERMS AND CONDITIONS OF THE NOTES**"), including the aggregate principal amount of such Tranche of Notes, will be set out in the applicable Final Terms.

Payments and/or physical delivery of any securities or assets in respect of the Notes will be unconditionally and irrevocably guaranteed by Société Générale (in such capacity, the "**Guarantor**").

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

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

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**ARRANGER**  
**Société Générale**

**DEALER**  
**Société Générale**

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which are available at the office of Société Générale, Frankfurt am Main branch, Neue Mainzer Str. 46 - 50, D-60311 Frankfurt am Main, Germany, and which have been published on the following website <http://prospectus.socgen.com> have been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin) or filed with it and are incorporated by reference into, and form part of, this Debt Issuance Programme Prospectus:

- Registration Document pursuant to section 12 (1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz* - WpPG) in connection with Art. 7 and Annex IV of the Commission Regulation (EC) No. 809/2004 of 29th April, 2004 of Société Générale Effekten GmbH dated 4th May, 2010 (the "**2010 Registration Document of the Issuer**");
- Registration Document pursuant to section 12 (1) WpPG in connection with Art. 14 and Annex XI of the Commission Regulation (EC) No. 809/2004 of 29th April, 2004 of Société Générale dated 4th May, 2010 (the "**2010 Registration Document of the Guarantor**");
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 46 to 110) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5th May 2006 (the "**2006 EMTN Conditions**") which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Commission Regulation (EC) No. 809/2004 of 29th April, 2004.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 55 to 186) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 7th May 2007 (the "**2007 EMTN Conditions**") which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Commission Regulation (EC) No. 809/2004 of 29th April, 2004.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 62 to 203) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5th May 2008 (the "**2008 EMTN Conditions**") which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Commission Regulation (EC) No. 809/2004 of 29th April, 2004.
- The Form of Final Terms and the Terms and Conditions of the Notes (pages 79 to 239) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 6th May 2009 (the "**2009 EMTN Conditions**") which constitutes a base prospectus of Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale) in respect of non-equity securities pursuant to Art. 22 para. (6) no. (4) of the Commission Regulation (EC) No. 809/2004 of 29th April, 2004.

### Comparative table of documents incorporated by reference

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261	Description of Société Générale Effekten GmbH	See detailed information below.
	<b>I. AUDITOR AND SELECTED FINANCIAL INFORMATION</b>	

	Auditor	2010 Registration Document of the Issuer, page 6
	Selected financial information	2010 Registration Document of the Issuer, pages 6 to 8
	<b>II. INFORMATION ON THE ISSUER</b>	
	History and Business Performance	2010 Registration Document of the Issuer, page 9
	Business overview	2010 Registration Document of the Issuer, page 9
	Organisational Structure	2010 Registration Document of the Issuer, page 9
	Trend information	2010 Registration Document of the Issuer, page 10
	Management and Company Representatives	2010 Registration Document of the Issuer, page 10
	<b>III. FINANCIAL INFORMATION CONCERNING THE ISSUER'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS</b>	
	<b>Société Générale Effekten GmbH's audited financial statements for the financial year ended 31st December, 2009</b>	
	Balance Sheet relating to the above	2010 Registration Document of the Issuer, page 44
	Income Statement relating to the above	2010 Registration Document of the Issuer, page 45
	Cash flow Statement	2010 Registration Document of the Issuer, page 48
	Notes relating to the above	2010 Registration Document of the Issuer, pages 46 to 52
	Management report relating to the above	2010 Registration Document of the Issuer, pages 53 to 55
	Audit opinion relating to the above	2010 Registration Document of the Issuer, pages 56 to 57
	Significant Court or Arbitration Proceedings	2010 Registration Document of the Issuer, page 26
	Significant changes in the Financial Position or Trading Position of the Issuer	2010 Registration Document of the Issuer, page 27
	<b>Société Générale Effekten GmbH's audited financial statements for the</b>	

	<b>financial year ended December 31st, 2008</b>	
	Balance Sheet relating to the above	2010 Registration Document of the Issuer, page 31
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	Notes relating to the above	2010 Registration Document of the Issuer, pages 33 to 39
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<b>IV. ADDITIONAL INFORMATION</b>		
	Share Capital	2010 Registration Document of the Issuer, page 27
	Memorandum and Articles of Association	2010 Registration Document of the Issuer, page 29
	Significant Contracts	2010 Registration Document of the Issuer, pages 27 to 29

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262	Description of Société Générale	See detailed information below.
<b>I. SELECTED FINANCIAL INFORMATION</b>		
	Selected historical financial information regarding the Guarantor.	2010 Registration Document of the Guarantor, pages 16 to 24
<b>II. INFORMATION ABOUT THE GUARANTOR</b>		
	<b>History and development of the Guarantor:</b>	
	The legal and commercial name of the Guarantor;	2010 Registration Document of the Guarantor, pages viii, 2 and 28
	The place of registration of the Guarantor and its registration number;	2010 Registration Document of the Guarantor, page 28
	The date of incorporation and the	2010 Registration Document of the

	length of life of the Guarantor;	Guarantor, page 28
	The domicile and legal form of the Guarantor, the legislation under which the Guarantor operates, its country of incorporation, and the address and telephone number of its registered office;	2010 Registration Document of the Guarantor, page 28
	<b>Investments</b>	
	A description of the principal investments made since the date of the last published financial statements.	2010 Registration Document of the Guarantor, pages 58-59, 61 and 330
	Information concerning the Guarantor's principal future investments, on which its management bodies have already made firm commitments.	2010 Registration Document of the Guarantor, pages 60, 61 and 330
	<b>III. BUSINESS OVERVIEW</b>	
	<b>Principal activities</b>	
	A description of the Guarantor's principal activities stating the main categories of products sold and/or services performed; and	2010 Registration Document of the Guarantor, pages 4 to 14 and 56 to 57
	An indication of any significant new products and/or activities.	2010 Registration Document of the Guarantor, pages 56 to 57
	<b>Principal markets</b>	
	A brief description of the principal markets in which the Guarantor competes.	2010 Registration Document of the Guarantor, pages 327 to 330
	The basis for any statements made by the Guarantor regarding its competitive position.	2010 Registration Document of the Guarantor, Relevant clauses referring to the basis for any statements made by the Guarantor regarding its competitive position.
	<b>IV. ORGANISATIONAL STRUCTURE</b>	
	If the Guarantor is part of a group, a brief description of the group and of the Guarantor's position within it.	2010 Registration Document of the Guarantor, pages viii, 2 and 32 to 33
	<b>V. TREND INFORMATION</b>	
	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor's	2010 Registration Document of the Guarantor, pages ix and 60

	prospects for at least the current financial year.	
	<b>VI. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
	Names, business addresses and functions in the Guarantor of the members of the administrative, management, and supervisory bodies, and an indication of the principal activities performed by them outside the Guarantor where these are significant with respect to that Guarantor:	2010 Registration Document of the Guarantor, pages 68 to 80
	Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 of the ANNEX XI of the COMMISSION REGULATION (EC) No 809/2004 of 29 April 2004 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.	2010 Registration Document of the Guarantor, pages viii and 78
	<b>VII. BOARD PRACTICES</b>	
	Details relating to the Guarantor's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	2010 Registration Document of the Guarantor, pages 83 to 86
	A statement as to whether or not the Guarantor complies with its country's of incorporation corporate governance regime(s). In the event that the Guarantor does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the Guarantor does not comply with such a regime.	2010 Registration Document of the Guarantor, page 81
	<b>VIII. MAJOR SHAREHOLDERS</b>	
	To the extent known to the Guarantor, state whether the Guarantor 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 is not abused.	2010 Registration Document of the Guarantor, page 24
	<b>IX. FINANCIAL INFORMATION CONCERNING THE GUARANTOR'S ASSETS</b>	

<b>AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
	<b>Société Générale's audited annual consolidated financial statements for the financial year ended 31st December, 2009</b>
Balance Sheet relating to the above	2010 Registration Document of the Guarantor, pages 211 to 212
Income Statement relating to the above	2010 Registration Document of the Guarantor, pages 213 to 214
Cash-flow Statement relating to the above	2010 Registration Document of the Guarantor, page 217
Notes relating to the above	2010 Registration Document of the Guarantor, pages 218 to 330
Accounting Principles relating to the above	2010 Registration Document of the Guarantor, pages 218 to 240
Audit report relating to the above	2010 Registration Document of the Guarantor, pages 331 to 332
Société Générale simplified organisational chart	2010 Registration Document of the Guarantor, pages 32 to 33
Société Générale subsidiaries included in its consolidated group as at 31st December, 2009 (note 45 to the financial statements)	2010 Registration Document of the Guarantor, pages 315 to 326
Further information on Société Générale's share capital (including a breakdown of capital and voting rights)	2010 Registration Document of the Guarantor, pages 21 to 30, 215 to 216
Information on the Group's core business operations in 2009 (including significant new products and activities)	2010 Registration Document of the Guarantor, pages 6 to 14, 37 to 53, 56 to 57, 60 and 330
<b>Société Générale current significant litigation</b>	2010 Registration Document of the Guarantor, pages viii, 202 to 204
	<b>Société Générale's audited annual consolidated financial statements for the financial year ended 31st December, 2008</b>
Balance Sheet relating to the above	2010 Registration Document of the Guarantor, pages 436 to 437
Income Statement relating to the above	2010 Registration Document of the Guarantor, page 438
Cash-flow Statement relating to	2010 Registration Document of the



	the above	Guarantor, page 441
	Notes relating to the above	2010 Registration Document of the Guarantor, pages 442 to 549
	Accounting Principles relating to the above	2010 Registration Document of the Guarantor, pages 442 to 460
	Audit report relating to the above	2010 Registration Document of the Guarantor, pages 550 to 551
	<b>X. Share Capital</b>	
	The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.	2010 Registration Document of the Guarantor, pages 22 to 24, 215 to 216
	<b>XI. Memorandum and Articles of Association</b>	
	The register and the entry number therein, if applicable, and a description of the Guarantor's objects and purposes and where they can be found in the memorandum and articles of association.	2010 Registration Document of the Guarantor, pages 28 to 30, 408 to 418
	<b>XII. MATERIAL CONTRACTS</b>	
	A brief summary of all material contracts that are not entered into in the ordinary course of the Guarantor's business, which could result in any group member being under an obligation or entitlement that is material to the Guarantor's ability to meet its obligation to security holders in respect of the securities being issued.	2010 Registration Document of the Guarantor, pages ix, 60 to 65

<b>Page</b>	<b>Section</b>	<b>Pages of document incorporated by reference</b>
249	2006 EMTN Conditions	2006 Debt Issuance Programme Prospectus pages 46 to 110
249	2007 EMTN Conditions	2007 Debt Issuance Programme Prospectus

		pages 55 to 186
249	2008 EMTN Conditions	2008 Debt Issuance Programme Prospectus pages 62 to 203
249	2009 EMTN Conditions	2009 Debt Issuance Programme Prospectus pages 79 to 239

## SUMMARY OF THE PROSPECTUS

The following summary (the "**Summary**") must be read as an introduction to this Debt Issuance Programme Prospectus (together hereinafter also the "**Prospectus**"). This summary is qualified in its entirety by, and is subject to, information contained elsewhere in this Prospectus and the documents incorporated by reference and any supplement thereto. Therefore, any decision to invest in the Notes and/or the Certificates should not only be based on this summary but on a consideration of the Prospectus as a whole, including the documents incorporated by reference as well as the applicable Final Terms and any supplement to the Prospectus, if applicable, which are published in connection with the issuance of the Notes.

The Issuer and the Guarantor, and any person who has initiated or caused this Summary, assume, within the meaning of Sec. 5(2) sentence 3 of the German Securities Prospectus Act (*Wertpapierprospektgesetz - WpPG*), responsibility for the contents of this Summary, including any translation thereof. They may only be held liable for the contents of this Summary, however, if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

### Summary with regard to the Issuer

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

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

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

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

The Issuer is a wholly owned subsidiary of Société Générale, Paris. According to its own appraisal, Société Générale group (the "**Group**") is one of the leading financial services groups in the Eurozone, structured into five core businesses, such as French Networks, International Retail Banking, Specialised Financing and Insurance, Private Banking - Global Investment Management & Services, and Corporate & Investment Banking. Société Générale, the parent company of the Group, is listed on the Euronext Paris (Nyse-Euronext).

The fully paid-in capital stock of the Issuer amounts to EUR 25,564.59. All shares in the Issuer are held by Société Générale, Paris.

The Issuer's auditor for the financial year 2008 has been Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3-5, D-65760 Eschborn. The financial statements of the Issuer for the financial year ended 31st December, 2008 have been audited by Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3-5, 65760 Eschborn, and an unqualified audit opinion was issued thereon.

The Issuer's auditor for the financial year 2009 has been Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main. The financial statements of the Issuer for the financial year ended 31st December, 2009 have been audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main, and an unqualified audit opinion was issued thereon.

### Summary of Selected Financial Information of the Issuer

The following selected financial information of Société Générale Effekten GmbH has been derived from the annual financial statements of Société Générale Effekten GmbH for the financial years ended 31st December, 2008 and 2009 in accordance with German accounting principles.

#### Information on Results of Operations

	2009 EUR k	2008 EUR k	+/- EUR k	%
Income from options and certificates	23,792,345	27,663,022	-3,870,677	-14
Expenses from options and certificates	-23,792,345	-27,663,022	3,870,677	14
<b>Operating performance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other operating result	298	294	4	1
Personnel expenses	-215	-194	-21	-11
<b>Operating result</b>	<b>83</b>	<b>100</b>	<b>-17</b>	<b>-17</b>
<b>Financial result</b>	<b>-2</b>	<b>15</b>	<b>-17</b>	<b>&gt;100</b>
<b>Earnings before income taxes</b>	<b>81</b>	<b>115</b>	<b>-34</b>	<b>-30</b>
Income taxes	-24	-33	9	27
<b>Net income for the year</b>	<b>57</b>	<b>82</b>	<b>-25</b>	<b>-30</b>

#### Composition of Assets, Equity and Liabilities

(i) Assets	Dec. 31, 2009		Dec. 31, 2008		+/- EUR k
	EUR k	%	EUR k	%	
Receivables	35,678,762	82	42,340,485	76	-6,661,723
Other assets	7,628,270	18	13,158,749	24	-5,530,479

Cash and cash equivalents	184	0	203	0	-19
	43,307,216	100	55,499,437	100	-12,192,221
<b>Capital</b>	EUR k	%	EUR k	%	EUR k
Equity	420	0	364	0	56
Accruals	125	0	331	0	-206
Liabilities	43,306,671	100	55,498,742	100	-12,192,071
	43,307,216	100	55,499,437	100	-12,192,221

### Summary with regard to the Guarantor

Société Générale is a public limited company (*société anonyme*) established under French law and has the status of a bank. Société Générale was incorporated by deed approved by the Decree of 4th May, 1864. The duration of Société Générale, previously fixed at 50 years with effect from 1st January, 1899, was then extended by 99 years with effect from 1st January, 1949. The company will expire on December 31, 2047, unless it is wound up or its duration extended.

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

Société Générale is registered in the Commercial Register (*Registre du commerce*) under no 552 120 222 R.C.S. Paris, and has its registered office at 29, boulevard Haussmann, 75009 Paris.

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

- all banking transactions;
- all transactions related to banking operations, including, in particular, investment services or related services as listed in Articles L. 321-1 and L. 321-2 of the French Monetary and Financial Code (*Code monétaire et financier*);
- all acquisitions of interests in other companies.

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

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

At December 31, 2009, Societe Generale's paid up share capital amounted to EUR 924,757,831.25 and comprised 739,806,265 shares with a nominal value of EUR 1.25 per share, all eligible for dividends paid out of income earned from January 1, 2009. As part of the Group's capital market activities, transactions may be carried out involving indexes or underlying assets with a Société Générale share component. These transactions do not have an impact on the Group's future capital.

The auditors of Société Générale are Cabinet Ernst & Young Audit represented by Mr. Philippe Peuch-Lestrade Faubourg de l'Arche - 11, allée de l'Arche, 92037 Paris - La Défense, France and Société Deloitte & Associés (formerly named Deloitte Touche Tohmatsu until October 2004) represented by Mr. Damien Leurent and Jean-Marc Mickeler, 185 avenue Charles de Gaulle - BP 136, 92524 Neuilly-sur-Seine cedex, France, who have audited Société Générale's accounts, without qualification, in accordance with generally accepted auditing standards in France, for each of the two financial years ended 31st December, 2009 and 31st December, 2008 and, in accordance with IFRS.

According to its own appraisal, Société Générale Group is one of the leading financial services groups in the Eurozone, operating in 83 countries and employing approximately 156,681 staff from 128 different nationalities. The Group is organised around five core businesses: French Networks, International Retail Banking, Specialized Financing and Insurance, Private Banking - Global Investment Management & Services, and Corporate & Investment Banking.

(ii) *French Networks*

The French Networks form the first pillar of the Group's universal banking strategy. The French Networks are organised around the two structures and brands Société Générale and Crédit du Nord with its six regional banks. They offer a large range of products and services covering the needs of a diversified customer base, composed of more than 9.8 million individual customers and more than 500,000 businesses and professionals.

(iii) *International Retail Banking*

Over the last ten years, the Group has worked to extend and diversify the regions where it operates, with the aim particularly of expanding its audience and increasing its business opportunities. The network, composed of 652 points of sale through 21 entities in 1999, now has 3,767 branches in 37 countries and 41 entities. International Retail Banking's employees (nearly 61,300), representing numerous nationalities, offer a wealth of experience for the benefit of customers. With revenues of EUR 4,724 million in 2009, the division accounted for 22% of the Group's revenues.

(iv) *Specialised Financing and Insurance*

This division covers (i) Specialised Financing (consumer finance, equipment finance, operational vehicle leasing and fleet management and IT leasing and management) and (ii) life and non-life insurance. The Specialised Financing and Insurance division manages and develops a portfolio of financing activities in France and abroad for individual customers and businesses. It operates in 46 countries with more than 30,000 employees.

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

The Private Banking - Global Investment Management and Services division consists of Asset Management, with Société Générale Asset Management and Amundi, the partnership with Crédit Agricole Asset Management in operation since January 1, 2010; Private Banking with Société Générale Private Banking; the Securities business with Société Générale Securities Services; derivative brokerage with Newedge and online banking with Boursorama. Société Générale Private Banking's 2,800 employees, working in 26 countries, offer a comprehensive range of financial services suited to the specific needs of business people and individual clients with a financial net worth of over EUR 1 million.

(vi) *Corporate and Investment Banking*

SG CIB is Société Générale's Corporate and Investment Banking arm. With nearly 11,000 employees in 33 countries, SG CIB is present on the main financial markets in the regions where the Group operates, with extensive European coverage and operations in the Central and Eastern Europe, Middle East and Africa, Americas and Asia-Pacific zones. It offers its clients bespoke financial solutions combining innovation, advice and high execution quality in three areas of expertise: investment banking, financing and market activities.

**Summary of Selected Financial Information of the Guarantor**

*The following selected consolidated financial information of Société Générale has been derived from the annual consolidated financial statements of Société Générale for the financial years ended 31st December, 2008 and 2009 in accordance with IFRS.*

<i>(in millions of euros)</i>	<b>2009</b>	<b>2008</b>	<b>Change</b>	
Net banking income	21,730	21,866	-0.6%	+0.7%*
Operating expenses	(15,766)	(15,528)	+1.5%	+2.5%*
<b>Gross operating income</b>	<b>5,964</b>	<b>6,338</b>	<b>-5.9%</b>	<b>-3.6%*</b>
Net allocation to provisions	(5,848)	(2,655)	x2.2	x2.3*
<b>Operating income</b>	<b>116</b>	<b>3,683</b>	<b>-96.9%</b>	<b>-94.9%*</b>
Net income from companies accounted for by the equity method	15	(8)	NM	
Net income from other assets	711	633	+12.3%	
Impairment losses on goodwill	(42)	(300)	+86.0%	
Income tax	308	(1,235)	NM	
Net income before minority interests	1,108	2,773	-60.0%	
<i>O.w. minority interests</i>	430	763	-43.6%	
<b>Net income</b>	<b>678</b>	<b>2,010</b>	<b>-66.3%</b>	<b>-64.1*</b>
Cost/income ratio	72.6%	71.0%		
Average allocated capital	30,245	28,425	+6.4%	
<b>ROE after tax</b>	<b>0.9%</b>	<b>6.4%</b>		
<b>Basel II Tier 1 ratio**</b>	<b>10.7%</b>	<b>8.8%</b>		

\* *When adjusted for changes in Group structure and at constant exchange rates*

\*\* *Does not reflect additional minimum capital requirements (in 2008, the Basel II requirement cannot be lower than 90% of CAD requirements)*

## Summary of Risk Factors

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

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

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

### **Risk Factors relating to the Issuer and the Guarantor and the Trust Structure**

- Due to the fact that the Issuer issues the Notes on a fiduciary basis on the account of the Guarantor, the holders of the Notes (each a "Noteholder") directly depend on the credit risk of the Guarantor rather than that of the issuer. Any payment obligations of the Issuer under the Notes are therefore limited to the funds received from the Guarantor under the Trust Agreement.
- The Guarantee constitutes a general and unsecured contractual obligation of the Guarantor and no other person, any payments on the Notes are also dependent on the creditworthiness of the Guarantor.
- As Société Générale as Guarantor is also the provider of hedging instruments to the Issuer, investors will be exposed to operational risks arising from the lack of independence of the Guarantor.
- The Issuer and the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the underlying assets. Such activities and information may cause consequences adverse to Noteholders.
- The Issuer and the Guarantor and any of their subsidiaries and affiliates may act in other capacities with regard to the Notes, such as market maker, calculation agent, selling agent, agent and/or index sponsor. Therefore, a potential conflict of interests may arise.
- In connection with the offering of the Notes, the Issuer, the Guarantor and/or their affiliates may enter into one or more hedging transactions with respect to the Reference Asset or related derivatives, which may affect the market price, liquidity or value of the Notes.
- If investors purchase the Notes, they are relying upon the creditworthiness of the Guarantor and no other person, including any issuer of underlying assets or securities. Even if the credit rating of the issuers of underlying securities or the value of underlying assets or indices does not change, a downgrading in the credit rating of the Guarantor may have a materially adverse effect on the market price of the Notes.



- The main risk factors that may affect Group's ability to fulfil its obligations under the Notes to investors are the following: credit risk, market risk, operational risks, investment portfolio risk, structural interest and exchange rate risk, liquidity risk, strategic risk, business risk, risks linked to the insurance business, residual value risk.
- There is a risk that the Issuer may not or only partially be able to fulfil its obligations arising from the Notes.
  - By acquiring Notes from the Issuer, investors are exposed to a considerably higher credit risk compared to an issuer with much greater capital resources.
  - The Issuer is not a member of a deposit guarantee fund or similar assurance system.
  - Investors are also exposed to the insolvency risk of the parties with whom the Issuer concludes derivative transactions to hedge its obligations from the issue of Notes. The Issuer is subject to a cluster risk, i.e. the credit risk ensuing from the limited range of potential contracting parties with whom various hedging transactions can be conducted.

### **Risk Factors relating to the Notes**

#### *Risk related to Notes generally*

- The Notes are neither secured by the Deposit Protection Fund of the Association of German Banks nor by the German Deposit Guarantee and Investor Compensation Act. Furthermore, the Notes are also not covered by the Guarantee of the Federal Government.
- Attention should be paid to the fact that the performance of the Notes may not represent during their lifetime exactly the performance of the Underlying(s) and may therefore deviate materially from the redemption scenario in the Terms and Conditions of the Notes at Maturity.
- The Notes may not be a suitable investment for all investors. Each prospective Noteholder must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, if its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for him. The investor should only invest in the Notes if he is able to understand the Terms and Conditions of the Notes. All investors should be versed in all matters relating to the respective Notes and should particularly understand and comprehend the yield of the Notes promised by the Issuer and the Guarantor in its entirety. If this is not the case an investment in the Notes is not advised.
- Where an issue of Notes references a formula in the applicable Final Terms as the basis upon which the interest payable and/or the amount payable and/or assets deliverable on redemption is calculated potential investors should ensure that they understand the relevant formula and if necessary seek advice from their own financial adviser.
- The Terms and Conditions of the Notes contain provisions in accordance with and subject to the German Bond Act for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Such resolution might have negative impact on the financial situation of a single Noteholder.

- The Terms and Conditions of the Notes provide provisions which allow the Issuer to declare a rescission (Anfechtung) in case of obvious, evident or manifest errors included in the Terms and Conditions.
- Neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of withholding tax imposed by the implementation of EU Savings Directive.
- The potential tax risks of an investment in the Notes include, inter alia, the risk of double-taxation, uncertainties regarding the tax treatment of Notes with underlying related interest and/or redemption and specific rules regarding speculation periods.
- No assurance can be given as to the impact of any possible judicial decision or change to the laws or administrative practices applicable to the Notes after the date of this Prospectus.
- As a consequence of transaction and other costs, the possible return on the Notes (if any) may be lower than expected. The ancillary costs incurred upon the purchase or sale of the Notes may significantly reduce or even exclude the profit potential of the Notes.
- Inducements may be granted in connection with the placement of the Notes. Therefore, a conflict of interests may arise as the granted inducements may have an impact on the placement activity of the entities that place the notes.
- The regulations of trading centres may provide so called mistrade rules according to which trading participants may make a mistrade application in order to unwind transactions in traded Notes. This may have adverse economic consequences on the affected investor.
- In special market situations, where the Issuer and/or its affiliates are completely unable to conclude hedging transactions, or where such transactions are very difficult to conclude, the spread between the bid and offer prices which may be quoted by the Issuer and/or its affiliates may be temporarily expanded, in order to limit the economic risks to the Issuer.
- The Issuer may rely on information concerning the underlying(s) which are compiled by third parties and the accuracy of which is, in case of doubt, not subject to the Calculation Agent's verifiability and it cannot be excluded that incorrect or incomplete information from these third parties will be perpetuated in these calculations and determinations of the Calculation Agent.

*Risks related to the structure of a particular issue of Notes*

- In the case of Open End Notes, the duration of the Notes is dependent on an optional redemption, if any, elected by the Issuer. If there is no secondary market, there might be no possibility for the investors to sell the Notes.
- The possibility of an optional redemption by the Issuer is likely to limit the market value of the Notes. Furthermore regarding the possibility of an optional redemption by the Issuer potential investors should consider reinvestment risk in light of other investments available at that time.
- The Notes may provide for an automatic early redemption linked to a specific event. Therefore, the Noteholder will not participate in any future performance of the underlying.
- Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) on Structured Notes (as defined below) are calculated by reference to

certain underlyings, the return of the Notes is based on changes in the value of the underlying, which may fluctuate. Potential investors should be aware that these Notes may be volatile and that they may receive no interest and may lose all or a substantial portion of their principal. A holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which, if such changes result in losses, may affect the yield of the Notes.

- Failure to pay any subsequent instalment in respect of partly-paid Notes could result in an investor losing all of his investment.
- Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.
- Notes with variable interest rates can be volatile investments. This volatility may be further enhanced if they are structured to include leverage factors.
- Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.
- Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par.
- Structured Notes where the performance of an underlying is multiplied by a certain factor to determine the amounts payable by the Issuer are subject to increased volatility and risks including a total loss of the invested capital.
- Capital protected notes do not necessarily lead to a protection of the invested capital at any given time during the life of the Notes and an inability of the Issuer and/or the Guarantor to meet their obligations may cause a total loss of the capital invested by the investor.
- Notes may be linked to the occurrence or non-occurrence of certain events which are not connected with the Issuer or the Guarantor, such as weather or sports events, the occurrence of which will in most cases depend entirely on chance and will not be influenceable and such events may not occur at all.
- In the event of the Notes providing for a delivery of any underlying assets upon redemption (as specified in the relevant Final Terms), investors will be required to take certain actions and shall be deemed to have made its own examination and assessment of its capacity and power to receive such underlying.
- The redemption of a Note, interest payments or the physical delivery under a Note may be subject to the occurrence of a Knock-In Event or a Knock-Out Event.
- The Terms and Conditions of the Notes may include provisions under which upon the occurrence of certain market disruptions delays in the settlement of the Notes may be incurred or certain modifications be made to their terms. Furthermore, an early termination of the Notes by the Issuer may occur upon the occurrence of certain events.
- The Issuer and/or any of its affiliates may carry out activities that for risk reduction and/or hedging purposes or otherwise which might be deemed adverse to the interests of the Noteholders.

*Risk factors relating to Structured Notes the redemption amount of which is linked to the performance of one or more fund units*

- An investment in Notes that are linked to fund units involves all the risks related to such underlying funds.
- General risks related to funds include the dependence on the skills of the respective fund manager that the Issuer and the Guarantor generally have no influence on the investment activity or the performance of the underlying funds and the value of funds will change with the value of their respective underlying investments.
- Additional investments in the Fund or withdrawals of investments from the Fund may adversely affect the value of the Fund and correspondingly the value of or return under the Notes.
- Fund managers do not have any obligations vis-a-vis the Noteholders and do not consider their interests.
- Fees and other expenses that apply regardless of the performance of the funds will reduce the value of the fund units and accordingly the final redemption amount payable to the Noteholders.
- The illiquidity of the underlying Fund's investments may cause the payment of the Final or Early Redemption Amount and/or any Intermediary Amount to be reduced or delayed.
- If the underlying Funds invest(s) through a master-feeder structure, the latter may have an adverse effect on the underlying Funds and, therefore, the Notes. Master-feeder structure means a mutual fund or other fund that invests exclusively in another fund ; shares of the feeder fund represent shares in the second fund (called a master fund), which, in turn, represent shares in the underlying securities.
- The offering of the Notes does not constitute a recommendation by the Issuer or Société Générale and/or any of its affiliates with respect to an investment linked to such underlying Funds.
- The Issuer, in order to hedge its obligations under the Notes, may enter into a hedging transaction and as a result of hedging decisions by the hedging counterparty, transfers into or out of the fund by the hedging counterparty may affect the value of the fund units and, in turn, the payments under the Notes.
- If the Notes are linked to the performance of one or more funds that are hedge funds, an investment in the Notes may, in addition to the general risks of funds described above, involve additional risks typical to hedge funds due to their speculative nature. Potential investors should be aware that hedge funds (including those that are managed by managers affiliated with Société Générale) do not disclose information on their investments and/or the details of their investment techniques.
- Hedge funds involve various investment strategies each of which may involve high risks; in addition, hedge funds generally use technical devices a failure or blackout of which may result in significant losses or a non-realisation of investment opportunities. There are generally no restrictions regarding the investment instruments or the counterparties in which a hedge fund may invest and such instruments or counterparties may therefore include highly speculative and risky investments.
- Hedge funds` performances may be highly volatile.
- The use of leverage and short sales may increase the risk of loss in the value of the hedge fund units.

- In addition to fixed management fees, performance fees are common to hedge funds and such fees may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of such fees.
- As hedge fund assets are usually held in custody, there is a potential risk of loss resulting from a breach of duties to exercise due care, abusive content or the possible insolvency of the custodian or sub-custodian (if any).
- Hedge funds are to a specific extent subject to general non-payment risk (counterparty or issuer risk) as they are not subject to any limitations regarding counterparties.
- Soft-dollar commissions may induce portfolio managers to effect transactions with a person even if it does not offer the lowest transaction fees.
- Hedge funds, including the underlying funds, are generally not subject to the same regulatory regime as mutual funds or securities. Consequently, investors in hedge funds will not benefit from protections provided by such laws or regulations.
- If the underlying is one or more funds of hedge funds, the specific risks of funds of hedge funds have to be regarded in addition to the risks of single hedge funds (which may materialise on the level of the target funds).
- An investment in Structured Notes which are linked to hedge funds (and funds of hedge funds) involves substantial risks. Investors should be able to bear these risks, including a total loss of the invested capital.

*Common risk factors relating to Structured Notes based on shares or indices or commodities (or futures contracts on the same)*

- Where payments on Structured Notes are calculated by reference to an index or a basket of indices or a share or a basket of shares or a commodity or a basket of commodities (or futures contracts on the same), the return of the Notes is based on changes in the value of the Reference Asset, which fluctuates and cannot be predicted. The historical performance of the Reference Asset should not be taken as an indication of future performance.
- The effective yield to maturity of the Notes may be less than that which would be payable on a conventional fixed rate or floating rate debt security.

*Risk factors relating to Structured Notes based on indices*

- The payment of income (such as dividends for an index that has stocks as underlyings) may not be reflected as the index may be calculated by reference to the prices of underlyings comprising the index without taking into consideration the value of any income paid on those underlying assets.
- The policies applied by the sponsor of an index concerning the composition and calculation of the index assets may affect the value of the index. In addition, indices may be subject to fees as well as charges which may reduce the Final Redemption Amount payable to the Noteholders.

*Risk factors specific to Structured Notes based on shares or other securities*

- A holder of the Notes will not be a beneficial owner of the underlying shares or other securities and therefore will not be entitled like such beneficial owner and therefore will not be entitled to receive any dividends or similar amounts paid on the underlying shares or other securities.

- The Calculation Agent may make adjustments to elements of the Notes as described in the Technical Annex. The Calculation Agent is not required to make an adjustment for every corporate event that may affect the underlying shares or other securities.
- The issuers of underlying shares or other securities have no obligation to consider the interests of the holders of the Notes and may take actions that will adversely affect the value of the Notes.

*Risk factors specific to Structured Notes based on baskets*

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

*Risk factors specific to Commodity Linked Notes*

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

*Risk factors relating to Credit Linked Notes*

- In the event of the occurrence of certain circumstances in relation to a Reference Entity the obligation of the Issuer to pay principal may be replaced by (i) an obligation to pay other amounts which are equal to either certain fixed amount(s) as specified in the applicable Final Terms or amounts calculated by reference to the value of the underlying asset(s) (which may, in each case, be less than the par value of the Notes at the relevant time) and/or (ii) an obligation to deliver the underlying asset(s). In addition, interest-bearing Credit Linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances. Accordingly, Noteholders may be exposed to fluctuations in the creditworthiness of the Reference Entities to the full extent of their investment in the Credit Linked Notes.
- The issuance of the Credit Linked Notes is no representation or gives any warranty whatsoever with respect to the Reference Entity or Reference Entities.
- Credit ratings (including, where applicable, shadow credit ratings or credit ratings estimates) and credit spreads of the Reference Entity or the Reference Obligation represent the opinions of the relevant rating agencies or market participants regarding the likelihood of payment by the Reference Entity of any amounts due pursuant to the terms of any of its obligations, but are not a guarantee of such payments or of the creditworthiness of the Reference Entity.
- Prospective Noteholders should inform themselves about and evaluate the nature and financial condition of other parties involved in the issue, including the Reference Entity and its obligations.
- The Notes do not create any rights of the Noteholders against the Reference Entity.

- Under the terms of the Notes, where Société Générale acts as Calculation Agent, it may, for the purposes of determining the Cash Settlement Amount or Physical Delivery Amount, select obligations with the lowest price of any obligations which meet the relevant criteria.
- The Cash Settlement Amount may be equal to zero if it is not possible to obtain quotations from Quotation Dealers for the selected obligations.

*Risk factors relating to Currency Linked Notes*

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

*Risk factors relating to Bond Linked Notes*

- The market value of bonds is influenced in addition to other factors by the creditworthiness of the issuer of the relevant bond, by the general interest level, the remaining term until maturity as well as by the liquidity of the market.

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

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

*Risk factors relating to Structured Notes based on dividends*

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

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

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

*Risks factors specific to Italian Certificates*

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

**Market and other Risks**

- The development of market prices of the Notes depends on various factors, such as creditworthiness of the Issuer respectively the Guarantor, changes of market interest rate levels, the policy of central banks, overall economic developments, inflation rates, deflation rates or the lack of or excess demand for the relevant type of the Note.

- Prospective investors in the Notes should be aware that the purchase price of a Note does not necessarily reflect its fair (mathematical) value.
- The prices provided by a market maker may deviate materially from the fair (mathematical) value respectively from the expected economic value of the Notes based on the above mentioned factors at the relevant time.
- Notes may have no established trading market when issued, and one may never develop. If a market does not develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.
- Prospective investors in the Notes should be aware that their investment may involve exchange rate, redenomination, devaluation and other currency related risks. The Issuer will effect payments on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Specified Currency, in particular if exchange rates change significantly.
- Fluctuations in exchange rates as well as currency redenomination or devaluation (on the basis of monetary reforms or otherwise) cannot be excluded and may affect the value of the Notes or the underlying(s).
- Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate.
- If the currency in which the Notes and/or the underlying(s) are denominated (i) is or becomes unavailable due to the imposition of exchange controls or other circumstances beyond the Issuer's and/or the Guarantor's control, (ii) is no longer used by the governments issuing such currency or having adopted such currency as their legal currency (e.g. in case of a redenomination) or (iii) is no longer used for the settlement of transactions by public institutions of the international banking community, this could have an adverse effect on the value of the Notes and the amounts or other assets received by any Holder thereunder.
- Credit ratings of the Notes 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.

*Legal investment considerations may restrict certain investments*

- The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities.

*Any decline in the credit rating of the Guarantor may affect the market value of the Notes*

- The credit rating of the Guarantor is an assessment of its ability to pay its obligations, including those in connection with the Notes. Consequently, actual or anticipated declines in the credit ratings of the Guarantor may affect the market value of the relevant Notes.

*Financial Markets Crisis*

- Financial markets crises (e.g. US-subprime crises), in particular such which have negative effects beyond their origin and globally affect various market participants and sub market segments in different ways may have a significant influence on the Issuer's and/or Guarantor's and/or the Group's business activities and their assets and liabilities, financial position and profits and losses. The same applies with regard to the amounts to be paid under and the market value of the Notes.



## Summary of the Offering and the Notes

### *Reasons for the Offering*

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

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

### *Offering Statistics and Estimated Timetable*

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

### *Use of Proceeds*

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

### *Details Regarding the Programme*

Capitalised Terms have the same meaning as defined in "*Terms and Conditions of the Notes*".

*When the Notes qualify as securitised derivatives to be offered in Italy and/or listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets, the term "Notes" will be replaced by the term "Certificates" in all applicable provisions (the "**Italian Certificates**").*

<b>Issuer</b>	Société Générale Effekten GmbH (acting in its own name but for the account of Société Générale)
<b>Guarantor</b>	Société Générale
<b>Description</b>	Programme for the issue of non-equity securities governed by German law. Under the Programme, the Issuer may issue Notes in the form of (including any combination of) fixed or floating rate Notes, instalment Notes, zero coupon Notes, partly paid Notes, dual currency Notes, physical

delivery Notes, as well as Structured Notes. Each Note will be issued on an unsubordinated basis only.

<b>Arranger</b>	Société Générale
<b>Dealer(s)</b>	The Notes will be distributed through Dealer(s) pursuant to underwriting agreements or on the basis of bilateral agreements with or without the involvement of Dealers/Purchasers. The following bank(s) may act as Dealer(s): Société Générale and any other Dealers/Purchasers appointed in accordance with the Dealer Agreement in relation to the Programme as a whole or in relation to one or more Tranches.
<b>Manager(s)</b>	The applicable Final Terms relating to each Tranche of Notes may specify any Manager(s).
<b>Agent</b>	Société Générale
<b>Calculation Agent</b>	The applicable Final Terms relating to each Tranche of Notes may specify a Calculation Agent for certain types of Notes, in particular Structured Notes.
<b>Paying Agent</b>	Société Générale, Frankfurt am Main branch and/or Société Générale Bank & Trust, Luxembourg, (as the case may be) or any additional or successor paying agent appointed under the Terms and Conditions.
<b>Programme Size</b>	Undetermined. The aggregate principal amount of each Tranche of Notes under the Programme, as agreed between the Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s), will be set out in the applicable Final Terms in accordance with the provisions of the Dealer Agreement and the German Securities Prospectus Act.
<b>Offer</b>	The Issuer may offer Notes to the public pursuant to underwriting agreements or bilateral agreements or place Notes privately with or without an applicable subscription period and in each case on a syndicated or non-syndicated basis. The details relating to each offer will be set out in the relevant Final Terms.
<b>Issue Currencies</b>	Euros or such other currency as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s) as indicated in the applicable Final Terms and subject to compliance with any applicable laws and exchange control regulations.
<b>Maturities</b>	The maturity of each Tranche of Notes will be specified in the applicable Final Terms subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the Guarantor or the relevant Specified Currency. The Issuer may also issue Notes without a determined maturity (open end notes).

For Italian Certificates, all references herein to Maturity Date shall be deemed to be instead to "Final Exercise

Date".

**Issue Price**

Notes may be issued on a fully-paid or a partly-paid basis and at an issue price (expressed either (i) as a percentage or (ii) as an amount per Note of the relevant Specified Denomination) which is at par or at a discount to, or premium over, par (as specified in the applicable Final Terms).

**Form of Notes**

The Notes of a particular Tranche or Series to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") applies, as specified in the Final Terms, will be initially represented by a temporary global note (each, a "**Temporary Global Note**") and subsequently, after expiry of 40 days after the relevant issue date and upon certification as to non-U.S. beneficial ownership, by a permanent global note (each, a "**Permanent Global Note**"). The Notes of a particular Tranche or Series to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") applies or to which neither the TEFRA C Rules nor the TEFRA D Rules apply, as specified in either case in the Final Terms, will be represented by a Permanent Global Note. Definitive Notes will not be issued.

In case of Italian Certificates where Monte Titoli is the relevant Clearing System, their circulation will be made pursuant to Italian legislative decree no. 213/1998 as amended and integrated and subsequent implementing provisions.

**Interest in the case of Fixed Rate Notes**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s) (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s) as indicated in the applicable Final Terms.

**Partly Paid Notes**

The Issuer may issue Notes which are not fully paid up at the time of their issue and which provide for the remaining principal amount to be paid up in one or more instalments at one or more predetermined dates (Partly Paid Notes). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to such Noteholder in respect of them.

**Interest in the case of Floating Rate Notes**

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

indicated in the applicable Final Terms).

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

**Payments in the case of Structured Notes**

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

**Dual Currency Notes**

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

**Physical Delivery Notes**

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

**Zero Coupon Notes**

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

**Instalment Notes**

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

**Redemption**

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

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

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

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

In case of Italian Certificates, all references herein to “Redemption” shall be deemed to be instead to “Exercise”.

**Denomination of Notes**

Notes will be issued in such denomination as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s) as indicated in the applicable Final Terms.

**Taxation**

All payments of principal and interest and, for Italian Certificates, of final exercise amount and any other amount in relation to the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Federal Republic of Germany or France (as the case may be) or any political subdivision or any authority of the Federal Republic of Germany or France (as the case may be) that has power to tax. If such withholding or deduction is required by law, the Issuer or the Guarantor (as the case may be) will – subject to the exemptions set out in the Terms and Conditions – pay such additional amounts as a Noteholder would have received if no such withholding or deduction had been required.

**Negative Pledge**

The terms and conditions of the Notes will contain a negative pledge provision with regard to the Guarantor. The negative pledge contains provisions generally restricting the creation of security interest over the Guarantor’s assets.

**Status of the Notes**

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

<b>Guarantee</b>	The due and punctual payment of any amounts due and payable and/or the due and punctual physical delivery of securities deliverable under or in respect of the Notes will be unconditionally and irrevocably guaranteed by the Guarantor.
<b>Rating</b>	The rating (if any) of the Notes to be issued under the Programme will be specified in the applicable Final Terms.
<b>Listing</b>	Application has been made to list the Notes to be issued under the Programme on the Regulated Market ( <i>Regulierter Markt</i> ) of the Frankfurt Stock Exchange. The Programme provides, however, that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s), as specified in the relevant Final Terms. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market, as specified in the relevant Final Terms.
<b>Terms and Conditions of the Notes</b>	The Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s) will agree on the terms and conditions applicable to each particular Tranche of Notes. The terms and conditions of the Notes will be constituted by the "Terms and Conditions of the Notes" which comprise the "Basic Terms" (Part A) and the "Technical Annex" (Part B), as completed, supplemented or replaced by the provisions of the applicable Final Terms. If the relevant Final Terms specify that consolidated Terms and Conditions shall apply to the Notes such consolidated Terms and Conditions will be attached to the relevant Final Terms and will replace the "Terms and Conditions of the Notes" as set out in this Prospectus.
<b>Governing Law</b>	<p>The Notes will be governed by, and construed in accordance with, German law. The Guarantee will be governed by, and construed in accordance with, French law.</p> <p>Any non-contractual obligations arising out of or in connection with the Notes shall be governed exclusively by the laws of the Federal Republic of Germany. Any non-contractual obligations arising out of or in connection with the Guarantee shall be governed exclusively by the laws of France</p>
<b>Selling Restrictions</b>	<p>Each issue of Notes will be made in accordance with the laws, regulations and legal decrees and any restrictions applicable in the relevant jurisdiction.</p> <p>Any offer and sale of Notes is subject to the selling restrictions in particular in Austria, Belgium, France, the Grand Duchy of Luxembourg, Italy, the Netherlands, the United Kingdom and other member states to the Agreement on the European Economic Area (EEA), in the United States and other jurisdictions in connection with the offering and sale of a particular issue of Notes. Further restrictions applicable to any issue of Notes may be set out in the relevant Final Terms and must be observed, irrespective of</p>

the description in the Final Terms.

**United States Selling Restrictions**

Regulation S, Category 2. TEFRA C, TEFRA D or TEFRA not applicable, as specified in the applicable Final Terms.

**Clearing System**

The Notes of a Tranche or Series (unless stated otherwise in the applicable Final Terms) will be represented by a Global Note, which will be held in custody by or on behalf of Clearstream Banking AG, Frankfurt or a depositary common to Clearstream, Luxembourg and Euroclear Bank S.A./N.V until all obligations of the Issuer under the Notes have been satisfied. Notes may be held through additional or alternative clearing systems (including, without limitation, Clearstream, Luxembourg and Euroclear Bank S.A./N.V or Euroclear France) in which case the appropriate information will be contained in the applicable Final Terms.

In case of Italian Certificates where Monte Titoli is the relevant Clearing System, their circulation will be made pursuant to Italian legislative decree no. 213/1998 as amended and integrated and subsequent implementing provisions.

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

## ZUSAMMENFASSUNG DES PROSPEKTS

Die nachfolgende Zusammenfassung (die „**Zusammenfassung**“) ist als Einführung zu diesem Prospekt für ein Angebotsprogramm von Schuldverschreibungen (*Debt Issuance Programme Prospectus*) (nachfolgend auch der „**Prospekt**“) zu verstehen. Diese Zusammenfassung ist im Zusammenhang mit den an anderer Stelle in diesem Prospekt enthaltenen Informationen und den durch Verweis einbezogenen Dokumenten sowie sämtlichen Nachträgen hierzu zu lesen und insoweit begrenzt. Daher sollte jede Anlageentscheidung im Hinblick auf die Schuldverschreibungen und/oder die Zertifikate nicht allein auf dieser Zusammenfassung beruhen, sondern auf einer Gesamtbetrachtung des Prospektes nebst den durch Verweis einbezogenen Dokumenten sowie den endgültigen Bedingungen und etwaigen Nachträgen zum Prospekt, die im Zusammenhang mit der Emission von Schuldverschreibungen veröffentlicht werden.

Die Emittentin und die Garantin sowie jede Person, von der der Erlass dieser Zusammenfassung ausgeht, übernehmen gemäß § 5 Abs. 2 Satz 3 Wertpapierprospektgesetz (WpPG) die Verantwortung für den Inhalt dieser Zusammenfassung, einschließlich ihrer Übersetzung. Sie können jedoch für den Inhalt dieser Zusammenfassung nur für den Fall haftbar gemacht werden, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie im Zusammenhang mit den anderen Teilen des Prospekts gelesen wird. Jeder Anleger sollte sich darüber bewusst sein, dass für den Fall, dass er vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend macht, er in Anwendung einzelstaatlicher Vorschriften die Kosten für die Übersetzung des Prospektes vor Prozeßbeginn zu tragen haben könnte.

### Zusammenfassung in Bezug auf die Emittentin

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

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

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

Die Geschäftstätigkeit der Emittentin umfasst die Emission und Platzierung von Wertpapieren, überwiegend Optionsscheinen und Zertifikate, und damit zusammenhängende Tätigkeiten. Die Begebung von Wertpapieren durch die Emittentin erfolgt vornehmlich auf dem deutschen Markt, einem der wichtigsten Märkte für derivative Finanzprodukte. Die Wertpapiere können auch in bestimmten anderen EU-Mitgliedstaaten öffentlich angeboten werden.

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



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

Abschlussprüfer der Emittentin war für das Finanzjahr 2008 die Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3-5, 65760 Eschborn. Für das Geschäftsjahr zum 31. Dezember 2008 wurde der Abschluss der Emittentin durch die Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3-5, D-65760 Eschborn, geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.

Abschlussprüfer der Emittentin war für das Finanzjahr 2009 die Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main. Für das Geschäftsjahr zum 31. Dezember 2009 wurde der Abschluss der Emittentin durch die Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main, geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.

### Zusammenfassung ausgewählter Finanzangaben betreffend die Emittentin

*Die nachfolgenden ausgewählten Finanzdaten der Société Générale Effekten GmbH wurden den Jahresabschlüssen der Société Générale Effekten GmbH für die Geschäftsjahre zum 31. Dezember 2008 und 2009 nach HGB entnommen.*

#### *Ausgewählte Informationen aus der Gewinn- und Verlustrechnung*

	2009 TEUR	2008 TEUR	+/- TEUR	%
Erträge aus Options- und Zertifikateschäften	23.792.345	27.663.022	-3.870.677	-14
Aufwendungen aus Options- und Zertifikateschäften	-23.792.345	-27.663.022	3.870.677	14
<b>Betriebsleistung</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Sonstiges betriebliches Ergebnis	298	294	4	1
Personalaufwand	-215	-194	-21	-11
<b>Betriebsergebnis</b>	<b>83</b>	<b>100</b>	<b>-17</b>	<b>-17</b>
<b>Finanzergebnis</b>	<b>-2</b>	<b>15</b>	<b>-17</b>	<b>&gt;100</b>
<b>Ergebnis vor Ertragsteuern</b>	<b>81</b>	<b>115</b>	<b>-34</b>	<b>-30</b>
Ertragsteuern	-24	-33	9	27
<b>Jahresergebnis</b>	<b>57</b>	<b>82</b>	<b>-25</b>	<b>-30</b>

### Ausgewählte Informationen aus der Bilanz

Vermögen	31. Dez. 2008		31. Dez. 2007		+/- TEUR
	TEUR	%	TEUR	%	
Forderungen	35.678.762	82	42.340.485	76	-6.661.723
Sonstige Vermögensgegenstände	7.628.270	18	13.158.749	24	-5.530.479
Flüssige Mittel	184	0	203	0	-19
	<u>43.307.216</u>	<u>100</u>	<u>55.499.437</u>	<u>100</u>	<u>-12.192.221</u>
<b>Kapital</b>	<b>TEUR</b>	<b>%</b>	<b>TEUR</b>	<b>%</b>	<b>TEUR</b>
Eigenkapital	420	0	364	0	56
Rückstellungen	125	0	331	0	-206
Verbindlichkeiten	<u>43.306.671</u>	<u>100</u>	<u>55.498.742</u>	<u>100</u>	<u>-12.192.071</u>
	<u>43.307.216</u>	<u>100</u>	<u>55.499.437</u>	<u>100</u>	<u>-12.192.221</u>

### Zusammenfassung in Bezug auf die Garantin

Die Société Générale ist eine Kapitalgesellschaft mit beschränkter Haftung (*société anonyme*) nach französischem Recht und hat den Status einer Bank. Die Société Générale wurde mit Urkunde genehmigt durch Dekret vom 4. Mai 1864 gegründet. Die Dauer der Gesellschaft wurde zunächst festgelegt auf 50 Jahre ab dem 1. Januar 1899 und dann um weitere 99 Jahre ab dem 1. Januar 1949 verlängert. Die Gesellschaft wird am 31. Dezember 2047 auslaufen, sofern sie nicht abgewickelt oder ihre Dauer verlängert wurde.

Nach den gesetzlichen und regulatorischen Bestimmungen für Kreditinstitute, insbesondere den entsprechenden Artikeln des französischen Währungs- und Finanzgesetzes (*Code Monétaire et Financière*) unterliegt die Société Générale den Wirtschaftsgesetzen und insbesondere den Artikeln L. 210-1 ff. des Französischen Handelsgesetzbuches (*Code de commerce*) und der jeweiligen Satzung.

Die Société Générale ist im Handelsregister (Registre du commerce) unter der Nummer 552 120 222 R.C.S. Paris eingetragen. Die Geschäftsadresse der Société Générale ist: Boulevard Haussmann 29, 75009 Paris.

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

- das Betreiben von sämtlichen Bankgeschäften;
- sämtlichen Transaktionen im Zusammenhang mit Bankgeschäften, insbesondere Dienstleistungen im Zusammenhang mit Kapitalanlagen und damit verbundene Dienstleistungen im Sinne der Artikel L. 321-1 und L. 321-2 des französischen Währungs- und Finanzgesetzes (*Code monétaire et financier*);
- der Erwerb von Beteiligungen an anderen Unternehmen;

jeweils mit natürlichen oder juristischen Personen, in Frankreich oder im Ausland.

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

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

Zum 31. Dezember 2009 betrug das Grundkapital der Société Générale EUR 924.757.831.25 und war eingeteilt in 739.806.265 Aktien mit einem Nominalwert von EUR 1,25 pro Aktie. Jede dieser Aktien berechtigt zum Bezug von Dividenden aus Erträgen vom 1. Januar 2009 an. Als Teil der gruppenweiten Kapitalmarktaktivitäten können möglicherweise Transaktionen ausgeführt werden mit Bezug zu Indizes oder Basiswerten, bei denen die Société Générale eine Aktienkomponente ist. Diese Transaktionen haben keine Auswirkungen auf das zukünftige Kapital des Konzerns.

Abschlussprüfer der Société Générale sind die Ernst & Young Audit Wirtschaftsprüfungsgesellschaft, vertreten durch Herrn Philippe Peuch-Lestrade Faubourg de l'Arche - 11, allée de l'Arche, 92037 Paris - La Défense, Frankreich und die Gesellschaft Deloitte & Associés (früher Deloitte Touche Tohmatsu bis Oktober 2004), vertreten durch Herrn Damien Laurent und Herrn Jean-Marc Mickeler, 185 avenue Charles de Gaulle - BP 136, 92524 Neuilly-sur-Seine Cedex, Frankreich. Die Abschlussprüfer haben die Jahresabschlüsse der Société Générale für die beiden Geschäftsjahre endend zum 31. Dezember 2009 und zum 31. Dezember 2008 in Übereinstimmung mit allgemein anerkannten Prüfungsstandards in Frankreich und in Übereinstimmung mit IFRS geprüft und jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen.

Nach ihrer eigenen Einschätzung ist die Société Générale-Gruppe einer der führenden Konzerne im Bereich Finanzdienstleistungen in der Euro Zone, der in 83 Ländern mit ca. 156.681 Angestellten 128 verschiedener Nationalitäten agiert. Der Konzern ist organisiert über fünf Hauptgeschäftsbereiche: Französische Netzwerke (French Networks), Internationales Privatkundengeschäft (International Retail Banking), Spezialisierte Finanzierung und Versicherung (Specialized Financing and Assurances), Private Banking – Globales Investment Management und Dienstleistungen (Private Banking - Global Investment Management & Services) und Firmenkundengeschäft und Investment Banking (Corporate & Investment Banking).

(i) Französische Netzwerke

Die Französischen Netzwerke bilden den ersten Pfeiler der universellen Bankstrategie der Gruppe. Die Französischen Netzwerke sind um die beiden Strukturen und Marken Société Générale und Crédit du Nord mit ihren sechs Regionalbanken organisiert. Sie bieten eine große Produkt- und Servicevielfalt an, die den Bedarf einer breit gefächerten Kundschaft abdeckt, bestehend aus mehr als 9,8 Millionen Einzelkunden und mehr als 500.000 Unternehmen und Fachleuten.

(ii) Internationales Privatkundengeschäft

In den letzten zehn Jahren hat die Gruppe daran gearbeitet, die Gebiete, in denen sie tätig ist, auszuweiten und zu diversifizieren, mit dem Ziel speziell ihre Zielgruppe zu vergrößern und ihre Geschäftschancen zu steigern. Das Netzwerk, bestehend aus 652 Verkaufsstellen durch 21 Einheiten in 1999, hat jetzt 3.767 Zweigniederlassungen in 37 Ländern und 41 Einheiten. Die Angestellten des Internationalen Privatkundengeschäfts (beinahe 61.300), durch zahlreiche Nationalitäten repräsentiert, bieten eine Fülle an Erfahrung zum Nutzen der Kunden an. Mit einem Ertrag von 4.724 Millionen in 2009, wies der Bereich 22% der Einnahmen der Gruppe aus.

(iii) Spezialisierte Finanzierung und Versicherung

Dieser Bereich umfasst (i) spezialisierte Finanzierung (Konsumentenkredit, Ausstattungsfinanzierung, operationelles Vehikelleasing und Fuhrparkmanagement sowie IT Leasing und Management) und (ii) Lebens- und Nicht-Lebensversicherung. Der spezialisierte Finanzierungs- und Versicherungsbereich leitet und entwickelt ein Portfolio an Finanzaktivitäten in Frankreich und im Ausland für Einzelkunden und Unternehmen. Er agiert in 46 Ländern mit mehr als 30.000 Angestellten.

(iv) Private Banking – Globales Investment Management und Dienstleistungen

Der Bereich Private Banking - Globales Investment Management und Dienstleistungen umfasst die Vermögensverwaltung, mit Société Générale Asset Management und Amundi, der Partnerschaft mit Crédit Agricole Asset Management in Betrieb seit dem 01. Januar 2010; das Privatkundengeschäft mit Société Générale Private Banking; das Wertpapiergeschäft mit Société Générale Securities Services; derivatives Vermittlungsgeschäft mit Newedge und Online Banking mit Boursorama. Die 2.800 Angestellten der Société Générale Private Banking, tätig in 26 Ländern, bieten eine umfassende Vielfalt an Finanzdienstleistungen passend zu den speziellen Bedürfnissen von Geschäftsleuten und Einzelkunden mit einem finanziellen Eigenkapital von über 1 Million Euro an.

(v) Firmenkundengeschäft und Investment Banking

SG CIB ist Société Générale's Firmenkundengeschäfts- und Investment Banking Zweig. Mit beinahe 11.000 Angestellten in 33 Ländern, ist SG CIB präsent an den Hauptfinanzmärkten in den Regionen, in denen die Gruppe tätig ist, mit extensiver europäischer Abdeckung und Tätigkeiten in Zentral- und Osteuropa, Mittlerer Osten und Afrika, Amerika und dem asiatisch-pazifischen Raum. Es bietet seinen Kunden maßgeschneiderte Finanzlösungen kombiniert aus Innovation, Beratung und hoher Ausführungsqualität in drei Fachgebieten an: Investment Banking, Finanz- und Marktaktivitäten.

### Zusammenfassung ausgewählter Finanzangaben betreffend die Garantin

Die nachfolgenden ausgewählten Finanzdaten der Société Générale wurden den Konzernabschlüssen der Société Générale für die Geschäftsjahre zum 31. Dezember 2008 und 2009 nach IFRS entnommen.

	<u>2009</u>	<u>2008</u>	<u>Änderung</u>	
			<i>In Euro Mio.</i>	
Nettoergebnis aus Bankgeschäften.....	21.730	21.866	-0,6%	+0,7%*
Betriebsaufwand .....	(15.766)	(15.528)	+1,5%	+2,5%*
<b>Brutto-Betriebsergebnis .....</b>	<b>5.964</b>	<b>6.338</b>	<b>-5,9%</b>	<b>-3,6%*</b>
Zuführung (netto) in Rückstellungen .....	(5.848)	(2.655)	x2,2	x2,3*
<b>Betriebsergebnis</b>	<b>116</b>	<b>3.683</b>	<b>-96,9%</b>	<b>-94,9%*</b>
Nettoergebnis von Gesellschaften, die nach der Equity Methode einbezogen wurden .....	15	(8)	NM	
Nettoergebnis aus sonstigen Vermögensgegenständen .....	711	633	+12,3%	
Abschreibungen auf den Goodwill.....	(42)	(300)	+86,0%	
Ertragsteuern .....	308	(1.235)	NM	
Nettoergebnis vor Minderheitsbeteiligungen ..	1.108	2.773	-60,0%	
<i>O.w. Minderheitsbeteiligungen .....</i>	<i>430</i>	<i>763</i>	<i>-43,6%</i>	

<b>Nettoergebnis</b> .....	<b>678</b>	<b>2.010</b>	<b>-66,3%</b>	<b>-64,1*</b>
Aufwendungen/Ertrags-Verhältnis (Cost/Income Ratio).....	72,6%	71,0%		
Durchschnittliches zugeteiltes Kapital .....	30.245	28.425	+6,4%	
<b>ROE nach Steuern</b> .....	<b>0,9%</b>	<b>6,4%</b>		
<b>Basel II Tier 1 ratio**</b>	<b>10,7%</b>	<b>8,8%</b>		

\* Nach Anpassung im Hinblick auf Änderungen der Konzernstruktur und auf der Grundlage konstanter Wechselkurse

\*\* Spiegelt nicht zusätzliche Mindest-Kapitalanforderungen wider (In 2008 kann die Basel II Anforderung nicht weniger als 90% der CAD Anforderung sein)

## Zusammenfassung der Risikofaktoren

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

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

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

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

- Da die Emittentin die Schuldverschreibungen treuhänderisch auf Rechnung der Garantin begibt, sind die Inhaber der Schuldverschreibungen (jeder ein „**Schuldverschreibungsinhaber**“) unmittelbar abhängig vom Kreditrisiko der Garantin, und nicht vom Kreditrisiko der Emittentin. Jede Zahlungsverpflichtung der Emittentin unter diesen Schuldverschreibungen ist begrenzt auf die finanziellen Mittel, die von der Garantin aufgrund des Treuhandvertrags gewährt werden.
- Die Garantie begründet eine generelle ungesicherte vertragliche Verpflichtung der Garantin und keiner anderen Person; Zahlungen auf die Schuldverschreibungen sind von der Bonität der Garantin abhängig.
- Da die Société Générale neben ihrer Funktion als Garantin der Emittentin gleichzeitig auch Hedging Instrumente zur Verfügung stellt, sind die Anleger dem operativen Risiko ausgesetzt, das sich aus der fehlenden Unabhängigkeit der Garantin ergibt.
- Die Emittentin, die Garantin und ihre verbundenen Unternehmen können im Zusammenhang mit anderen Geschäftstätigkeiten über wesentliche Informationen über einen Basiswert verfügen oder diese erhalten. Derartige Geschäftsaktivitäten und

Informationen können nachteilige Konsequenzen für den Schuldverschreibungsinhaber zur Folge haben.

- Die Emittentin und die Garantin und jede ihrer Tochtergesellschaften und verbundenen Unternehmen können bezüglich der Schuldverschreibungen andere Funktionen wahrnehmen, z.B. als Market Maker, Berechnungsstelle, Verkaufsstelle, Agent und/oder Indexsponsor. Hierdurch kann ein potentieller Interessenkonflikt entstehen.
- Im Zusammenhang mit dem Angebot der Schuldverschreibungen können die Emittentin, die Garantin und ihre verbundenen Unternehmen Hedging-Transaktionen in Bezug auf einen Basiswert oder zugehörige Derivate eingehen, welche den Marktpreis, die Liquidität oder den Wert der Schuldverschreibungen beeinträchtigen können.
- Wenn Anleger Schuldverschreibungen erwerben, vertrauen sie ausschließlich auf die Kreditwürdigkeit der Garantin und nicht auf die Kreditwürdigkeit einer anderen Person, einschließlich des Emittenten zugrunde liegender Vermögenswerte oder Wertpapiere. Selbst wenn sich die Bonität von Emittenten zugrunde liegender Wertpapiere oder der Wert zugrunde liegender Vermögensgegenstände oder Indizes nicht ändert, kann eine Verringerung der Bonität der Garantin den Börsenkurs der Schuldverschreibungen wesentlich negativ beeinflussen.
- Die wesentlichen Risikofaktoren, welche die Fähigkeit des Konzerns beeinträchtigen können, seinen Verpflichtungen aus den Schuldverschreibungen gegenüber den Anlegern nachzukommen sind die Folgenden: Kreditrisiko, Marktrisiko, Operationelle Risiken, Investment Portfolio Risiko, Strukturelles Zins- und Währungsrisiko, Liquiditätsrisiko, Strategisches Risiko, Geschäftsrisiko, Risiken in Verbindung mit dem Versicherungsgeschäft, Veräußerungswertisiko.
- Es besteht das Risiko, dass die Emittentin ihre Verpflichtungen aus den Schuldverschreibungen nicht oder nur teilweise erfüllen kann.
  - Durch den Kauf von Schuldverschreibungen von der Emittentin sind die Anleger im Vergleich zu einem Emittenten mit bedeutend mehr Eigenkapital einem deutlich höheren Kreditrisiko ausgesetzt.
  - Die Emittentin ist nicht Mitglied eines Einlagensicherungsfonds oder eines ähnlichen Sicherungssystems.
  - Anleger sind auch dem Risiko der Insolvenz der Parteien ausgesetzt, mit denen die Emittentin derivative Transaktionen abschließt, um ihre Verpflichtungen unter den Schuldverschreibungen abzusichern. Die Emittentin unterliegt einem Klumpenrisiko, d.h. dem Kreditrisiko basierend auf der begrenzten Anzahl von potentiellen Vertragsparteien, mit denen die unterschiedlichen Absicherungsgeschäfte durchgeführt werden können.

### **Mit den Schuldverschreibungen verbundene Risiken**

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

- Die Schuldverschreibungen sind weder gesichert durch den Einlagensicherungsfonds des Bundesverbandes Deutscher Banken, noch vom Einlagensicherungs- und Anlegerentschädigungsgesetz. Außerdem sind sie nicht von der Garantieerklärung der Bundesregierung erfasst.
- Es ist grundsätzlich zu beachten, dass die Wertentwicklung der Schuldverschreibungen während der Laufzeit nicht exakt die Wertentwicklung des

Basiswerts (der Basiswerte) abbildet und von daher erheblich vom Auszahlungsprofil bei Fälligkeit abweichen kann.

- Die Schuldverschreibungen mögen nicht für alle Anleger geeignet sein. Jeder zukünftige Schuldverschreibungsinhaber muss auf der Grundlage seiner eigenen unabhängigen Beurteilungen und, soweit er es unter Berücksichtigung der Sachlage für erforderlich hält, unter Hinzuziehung professioneller Beratung, darüber entscheiden, ob der Kauf der Schuldverschreibungen in voller Übereinstimmung mit seinen finanziellen Bedürfnissen, Zielen und Bedingungen und mit allen anwendbaren Anlagegrundsätzen, Richtlinien und Beschränkungen steht und für ihn eine geeignete, sachgerechte und angemessene Anlage darstellt. Der Anleger sollte nur in die Schuldverschreibungen investieren, wenn er die Schuldverschreibungsbedingungen versteht. Alle Anleger sollten in Bezug auf alle Angelegenheiten, die jeweiligen Schuldverschreibungen betreffend, versiert sein und insbesondere das Leistungsversprechen der Emittentin und der Garantin vollumfänglich verstehen und begreifen. Falls dies nicht der Fall ist, wird von einem Investment in die Schuldverschreibungen abgeraten.
- Wo eine Emission von Schuldverschreibungen Bezug nimmt auf eine Formel in den anwendbaren Endgültigen Angebotsbedingungen auf Basis welcher die zahlbaren Zinsen und/oder der zahlbare Betrag und/oder die lieferbaren Vermögenswerte bei Rückzahlung berechnet werden, sollten potentielle Anleger sichergehen, dass sie die relevante Formel verstehen und, falls notwendig, von ihrem eigenem Finanzberater Rat einholen.
- Die Schuldverschreibungsbedingungen enthalten Regelungen in Übereinstimmung mit und bezugnehmend auf das Schuldverschreibungsgesetz zur Einberufung von Gläubigerversammlungen, um Angelegenheiten zu regeln, die ihre Interessen grundsätzlich berühren. Diese Regelungen erlauben es einer definierten Mehrheit, alle Schuldverschreibungsinhaber zu binden, einschließlich der Schuldverschreibungsinhaber, die an der Versammlung nicht teilnehmen und abstimmen und der Schuldverschreibungsinhaber, die entgegengesetzt stimmen. Ein entsprechender Beschluss kann einen negativen Einfluss auf die finanzielle Situation eines einzelnen Schuldverschreibungsinhabers haben.
- Die Bedingungen der Schuldverschreibungen beinhalten Regelungen, welche der Emittentin im Falle von offensichtlichen, evidenten oder augenscheinlichen Fehlern in den Bedingungen der Schuldverschreibungen die Erklärung einer Anfechtung erlauben.
- Weder die Emittentin noch die Zahlstelle noch eine andere Person ist verpflichtet, als Ergebnis der Erhebung von Quellensteuer, die durch die Umsetzung der EU Zinsbesteuerungsrichtlinie eingeführt wurde, zusätzliche Beträge hinsichtlich einer Schuldverschreibung zu zahlen.
- Zu den möglichen steuerlichen Risiken einer Anlage in die Schuldverschreibungen zählen unter anderem das Risiko der Doppelbesteuerung, Unsicherheiten bei der steuerlichen Behandlung von Schuldverschreibungen mit basiswertabhängiger Verzinsung und/oder Rückzahlung und besondere Regelungen zu Spekulationsfristen.
- Es kann keine Zusicherung hinsichtlich der Auswirkungen einer möglichen gerichtlichen Entscheidung oder einer Änderung von Gesetzen oder Verwaltungspraktiken gegeben werden, die auf die Schuldverschreibungen nach dem Datum dieses Prospekts Anwendung finden.
- Aufgrund von Transaktions- und anderen Kosten, kann ein möglicher Gewinn aus den Schuldverschreibungen geringer ausfallen als erwartet. Zusätzliche Kosten beim Kauf- und Verkauf der Schuldverschreibungen können das Gewinnpotential verringern oder sogar ausschließen.

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

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

- Bei Schuldverschreibungen ohne feste Laufzeit ist die Laufzeit der Schuldverschreibungen von der durch die Emittentin gewählten optionalen Einlösung (sofern eine solche überhaupt erfolgt) abhängig. Falls es keinen Sekundärmarkt gibt, kann die Möglichkeit bestehen, dass der Anleger seine Schuldverschreibungen nicht wieder veräußern kann.
- Die Möglichkeit zur Rückzahlung nach Wahl der Emittentin schränkt wahrscheinlich den Marktwert solcher Schuldverschreibungen ein. Potentielle Anleger sollten zudem das Risiko der Möglichkeit einer Wiederanlage in andere zum Zeitpunkt einer vorzeitigen Kündigung zur Verfügung stehende Anlagemöglichkeiten berücksichtigen.
- Die Schuldverschreibungen können eine automatische vorzeitige Rückzahlung gekoppelt an ein spezielles Ereignis vorsehen. In diesem Fall partizipiert der Schuldverschreibungsinhaber nicht an einer zukünftigen Wertentwicklung des Basiswerts.
- Zahlungen (sei es im Hinblick auf den Nennbetrag oder Zinsen, entweder bei Fälligkeit oder zu einem anderen Zeitpunkt) auf strukturierte Schuldverschreibungen (wie unten definiert) errechnen sich nach bestimmten Basiswerten. Der Ertrag dieser Schuldverschreibungen basiert auf der Veränderung des Basiswertes, welcher steigen und fallen kann. Mögliche Anleger sollten beachten, dass der Marktpreis solcher Schuldverschreibungen volatil sein kann, sie möglicherweise keine Zinsen erhalten und sie möglicherweise den gesamten Kapitalbetrag oder einen wesentlichen Teil des Kapitalbetrages verlieren können. Schuldverschreibungsinhaber von Doppelwährungs-Schuldverschreibungen sind dem Risiko von Schwankungen der Umtauschkurse ausgesetzt, welche den Ertrag der Schuldverschreibungen beeinflussen können, wenn Währungsverluste eintreten.
- Sofern eine auf die Schuldverschreibungen zu zahlende Nennbetragsrate nicht gezahlt wird, könnte dies zur Folge haben, dass der Anleger seine gesamte Anlage verliert.



- Die Anlage in festverzinslichen Schuldverschreibungen beinhaltet das Risiko, dass nachfolgende Änderungen der Marktzinssätze den Wert der festverzinslichen Schuldverschreibungen nachteilig beeinflussen können.
- Schuldverschreibungen mit variabler Verzinsung können volatile Anlagen sein. Die Volatilität kann noch erhöht sein, sofern die Schuldverschreibungen so strukturiert sind, dass sie Hebel-Faktoren enthalten.
- Invers-variabel verzinsliche Schuldverschreibungen sind besonders volatil, da eine Erhöhung des Referenzsatzes nicht nur den Zinssatz der Schuldverschreibungen verringert, sondern darüber hinaus aus einer Erhöhung der aktuellen Marktzinssätze folgen kann, wodurch sich der Marktwert dieser Schuldverschreibungen im Verhältnis weiter verringert.
- Änderungen des Marktzinssatzes haben einen wesentlich stärkeren Einfluss auf den Preis der Null-Kupon Schuldverschreibungen als auf den Preis von einfachen Schuldverschreibungen, weil deren diskontierter Ausgabepreis wesentlich unter Par liegt.
- Strukturierte Schuldverschreibungen bei denen der Basiswert mit einem bestimmten Faktor multipliziert wird, um den zu zahlenden Betrag zu bestimmen, unterliegen einer erhöhten Volatilität und erhöhten Risiken, einschließlich des Totalverlustes des eingesetzten Kapitals.
- Schuldverschreibungen mit Kapitalschutz führen nicht notwendigerweise jederzeit während der Laufzeit der Schuldverschreibungen zu einem Schutz des angelegten Kapitals und ein Unvermögen der Emittentin und/oder der Garantin, ihren Verpflichtungen nachzukommen, kann zu einem Totalverlust des durch den Anleger angelegten Kapitals führen.
- Schuldverschreibungen können auf den Eintritt bestimmter Ereignisse bezogen sein, die unabhängig von der Emittentin bzw. der Garantin sind, wie z. B. Wetter- oder Sportereignisse, deren Eintritt in den meisten Fällen ausschließlich auf dem Zufall beruhen und nicht beeinflussbar sein wird und die auch gänzlich ausbleiben können.
- Für den Fall, dass die Schuldverschreibungen eine Lieferung von Basiswerten bei Einlösung vorsehen (wie in den maßgeblichen Endgültigen Bedingungen angegeben), müssen die Anleger bestimmte Maßnahmen ergreifen und es wird davon ausgegangen, dass sie ihre eigene Prüfung und Einschätzung ihrer Fähigkeit und Möglichkeit, diese Basiswerte in Empfang zu nehmen, vorgenommen haben.
- Die Einlösung einer Schuldverschreibung, Zinszahlungen oder die physische Lieferung unter einer Schuldverschreibung können von dem Eintritt eines Knock-In-Ereignisses oder eines Knock-Out-Ereignisses abhängig sein.
- Die Bedingungen der Schuldverschreibungen können Regelungen enthalten, nach denen bei bestimmten Marktunterbrechungen Verzögerungen in der Abwicklung der Schuldverschreibungen hinzunehmen sind oder bestimmte Änderungen der Bedingungen der Schuldverschreibungen vorgenommen werden können. Darüber hinaus könnte eine vorzeitige Kündigung der Schuldverschreibungen durch den Emittenten erfolgen.
- Die Emittentin und/oder mit ihr verbundene Unternehmen können Geschäfte zu Risikominimierungs- und/oder Hedge- oder anderen Zwecken vornehmen, die als den Interessen der Schuldverschreibungsinhaber entgegenstehend betrachtet werden können.

*Risikofaktoren im Hinblick auf Strukturierte Schuldverschreibungen, deren Rückzahlungsbetrag an einen oder mehrere Fondsanteil(e) geknüpft ist*

- Eine Anlage in Schuldverschreibungen, die sich auf Fondsanteile beziehen, beinhaltet auch alle Risiken der zugrunde liegenden Fonds.
- Allgemeine Risiken bezogen auf Fonds beinhalten die Abhängigkeit von den Fähigkeiten des jeweiligen Fondsmanagers, dass die Emittentin und die Garantin grundsätzlich keinen Einfluss auf die Investitionstätigkeit oder die Performance der zugrunde liegenden Fonds haben und der Wert der Fonds sich mit dem Wert ihrer jeweils zugrunde liegenden Anlagen verändert.
- Zusätzliche Anlagen in den Fonds oder Rücknahmen von Anlagen aus den Fonds können den Wert des Fonds nachteilig beeinflussen und entsprechend den Wert der oder die Auszahlung unter den Schuldverschreibungen.
- Die Fondsmanager unterliegen keinerlei Verpflichtungen gegenüber den Schuldverschreibungsinhabern und berücksichtigen nicht deren Interessen.
- Gebühren und andere Kosten, die ungeachtet der Performance des Fonds anfallen, verringern den Wert der Fondsanteile und dementsprechend auch den Rückzahlungsbetrag, der an die Schuldverschreibungsinhaber zu zahlen ist.
- Die Illiquidität der zugrundeliegenden Fondsinvestments kann die Zahlung des Rückzahlungsbetrages oder vorzeitigen Rückzahlungsbetrags und/oder eines Zwischenbetrags reduzieren oder verzögern.
- Falls der zugrundeliegende Fonds durch eine Master Feeder Struktur investiert, kann letztere einen nachteiligen Einfluss auf den zugrundeliegenden Fonds haben und folglich auf die Schuldverschreibungen. (Master Feeder Struktur: Ein Investmentfonds oder anderer Fonds, der ausschließlich in einen anderen Fonds investiert. Anteile des Feeder Fonds repräsentieren Anteile in dem zweiten Fonds (der sog. Master Fonds), welcher im Gegenzug, Anteile in den zugrundeliegenden Wertpapieren repräsentiert.)
- Das Angebot der Schuldverschreibungen stellt keine Anlageempfehlung der Emittentin oder der Société Générale oder ihrer verbundenen Unternehmen für eine Anlage in einen der zugrunde liegenden Fonds dar.
- Um ihre Verpflichtungen aus den Schuldverschreibungen abzusichern, kann die Emittentin Absicherungsgeschäfte abschließen und die Absicherungsentscheidungen des sich absichernden Kontrahenten können dazu führen, dass Übertragungen, die von dem sich absichernden Kontrahenten in den Fonds hinein oder aus dem Fonds heraus erfolgen, den Wert der Fondsanteile und wiederum die Zahlungen unter den Schuldverschreibungen beeinflussen können.
- Sofern sich die Schuldverschreibungen auf die Performance eines oder mehrerer Hedge Fonds beziehen, kann eine Anlage in die Schuldverschreibungen, zusätzlich zu den generellen Risiken von Fonds, wie oben beschrieben, weitere zusätzliche typische Risiken von Hedge Fonds aufgrund ihres spekulativen Charakters enthalten. Potentielle Anleger sollten sich bewusst sein, dass Hedge Fonds (einschließlich solcher Fonds, die durch Manager, die mit der Société Générale verbunden sind, gemanagt werden) keine Informationen bezüglich ihrer Anlagen und/oder Details ihrer Anlagemethoden offen legen.
- Hedge Fonds beinhalten vielfältige Anlagestrategien, von denen jede große Risiken enthalten kann; darüber hinaus verwenden Hedge Fonds im Allgemeinen technische Systeme, deren Versagen oder Ausfall zu erheblichen Verlusten oder zu einer Nichtrealisierung von Anlagemöglichkeiten führen kann. Generell bestehen keinerlei Beschränkungen hinsichtlich der Anlageinstrumente oder der Kontrahenten

(*Counterparty*), in die ein Hedge Fonds investieren kann; aus diesem Grund können derartige Anlageinstrumente und Counterparties hoch spekulative und risikoreiche Anlagen umfassen.

- Die Performance von Hedge Fonds kann sehr volatil sein.
- Die Verwendung eines Hebels oder kurzfristige Verkäufe können das Risiko eines Verlustes des Wertes der Hedge Fonds Anteile erhöhen.
- Zusätzlich zu festen Managementgebühren sind Performance-Gebühren bei Hedge Fonds üblich, die einen Anreiz schaffen können, in Anlagen zu investieren, die riskanter und spekulativer sind als solche, in die möglicherweise ohne die Existenz derartiger Gebühren angelegt werden würde.
- Da die Vermögenswerte von Hedge Fonds üblicherweise verwahrt werden, gibt es ein potentielles Risiko von Verlusten aufgrund eines Verstoßes gegen die Pflicht, die erforderliche Sorgfalt anzuwenden, missbräuchlichen Verhaltens oder einer möglichen Insolvenz der verwahrenden Stelle oder des Unterverwahrers (sofern vorhanden).
- Hedge Fonds unterliegen in besonderem Maße Zahlungsausfallrisiken (Kontrahenten- oder Emittentenrisiken), da sie keinen Beschränkungen hinsichtlich der Kontrahenten unterliegen.
- Vermittlungsprovisionen können Portfolio Manager dazu verleiten, Geschäfte mit einer Person zu tätigen, selbst wenn diese nicht zu den niedrigsten Geschäftskonditionen anbietet.
- Hedge Fonds unterliegen nicht der gleichen Aufsicht wie Investmentfonds oder Wertpapiere; aus diesem Grund profitieren Anleger, die in Hedge Fonds investieren, nicht von Schutzmaßnahmen, die Gesetze und Verordnungen bezüglich Investmentfonds oder Wertpapieren vorsehen.
- Wenn der Basiswert ein oder mehrere Dach-Hedgefonds ist/sind, müssen zusätzlich zu den Risiken von Single Hedge Fonds (die sich auf der Ebene der Zielfonds verwirklichen können) die spezifischen Risiken von Dach-Hedgefonds berücksichtigt werden.
- Eine Anlage in Strukturierte Schuldverschreibungen, die auf Hedge Fonds (und Dach Hedge Fonds) bezogen sind, beinhaltet erhebliche Risiken. Anleger müssen in der Lage sein, diese Risiken zu tragen, einschließlich eines Totalverlustes des angelegten Kapitals.

*Allgemeine Risikofaktoren im Hinblick auf Strukturierte Schuldverschreibungen, die sich auf Aktien oder Indizes oder Rohstoffe (oder auf diese bezogene Terminkontrakte) beziehen*

- Wenn Zahlungen unter den Strukturierten Schuldverschreibungen durch Bezugnahme auf einen Index oder einen Korb von Indizes oder eine Aktie oder einen Korb von Aktien oder auf einen Rohstoff oder einen Korb von Rohstoffen (oder auf diese bezogene Terminkontrakte) berechnet werden, basiert die Rendite der Schuldverschreibungen auf Änderungen des Wertes des Referenzvermögenswertes, der Schwankungen unterliegt und nicht vorhergesagt werden kann. Die historische Wertentwicklung des Referenzvermögenswertes sollte nicht als Indikator für die zukünftige Wertentwicklung verwendet werden.
- Die effektive Einlösungsrendite der Schuldverschreibungen kann geringer ausfallen als die, die bei einem konventionellen Schuldtitel mit festem oder variablem Zins zu zahlen wäre.

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

- Zahlungen von Einkünften (wie beispielsweise Dividenden bei einem Index, in dem Aktien als Basiswerte enthalten sind) werden möglicherweise nicht widergespiegelt, da der Index gegebenenfalls durch Bezugnahme auf die Kurse der in dem Index enthaltenen Basiswerte berechnet wird, während der Wert irgendwelcher auf die Basiswerte gezahlter Erträge keine Berücksichtigung findet.
- Die von einem Sponsor eines Index angewendeten Regeln betreffend die Zusammensetzung und die Berechnung der Indexvermögenswerte können den Wert des Index beeinflussen. Zusätzlich können Indizes Gebühren sowie Kosten unterliegen, die den an die Schuldverschreibungsinhaber zu zahlenden endgültigen Rückzahlungsbetrag reduzieren können.

### *Spezifische Risiken bei auf Aktien oder auf andere Wertpapiere bezogenen Strukturierten Schuldverschreibungen*

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

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

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

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

- Auf Rohstoffe bezogene Strukturierte Schuldverschreibungen können vom Emittenten zum Nominalwert und/oder durch Lieferung der zugrunde liegenden Vermögensgegenstände(n) und/oder durch Zahlung eines Betrages, der unter Bezugnahme auf den Wert der zugrunde liegenden Vermögensgegenständen bestimmt wird, zurückgezahlt werden. Dementsprechend kann die Anlage in Strukturierten Schuldverschreibungen, die auf Rohstoffe bezogen sind, mit ähnlichen Risiken behaftet sein, wie ein Direktinvestment in die jeweiligen Rohstoffe, so dass sich Anleger dahingehend beraten lassen sollten.
- Aufgrund der Laufzeitstruktur von zukünftigen Preisen auf Rohstoffe, die auch in einem Rohstoff Future Index enthalten sind, kann der Kurs der Schuldverschreibungen für den Schuldverschreibungsinhaber in einer positiven oder negativen Art und Weise beeinflusst werden, abhängig von dem jeweiligen

Unterschied zwischen dem zu ersetzenden Kurs des Futures bezogen auf Rohstoffe und dem Kurs des Futures bezogen auf Rohstoffe nach einer solchen Ersetzung.

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

- Im Falle des Auftretens von bestimmten Umständen in Bezug auf die Referenzeinheit kann die Verpflichtung des Emittenten zur Rückzahlung des Nominalbetrags durch (i) die Verpflichtung andere Beträge, die entweder bestimmten festen Werten gemäß der Endgültigen Bedingungen entsprechen oder die unter Bezugnahme auf den Wert der bzw. des Basiswerte(s) ermittelt werden (welcher in jedem Fall geringer sein kann als der Nominalwert der Schuldverschreibung zu diesem Zeitpunkt) und/oder (ii) durch eine Verpflichtung den Basiswert zu liefern, ersetzt werden. Zudem können verzinste auf Kreditrisiken bezogene Schuldverschreibungen vor oder an dem Tag, an dem solche Umstände eintreten, nicht mehr verzinst werden. Demgemäß können Schuldverschreibungsinhaber Schwankungen der Kreditwürdigkeit der Referenzeinheit bis zur Höhe ihres Gesamtinvestments in der Schuldverschreibung ausgesetzt sein.
- Die Emission der Credit Linked Schuldverschreibung ist keine Versicherung oder Abgabe einer Garantie in irgendeiner Form hinsichtlich der Referenzeinheit(en).
- Credit Ratings (einschließlich, soweit anwendbar von, Schatten Credit Ratings oder Credit Rating Schätzungen) und Credit Spreads der Referenzeinheit oder der Referenzverpflichtung geben die Meinung der maßgeblichen Ratingagentur oder der Marktteilnehmer betreffend die Wahrscheinlichkeit von Zahlungen von Beträgen der Referenzeinheit wieder, die gemäß den Bedingungen einer ihrer Verpflichtungen fällig sind, sind jedoch keine Garantie einer solchen Zahlung oder der Kreditwürdigkeit der Referenzeinheit.
- Potentielle Schuldverschreibungsinhaber sollten sich selbst über die Natur und die finanzielle Lage anderer in die Emission involvierter Parteien, einschließlich der Referenzeinheit und ihrer Verpflichtungen, informieren und diese einschätzen.
- Die Schuldverschreibungen begründen keine Rechte der Schuldverschreibungsinhaber gegen die Referenzeinheit.
- Wenn die Société Générale Berechnungsstelle ist, kann sie gemäß den Bedingungen der Schuldverschreibungen für die Zwecke der Bestimmung des Barauszahlungsbetrages oder des Betrages der physischen Lieferung Verpflichtungen mit dem niedrigsten Preis von allen Verpflichtungen wählen, die die maßgeblichen Kriterien erfüllen.
- Der Barauszahlungsbetrag kann null betragen, wenn es nicht möglich ist, Quotierungen von den Quotierungsanbietern für die gewählten Verpflichtungen zu erhalten.

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

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

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

- Der Marktwert von Anleihen wird neben anderen Faktoren von der Kreditwürdigkeit der Emittentin der jeweiligen Anleihe, vom allgemeinen Zinsniveau, von der

verbleibenden Laufzeit bis zur Fälligkeit sowie von der Liquidität des jeweiligen Markts beeinflusst.

#### *Spezifische Risiken bei auf Lebensversicherungsverträge bezogenen Strukturierten Schuldverschreibungen*

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

#### *Spezifische Risiken bei auf Dividenden bezogenen Strukturierten Schuldverschreibungen*

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

#### *Spezifische Risiken bei auf Rechnungseinheiten bezogenen Strukturierten Schuldverschreibungen*

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

#### *Spezifische Risiken bei Italienischen Zertifikaten*

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

#### **Marktrisiken und sonstige Risiken**

- Die Entwicklung der Marktpreise der Schuldverschreibungen hängt von einer Vielzahl von Faktoren ab, wie z.B. die Kreditwürdigkeit der Emittentin bzw. der Garantin, die Veränderung des Marktniveaus von Zinssätzen, der Politik der Zentralbanken, allgemeinen wirtschaftlichen Entwicklungen, Inflationsraten, Deflationsraten, dem Mangel oder Überangebot an Nachfrage für die maßgebliche Art der Schuldverschreibung.
- Angehende Investoren dieser Schuldverschreibungen sollten wissen, dass der Anschaffungspreis einer Schuldverschreibung nicht zwangsläufig ihren fairen (mathematischen) Wert reflektiert.
- Die Preise, angeboten von einem Market Maker, können materiell von dem fairen (mathematischen) Marktwert bzw. von dem erwarteten wirtschaftlichen Wert der Schuldverschreibungen abweichen, basierend auf den oben genannten Faktoren zu der maßgeblichen Zeit.

- Für die Schuldverschreibungen besteht möglicherweise im Zeitpunkt ihrer Ausgabe kein Markt, und ein solcher Markt oder Handel entwickelt sich möglicherweise niemals. Wenn sich ein solcher Markt entwickelt, ist er möglicherweise nicht sehr liquide. Daher sind Anleger möglicherweise nicht in der Lage, ihre Schuldverschreibungen ohne weiteres zu verkaufen oder zu Preisen zu verkaufen, durch die sie eine Rendite erzielen, die mit Wertpapieren vergleichbar ist, für die ein entwickelter Sekundärmarkt besteht.
- Potentielle Anleger in die Schuldverschreibungen sollten sich bewusst sein, dass ihre Anlage Währungskurs-, Redenominierungs-, Abwertungs- und andere währungsbezogene Risiken beinhalten kann. Die Emittentin führt Zahlungen auf die Schuldverschreibungen in der jeweils festgelegten Währung durch. Hieraus ergeben sich Risiken im Hinblick auf die Währungsumrechnung, wenn die finanziellen Aktivitäten eines Anlegers im Wesentlichen auf eine Währung oder Währungseinheit gerichtet sind, die nicht die jeweils festgelegte Währung der Schuldverschreibungen ist. Dies gilt insbesondere im Falle einer erheblichen Veränderung der Wechselkurse.
- Fluktuationen von Währungskursen sowie Redenominierungen und Abwertungen (aufgrund von Währungsreformen oder anderen Gründen) können nicht ausgeschlossen werden und können den Wert der Schuldverschreibung oder des/der Basiswert(s)(e) beeinflussen.
- Regierungen und Währungsbehörden können (wie es einige in der Vergangenheit gemacht haben) Währungskontrollen auferlegen, die einen anwendbaren Währungskurs negativ beeinflussen können.
- Wenn die Währung, in der die Schuldverschreibungen und oder der/die Basiswert(e) denominated sind, (i) aufgrund der Einführung von Währungskontrollen oder anderer Umstände außerhalb der Kontrolle der Emittentin und/oder der Garantin nicht verfügbar ist oder wird, (ii) nicht mehr von den Regierungen verwendet wird, die diese Währung emittieren oder diese Währung als ihre gesetzliche Währung übernommen haben (z.B. im Fall einer Redenominierung) oder (iii) von öffentlichen Institutionen der internationalen Bankengemeinschaft nicht mehr für die Abwicklung von Geschäften verwendet wird, kann dies negative Auswirkungen auf den Wert der Schuldverschreibungen und die von einem Schuldverschreibungsinhaber darauf erhaltenen Beträge oder anderen Vermögenswerte haben.
- Credit Ratings der Schuldverschreibungen geben unter Umständen nicht die potentielle Auswirkung aller Risiken hinsichtlich Struktur, Markt, oben angegebener zusätzlicher Faktoren und anderen Faktoren, die den Wert der Schuldverschreibungen beeinflussen können, wieder.

*Gesetzliche Anlageerwägungen können bestimmte Anlagen einschränken*

- Die Anlageaktivitäten bestimmter Investoren unterliegen gesetzlichen Anlagebestimmungen und Verordnungen oder der Prüfung oder Aufsicht bestimmter Behörden.

*Eine Herabsetzung des Ratings der Garantin kann den Marktwert der Schuldverschreibungen beeinflussen*

- Die Bonitätseinstufung (Credit Rating) der Garantin ist eine Einschätzung dahingehend, ob sie in der Lage ist bzw. sein wird, ihre finanziellen Verpflichtungen zu erfüllen, einschließlich derjenigen in Verbindung mit den Schuldverschreibungen. Dementsprechend beeinflusst die tatsächliche oder zu erwartende Herabstufung des Credit Ratings der Garantin möglicherweise den Kurs der jeweiligen Schuldverschreibungen.

### *Finanzmarktkrisen*

- Finanzmarktkrisen (z.B. US-Subprime Krise), insbesondere solche, die über ihren „Ursprung“ hinaus negative Wirkungen entfalten und verschiedene Marktteilnehmer und Teilmärkte global in unterschiedlicher Weise beeinflussen, könnten einen wesentlichen Einfluss auf die Geschäftstätigkeit sowie die Vermögens-, Finanz- und Ertragslage der Emittentin und/oder der Garantin und/oder des Konzerns haben. Das gleiche gilt für die auf die Schuldverschreibungen zu zahlenden Beträge und den Marktwert der Instrumente.



## Zusammenfassung des Angebots und der Schuldverschreibungen

### *Gründe für das Angebot*

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

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

### *Angebotsstatistik und geschätzter Zeitplan*

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

### *Verwendung der Emissionserlöse*

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

### *Einzelheiten bezüglich des Programms*

Großgeschriebene Begriffe haben dieselbe Bedeutung wie in den "Bedingungen der Schuldverschreibungen " (*Terms and Conditions of the Notes*) definiert.

*Wenn die Schuldverschreibungen als verbriefted Derivate zu qualifizieren sind, die in Italien öffentlich angeboten werden sollen und/oder die für die Börsennotierung an der italienischen Börse auf dem Markt für verbriefted Derivate (SeDex) geeignet sind und/oder die an anderen regulierten oder unregulierten Märkten notiert werden sollen, sollen alle hier enthaltenen Bezugnahmen auf Schuldverschreibungen als Bezugnahmen auf Zertifikate (die "**Italienischen Zertifikate**") gelten.*

<b>Emittentin</b>	Société Générale Effekten GmbH (handelnd in eigenem Namen aber für Rechnung der Société Générale)
<b>Garantin</b>	Société Générale
<b>Beschreibung</b>	Angebotsprogramm für die Begebung von Nicht-Dividendenpapieren unter deutschem Recht. Die Emittentin kann unter diesem Programm Schuldverschreibungen in Form (einschließlich einer Kombination) von festverzinslichen oder variabel verzinslichen Schuldverschreibungen, Ratenzahlungs-Schuldverschreibungen, Nullkupon-Schuldverschreibungen, teileingezahlten Schuldverschreibungen, Doppelwährungs-Schuldverschreibungen, Schuldverschreibungen mit physischer Lieferung, Strukturierten Schuldverschreibungen begeben. Jede Schuldverschreibung wird ausschließlich auf nicht-nachrangiger Basis begeben.
<b>Arranger</b>	Société Générale
<b>Dealer</b>	Die Schuldverschreibungen werden auf der Basis von Konsortialübernahmeverträgen durch Dealer oder auf der Grundlage von bilateralen Vereinbarungen mit oder ohne Beteiligung von Dealer/n/Käufer/n vertrieben. Die folgende/n Bank/en kann/können als Dealer auftreten: Société Générale und jeder weitere Dealer/Käufer, der gemäß dem Dealer Agreement - für das Programm als Ganzes oder für einzelne oder mehrere Tranchen - benannt worden ist.
<b>Manager</b>	Die maßgeblichen endgültigen Bedingungen in Bezug auf eine Tranche von Schuldverschreibungen können (einen) Manager vorsehen.
<b>Agent</b>	Société Générale
<b>Berechnungsstelle</b>	Die maßgeblichen endgültigen Bedingungen in Bezug auf eine Tranche von Schuldverschreibungen können eine Berechnungsstelle ( <i>Calculation Agent</i> ) für bestimmte Arten von Schuldverschreibungen, insbesondere Strukturierte Schuldverschreibungen, vorsehen.
<b>Zahlstelle</b>	Société Générale, Zweigstelle Frankfurt am Main, und/oder gegebenenfalls Société Générale Bank & Trust, Luxemburg, oder jede zusätzliche oder nachfolgende Zahlstelle, die in Übereinstimmung mit den Bedingungen der Schuldverschreibungen festgelegt wird.
<b>Volumen des Programms</b>	Unbestimmt. Der Gesamtnennbetrag jeder Tranche von Schuldverschreibungen wird zwischen der Emittentin, der Garantin und dem/den jeweiligen Dealer/n/Käufer/n vereinbart und in den maßgeblichen endgültigen Bedingungen festgelegt; jeweils in Übereinstimmung mit den Vorschriften des Dealer-Agreement und dem Wertpapierprospektgesetz.
<b>Angebot</b>	Die Emittentin kann auf der Basis von Übernahmeverträgen oder auf der Grundlage von bilateralen Vereinbarungen Schuldverschreibungen öffentlich anbieten oder die Schuldverschreibungen privat platzieren; jeweils mit oder ohne Zeichnungsfrist und jeweils auf syndizierter oder nicht syndizierter Basis. Die Einzelheiten des jeweiligen Angebots

werden in den maßgeblichen endgültigen Bedingungen festgelegt.

#### **Währungen**

Euro oder jede andere Währung, die zwischen der Emittentin, der Garantin und dem/den maßgeblichen Dealer/n/Käufer/n jeweils in den maßgeblichen endgültigen Bedingungen in Übereinstimmung mit den jeweils anwendbaren gesetzlichen und devisenrechtlichen Bestimmungen festgelegt wird.

#### **Laufzeiten**

Die Laufzeit jeder Tranche der Schuldverschreibungen wird in den maßgeblichen endgültigen Bedingungen unter Berücksichtigung von Mindest- und Maximallaufzeiten, die von der maßgeblichen Zentralbank (oder einer entsprechenden Institution) oder nach den für die jeweils gewählte Währung oder die jeweilige Emittentin oder Garantin geltenden gesetzlichen Bestimmungen gestattet oder vorgeschrieben werden, festgelegt. Die Emittentin kann auch Schuldverschreibungen mit unbegrenzter Laufzeit begeben (Open End Schuldverschreibungen).

Für Italienische Zertifikate sollen alle Bezugnahmen auf den "Fälligkeitstag" anstatt dessen als Bezugnahmen auf den "Endgültigen Ausübungstag" gelten.

#### **Ausgabepreis**

Schuldverschreibungen werden entweder als voll oder teileingezahlte Schuldverschreibungen zu einem Emissionspreis ausgegeben (ausgedrückt entweder (i) als Prozentsatz oder (ii) als Betrag je Schuldverschreibung; jeweils bezogen auf den Nennbetrag) welcher dem Nennbetrag entspricht oder einen Abschlag oder Zuschlag gegenüber dem Nennbetrag aufweist (wie in den maßgeblichen Endgültigen Bedingungen festgelegt).

#### **Form der Schuldverschreibungen**

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

Im Fall von Italienischen Zertifikaten bei denen Monte Titoli die maßgebliche Clearing-Stelle ist, erfolgt ihr Umlauf gemäß italienischem Legislativverlass Nr. 213/1998 in der geänderten, integrierten Fassung und einschließlich aller danach ergangenen Umsetzungsregelungen.

#### **Verzinsung bei Schuldverschreibungen**

Feste Zinsen werden an dem Termin bzw. den Terminen, die zwischen der Emittentin, der Garantin und dem/den

<b>mit festem Zinssatz</b>	maßgeblichen Dealer/n/Käufer/n vereinbart werden (wie in den maßgeblichen endgültigen Bedingungen festgelegt), sowie bei Rückzahlung fällig und werden auf Grundlage des zwischen der Emittentin, der Garantin und dem/den maßgeblichen Dealer/n/Käufer/n in den maßgeblichen Endgültigen Bedingungen vereinbarten Zinstagequotienten berechnet.
<b>Teileingezahlte Schuldverschreibungen</b>	Die Emittentin kann Schuldverschreibungen begeben, die zum Zeitpunkt ihrer Begebung nicht voll eingezahlt sind und deren Bedingungen vorsehen, dass der verbleibende einzuzahlende Nennbetrag in einer oder mehreren Raten, an einem oder mehreren vorher festgelegten Termin(en) eingezahlt wird (Teileingezahlte Schuldverschreibungen). Wenn ein Schuldverschreibungsinhaber eine Rate nicht innerhalb der angegebenen Zeit zahlt, die für eine Teileingezahlte Schuldverschreibung fällig ist, kann die Emittentin diese Schuldverschreibung verfallen lassen und hat keine weitere Verpflichtung gegenüber diesem Schuldverschreibungsinhaber in Bezug auf diese.
<b>Verzinsung bei Schuldverschreibungen mit variabler Verzinsung</b>	<p>Schuldverschreibungen mit variabler Verzinsung werden mit einem Zinssatz verzinst, der entweder (i) auf Basis eines Referenzzinssatzes, der auf einer festgelegten Bildschirmseite eines kommerziellen Kursdienstes angezeigt wird, oder (ii) auf derselben Grundlage wie der variable Zinssatz einer fiktiven Zinssatzwaptransaktion in der entsprechenden Währung nach Maßgabe einer durch Abschlussbestätigung belegten Vereinbarung, die die "2006 ISDA-Definitionen" (wie von der International Derivatives Association, Inc. veröffentlicht und in der Fassung des ersten Emissionstages der ersten Tranche von Schuldverschreibungen der jeweiligen Serie) einbezieht, oder (iii) auf einer anderen zwischen der Emittentin, der Garantin und dem/den maßgeblichen Dealer/n/Käufer/n vereinbarten Grundlage festgelegt wird (wie in den maßgeblichen Endgültigen Bedingungen angegeben).</p> <p>Eine etwaige Zinsmarge im Hinblick auf den variablen Zinssatz wird ggf. für jede Emission von Schuldverschreibungen mit variablem Zinssatz zwischen der Emittentin, der Garantin und dem/den maßgeblichen Dealer/n/Käufer/n gesondert vereinbart und in den maßgeblichen endgültigen Bedingungen festgelegt.</p>
<b>Zahlungen auf Strukturierte Schuldverschreibungen</b>	Zahlungen (sei es im Hinblick auf die Rückzahlung des Nennbetrages als auch im Hinblick auf Zinszahlungen, bei Fälligkeit oder zu einem anderen Zeitpunkt) auf Strukturierte Schuldverschreibungen berechnen sich auf der Grundlage eines Index und/oder einer Formel, die auf der Veränderungen des Preises eines bestimmten Basiswertes beruht. Basiswerte umfassen Aktien, sonstigen Dividenden- oder Nicht-Dividendenpapiere, Indizes, Währungen oder Wechselkurse, Zinssätze, Dividenden, Kreditrisiken, Fondsanteile, Anteile an Investmentgesellschaften, Geldanlagen, Lebensversicherungsverträge, Darlehen, Anleihen, fondsgebundene Features (Abrechnungseinheiten), Rohstoffe oder darauf bezogene Future Kontrakte oder sonstige Instrumente oder Vermögensgegenstände oder der Eintritt oder Nichteintritt von Ereignissen, die nicht auf die

Emittentin oder die Garantin oder auf einen Korb oder auf eine Kombination aus dem Vorgenannten bezogen sind, oder andere Faktoren, die ggf. zwischen der Emittentin, der Garantin und der/n maßgeblichen Dealer/n bzw. Käufer/n vereinbart und in den maßgeblichen endgültigen Bedingungen festgelegt werden.

**Doppelwährungs-Schuldverschreibungen**

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

**Schuldverschreibungen mit physischer Lieferung**

Zahlungen (sei es im Hinblick auf die Rückzahlung des Nennbetrages als auch im Hinblick auf Zinszahlungen, bei Fälligkeit oder zu einem anderen Zeitpunkt) und Lieferungen von zugrunde liegenden Vermögenswerten bei Schuldverschreibungen mit physischer Lieferung erfolgen nach Maßgabe der maßgeblichen endgültigen Bedingungen.

**Nullkupon-Schuldverschreibungen**

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

**Ratenzahlungs-Schuldverschreibungen**

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

**Rückzahlung**

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

Fälligkeit im Falle einer automatischen vorzeitigen Rückzahlung zurückgezahlt werden können (beispielsweise wenn ein bestimmter Level berührt wird).

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

Im Falle von Strukturierten Schuldverschreibungen, die sich auf einen bestimmten Basiswert beziehen, können Anleger einen geringeren Betrag zurück erhalten als den von ihnen investierten Betrag oder in außergewöhnlichen Fällen sogar einen Totalverlust des von ihnen in die Schuldverschreibungen investierten Betrages erleiden. Unter gewissen Umständen können die Auswirkungen einer Schwankung des Basiswertes für die Strukturierten Schuldverschreibungen eingeschränkt sein. Die Beziehung zwischen maßgeblichem Basiswert und Strukturierter Schuldverschreibungen, wie auch die mögliche Begrenzung des Einflusses auf die Strukturierte Schuldverschreibung wird in den maßgeblichen endgültigen Bedingungen festgelegt.

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

**Nennbetrag der Schuldverschreibungen**

Schuldverschreibungen werden zu bestimmten Nennbeträgen ausgegeben, wie zwischen der Emittentin, der Garantin und dem/n maßgeblichen Dealer/n/Käufer/n vereinbart und in den maßgeblichen Endgültigen Bedingungen festgelegt.

**Besteuerung**

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

**Negativerklärung**

Die Bedingungen der Schuldverschreibungen (*Terms and Conditions of the Notes*) enthalten eine Negativerklärung der Garantin. Die Negativerklärung enthält Bestimmungen, die die Bestellung von Sicherungsrechten an den Vermögenswerten der Garantin allgemein einschränken.

**Status der Schuldverschreibungen**

Die Schuldverschreibungen begründen direkte, unbedingte und (vorbehaltlich der Garantie) nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin mit begrenztem Rückgriffsanspruch, die untereinander und mit allen anderen

direkten, unbedingten, nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin zumindest gleichrangig sind, sofern zwingende gesetzliche Bestimmungen nichts anderes vorschreiben.

<b>Garantie</b>	Die fällige und pünktliche Zahlung jedweder fälliger und zahlbarer Beträge bzw. die fällige und pünktliche physische Lieferung von Wertpapieren, die gemäß der Bedingungen der Schuldverschreibungen lieferbar sind, wird bedingungslos und unwiderruflich von der Garantin garantiert.
<b>Rating</b>	Sofern ein Rating für die unter dem Programm zu emittierenden Schuldverschreibungen besteht, wird dieses in den Endgültigen Bedingungen angegeben.
<b>Notierung</b>	Die Zulassung der Schuldverschreibungen, die unter diesem Programm emittiert werden, im regulierten Markt der Frankfurter Börse wurde beantragt. Das Programm sieht jedoch vor, dass die Schuldverschreibungen ggf. auch an einer anderen oder weiteren Börsen notiert oder zum Handel zugelassen werden können, die zwischen der Emittentin, der Garantin und dem/n maßgeblichen Dealer/n/Käufer/n vereinbart und in den maßgeblichen Endgültigen Bedingungen festgelegt werden. Die Emittentin kann auch, nicht börsennotierte Schuldverschreibungen bzw. Schuldverschreibungen, die zu keinem Handel an einem Markt zugelassen sind, begeben, falls dies in den maßgeblichen Endgültigen Bedingungen festgelegt wird.
<b>Bedingungen der Schuldverschreibungen</b>	Die Emittentin, die Garantin und der/die maßgeblichen Dealer/Käufer vereinbaren Bedingungen der Schuldverschreibungen, die für jede einzelne Tranche der Schuldverschreibungen maßgeblich sind. Die Bedingungen der Schuldverschreibungen ergeben sich aus den "Bedingungen der Schuldverschreibungen " ( <i>Terms and Conditions of the Notes</i> ) , die die allgemeinen Bedingungen („ <i>Basis Terms</i> ") (Part A) und den technischen Anhang („ <i>Technical Annex</i> ") umfassen, jeweils finalisiert, ergänzt oder ersetzt durch die Regelungen der maßgeblichen Endgültigen Bedingungen. Sofern die maßgeblichen Endgültigen Bedingungen festlegen, dass konsolidierte Bedingungen der Schuldverschreibungen verwendet werden, dann werden diese konsolidierten Bedingungen der Schuldverschreibungen den maßgeblichen Endgültigen Bedingungen angefügt und ersetzen die in diesem Prospekt enthaltenen Bedingungen der Schuldverschreibungen.
<b>Anwendbares Recht</b>	Die Schuldverschreibungen und alle nicht-vertraglichen Verpflichtungen, die sich aus den Schuldverschreibungen ergeben oder in Verbindung mit den Schuldverschreibungen stehen und ihre Auslegung unterliegen deutschem Recht. Die Garantie und alle nicht-vertraglichen Verpflichtungen, die sich aus der Garantie ergeben oder in Verbindung mit der Garantie stehen und ihre Auslegung unterliegen französischem Recht.
<b>Verkaufsbeschränkungen</b>	Jede Emission von Schuldverschreibungen erfolgt in Übereinstimmung mit den Gesetzen, Rechtsvorschriften, gerichtlichen Entscheidungen und sonstigen

Beschränkungen, die in der jeweiligen Rechtsordnung gelten.

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

**Verkaufsbeschränkungen  
in den Vereinigten  
Staaten**

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

**Clearing-Stelle**

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

Im Fall von Italienischen Zertifikaten, bei denen Monte Titoli die maßgebliche Clearing-Stelle ist, erfolgt ihr Umlauf in entmaterialisierter und zentralisierter Weise gemäß Italienischem Legislativerlass Nr. 213/1998 in der geänderten, integrierten Fassung und einschließlich aller danach ergangenen Umsetzungsregelungen.

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



## RISK FACTORS

*The purchase of the Notes issued under the Programme is associated with certain risks. No investment should be made in the Notes of any series until after careful consideration of all those factors that are relevant in relation to the Notes of such series. Investors should reach an investment decision with respect to the suitability of the Notes for them only after careful consideration and should take into account their current financial situation and their investment objectives before deciding whether to invest in the Notes. In this context, investors should take into consideration the risks of an investment in the Notes set out below in particular, in addition to the other information contained in this Prospectus, any supplements and in the applicable Final Terms. Most of these risks are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

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

*Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. However, additional specific risks relating to a particular Tranche of Notes issued from time to time under the Programme may be set out in the respective Final Terms, provided that these risks are specific to this Tranche of Notes and can only be determined at the time of the individual issue. These risks must therefore always be included in the assessment of risks. Prospective investors should also read the detailed information set out elsewhere in this Prospectus, any supplements and in the applicable Final Terms and reach their own views prior to making any investment decision.*

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

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

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

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

The obligations under the Notes constitute direct, unconditional, unsubordinated and, subject to the Guarantee unsecured limited recourse obligations of the Issuer and shall at all times rank pari passu and without preference among themselves. The Issuer and the Guarantor have entered into a trust agreement (the "**Trust Agreement**") pursuant to which the Issuer shall, *inter alia*, (i) issue and redeem the Notes on a fiduciary basis (*treuhänderisch*) in its own name but for the account of the Guarantor; (ii) collect any proceeds resulting from the issuance of the Notes and forward them to the Guarantor; and (iii) use only the funds made available to it by the Guarantor under the Trust Agreement (which funds shall equal the amount of any payments owed by the Issuer under the Notes as and when such payment obligations fall due and in a manner that allows the Issuer to fulfil its payment obligations in a timely manner) for payments owed under the Notes as and when they fall due and to make such payments on a fiduciary basis in its own name but for the account of the Guarantor. The Issuer's ability to satisfy its payment obligations under the Notes in full is therefore dependent upon it receiving in full the amounts payable to it by the Guarantor under the Trust Agreement.

Due to this trust structure, the Noteholders directly depend on the credit risk of the Guarantor (see "Creditworthiness of the Guarantor" below) rather than that of the Issuer. Any payment obligations of the Issuer under the Notes are limited to the funds received from the Guarantor under the Trust Agreement. To the extent the funds to be received from the Guarantor under the Trust Agreement prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom will be extinguished and no Noteholder

has any further claims against the Issuer (subject, however, to the right to exercise any termination or early redemption rights). This applies irrespective of whether the Issuer would be able to make such payments out of other funds available to it.

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

Société Générale will act as the Guarantor of the Notes issued by the Issuer and also as provider of hedging instruments to the Issuer. As a result, investors will be exposed not only to the credit risk of the Guarantor but also operational risks arising from the lack of independence of the Guarantor in assuming its duties and obligations as the Guarantor and provider of the hedging instruments. Therefore, the possibility of conflicts of interest arising cannot be wholly eliminated.

*Conflicts of interest*

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

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

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

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

In the ordinary course of their business, whether or not they will engage in any secondary market making activities, the Issuer, the Guarantor and/or any of their affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in a certain asset (including an index or a basket of indices or a share or a basket of shares or a commodity or a basket of commodities or a fund unit or a basket of fund units or futures contracts on the same) (each a "**Reference Asset**") by reference to which Structured Notes are calculated or related derivatives. In addition, in connection with the offering of the Notes, the Issuer, the Guarantor and/or their affiliates may enter into one or

more hedging transactions with respect to the Reference Asset(s) or related derivatives. In connection with such hedging or any market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and/or the Group, the Issuer, the Guarantor and/or their affiliates may enter into transactions in the Reference Asset(s) or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the relevant Noteholders. The above situations may result in consequences which may adversely affect the value of the Notes.

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

#### *Creditworthiness of the Guarantor*

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

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

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

One or more independent credit rating agencies may from time to time have assigned credit ratings to the Guarantor. These ratings may be subject to changes over time and they may not reflect all the factors which are relevant to determine the creditworthiness of the Guarantor. A credit rating is not a recommendation to buy, sell or hold any securities and may be revised or withdrawn by the relevant rating agency at any time.

#### *Risk factors relating to the Guarantor*

Given the diversity and changes in the Group's activities, risk management focuses on the following main categories:

"Credit risk" (including country risk) is the risk of losses arising from the inability of the bank's customers, sovereign issuers or other counterparties to meet their financial commitments. Credit risk also includes the "counterparty risk" linked to market transactions,

as well as that stemming from the bank's securitisation activities. In addition, credit risk may be further increased by a "concentration risk", which arises from a large exposure to a given risk or to certain groups of counterparties.

"Market risk" is the risk of losses resulting from changes in the price of market products, in volatility and correlations.

"Operational risks" (including legal, accounting, environmental, compliance and reputational risks) are the risks of losses or sanctions due to inadequacies or failures in procedures and internal systems, human error or external events.

"Investment portfolio risk" is the risk of negative fluctuations in the value of equity participation stakes in the bank's investment portfolio.

"Structural interest and exchange rate risk" is the risk of loss or of depreciation in the bank's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and Corporate Center transactions (operations concerning equity capital, investments and bond issues).

"Liquidity risk" is the risk of the Group not being able to meet its obligations as they come due.

"Strategic risk" is the risks entailed by a chosen business strategy or resulting from the bank's inability to execute its strategy.

"Business risk" is the risk of the earnings break-even point not being reached because of costs exceeding revenues.

Through its insurance subsidiaries, the Group is also exposed to a variety of risks linked to the insurance business (e.g. premiums prices risk, mortality risk and structural risk of life and non-life activities).

Through its Specialised Financing division, mainly its operational vehicle leasing subsidiary, the Group is exposed to residual value risk (estimated net resale value of an asset at the end of the leasing contract).

Other risks:

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

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

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

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

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

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

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

*Risks relating to the Economic Activities of the Issuer*

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

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

**B. Risk Factors relating to the Notes**

***Risks related to Notes generally***

*The Notes are not covered by protection institutes*

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

*Suitability only for investors who are versed in respect of the Notes*

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

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

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

*Independent Review and Advice*

The Notes may not be a suitable investment for all investors. Each prospective Holder must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, if its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for him (or if he is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. Each prospective investor should in particular also understand the terms and conditions of the Notes completely and be familiar with the behaviour of the markets relevant for the Notes and of the financial markets as well as being able (either alone or with the help of a financial adviser) to appraise possible scenarios with regard to the development of economical, interest and other factors on an investment in the Notes and his ability to bear the risks resulting therefrom.

In addition, each prospective investor should have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio as well as have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes until the maturity of the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency. Each prospective investor should recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all before maturity.

A prospective Holder may not rely on the Issuer, or the Dealer(s) 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.

Each prospective Holder should have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement and all the information contained in the applicable Final Terms.

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

Where an issue of Notes references a formula in the applicable Final Terms as the basis upon which the interest payable and/or the amount payable and/or assets deliverable on redemption is calculated potential investors should ensure that they understand the

relevant formula and if necessary seek advice from their own financial adviser. In addition the effects of the formula may be complex with respect to expected amounts of interest and/or amounts payable and/or assets deliverable on redemption and in certain circumstances may result in increases or decreases in these amounts.

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

The Terms and Conditions of the Notes contain provisions in accordance with and subject to the German Bond Act for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Such resolution might have negative impact on the financial situation of a single Noteholder.

#### *Joint Representative*

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

#### *Rescission (Anfechtung)*

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

#### *EU Savings Directive*

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

#### *Taxation*

The potential tax risks of an investment in the Notes include, inter alia, the risk of double-taxation, uncertainties regarding the tax treatment of Notes with underlying related interest and/or redemption and specific rules regarding speculation periods. Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as certain Notes. Potential Noteholders are advised not to rely upon the tax summary contained in this document and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential Holder. This investment consideration has to be read in connection with the section "Taxation" of this Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

### *Change of law*

The conditions of the Notes (including any non-contractual obligations arising therefrom or connected therewith) are based on relevant laws in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws or the official application or interpretation of such laws, or administrative practices after the date of this Prospectus.

### *Transaction and other costs*

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

### *Reinvestment Risk*

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

### *Inducements*

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

### *Mistrades*

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

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

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



activities may have an influence on the value of the underlying(s) and therefore also on the market value of the Notes.

In special market situations, where the Issuer and/or its affiliates are completely unable to conclude hedging transactions, or where such transactions are very difficult to conclude, the spread between the bid and offer prices which may be quoted by the Issuer and/or its affiliates may be temporarily expanded, in order to limit the economic risks to the Issuer. Thus, Noteholders selling their Notes on an exchange or on the over-the-counter market may be doing so at a price that is substantially lower than the actual value of the Notes at the time of sale.

#### *Dependence on Third-Party Information*

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

#### *Underlying Counterparty Risks*

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

#### *Minimum Trading Amount*

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

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

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

#### *Open End Notes*

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

#### *Notes subject to optional redemption by the Issuer*

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

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

#### *Notes subject to an automatic early redemption*

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

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

The Issuer may issue Notes with principal or interest determined by reference to an index and/or formula, to changes in the prices of securities or other reference assets (including, without limitation, shares, indices or fund units or commodities or futures contracts on the same), to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

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

#### *Partly-paid Notes*

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

### *Fixed Rate Notes*

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

### *Variable Rate Notes with a leverage factor*

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

### *Inverse Floating Rate Notes*

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

### *Gearred Structured Notes*

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

### *Fixed/Floating Rate Notes*

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

### *Zero Coupon Notes*

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

### *Capital Protected Notes*

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

inability of the Issuer and/or the Guarantor to meet their obligations may cause a total loss of the capital invested by the investor.

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

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

#### *Notes linked to certain events*

The interest rate or redemption amount of Notes may be linked to the occurrence or not of certain events which are not connected with the Issuer or the Guarantor, such as weather or sports events. The occurrence of such events will in most cases depend only on chance and will not be influenceable. Noteholders are therefore exposed to the risk that such events do not occur.

#### *Notes redeemed by Physical Delivery*

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

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

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

#### *Market disruptions and adjustments*

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

### *Limited/Capped Yield*

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

### *Leverage*

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

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

### *Actions to be taken by the Issuer*

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

### ***Risk factors relating to Structured Notes the redemption amount of which is linked to the performance of one or more fund units***

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

If the redemption amount of Structured Notes is linked to the performance of one or more Funds, an investment in the Structured Notes involves all the risks related to such underlying Funds. An investment in Funds may, depending on the type of the Fund, be speculative and involve a high degree of risk.

### *General risks related to an investment in Funds*

The performance of the underlying Funds is essentially depending on the skill of the respective portfolio manager and, if the Fund is a fund of fund, on the performance of the target funds selected by such fund of funds. The Issuer and/or the Guarantor have no influence on the investment activity or the performance of the underlying Funds or the target funds (if applicable) and cannot give any assurance as to the performance of such Funds (including Funds that are managed by managers affiliated with Société Générale). The value of the Funds will change with the value of their respective underlying investments. Hence, the value of underlying fund units and the income arising from them will fluctuate and is not guaranteed. Some funds may invest in high yielding securities where the risk of depreciation and realisation of capital losses on some of the securities held will be unavoidable. In addition, the Fund may use derivatives in connection with its investment strategies. Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the Fund's original investment.

The value of a Fund may also depend on the volume of the capital invested in the Fund. Additional investments in the Fund or withdrawals of investments in the Fund may adversely affect the value of the Fund and correspondingly the value of or return under the Notes.

*Funds managers' investments are not verified or assured*

None of the Issuer, Société Générale as Guarantor or as Calculation Agent under the Notes, or Société Générale's affiliates is or will be responsible for verifying or assuring that the managers of the underlying Funds comply with their stated trading strategies (unless the fund manager is an affiliate of Société Générale).

*Fund managers do not consider the interests of the Noteholders*

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

*Reliance on funds managers and/or investment advisors of the underlying Funds*

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

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

*No ownership rights in any underlying Funds*

An investment in the Notes does not entitle Noteholders to any ownership interest or rights in any underlying Funds, such as voting rights or rights to any payments made to owners of the underlying Funds. Instead, a Note represents a notional investment in the underlying Funds. The term "notional" is used because although the value of the underlying Funds will be used to calculate the payment under the Notes, the investment in the Notes will not be used to purchase interests in the underlying Funds on behalf of the Noteholders.

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

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

Fund fees that apply regardless of the performance of the funds will be deducted from the net asset value of the Fund, reducing the value of the fund units. Accordingly, to the extent that the Final Redemption Amount is linked to the net asset value of a fund, the Final Redemption Amount payable to Noteholders will be less than it would have been absent these fees, deductions and charges. Such fees may be paid to funds' managers that are Société Générale's affiliates.

*Net Asset Value*

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

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

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

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

In these situations, (i) the payment of an intermediate amounts may be postponed by the Calculation Agent to soon after the date on which the underlying fund pays all the redemption proceeds in respect of a valid and timely redemption order given after the occurrence an event described above or to the maturity date of the Notes and/or (ii) the payment of the final redemption amount will occur on the basis of the redemption proceeds paid by the underlying fund in respect of a valid and timely redemption order given after the occurrence an event described above. If the redemption proceeds have not been paid by the underlying fund on the maturity date of the Notes, the payment of the intermediate amounts or final redemption amounts, may be postponed after the maturity date up to a maximum period of two years. If at

the expiry of this two-year period, the underlying fund has not paid in full the redemption proceeds, the intermediate and final redemption amounts shall be determined by the Calculation Agent on the basis of what has actually been paid by the underlying fund. The amount received by the investors in the Notes may be as low as zero.

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

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

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

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

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

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

The Issuer and the Guarantor, or one or more of their affiliates, may engage in trading and other business activities relating to the underlying Funds or their underlying assets that are not for the Noteholders’ accounts or on behalf of the Noteholders. These activities may present a conflict between a Noteholder’s interest in the Notes and the interests the Issuer and the Guarantor, or one or more of their affiliates, may have in their proprietary account. Such activities may include, among other things, the exercise of voting power, financial advisory relationships, financing transactions, derivative transactions and the exercise of creditor rights, each of which may be contrary to the interests of the Noteholders. Any of these trading and/or business activities may affect the value of a underlying Funds and thus could be adverse to a Noteholder’s return on the Notes. The Issuer, the Guarantor and their



affiliates may engage in any such activities without regard to the Notes or the effect that such activities may directly or indirectly have on Notes of any series.

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

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

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

In connection with any of such hedging or any market making activities or with respect to proprietary or other such trading activities, the Issuer, the Guarantor and/or their affiliates may enter into transactions in the underlying Funds, underlying assets of the underlying Funds and/or related derivatives which may affect the market price, liquidity or value of the underlying Funds or their underlying assets, and therefore the Notes. The Issuer, the Guarantor and/or any of their affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the underlying Funds or their underlying assets. Any of the above situations may result in consequences which may be adverse to a Noteholder's investment. The Issuer and the Guarantor assume no responsibility whatsoever for such consequences and their impact on a Noteholder's investment.

*No recommendation of underlying Funds*

From time to time, Société Générale and certain of its affiliates obtain information regarding specific Funds that may not be available to the general public. Any such information is provided to Société Générale and certain of its affiliates in the ordinary course of their businesses, and not in connection with the offering of the Notes (including in respect of Funds that are managed by managers affiliated with Société Générale). In connection with the ordinary course of their businesses, Société Générale and certain of its affiliates may recommend, or determine not to recommend, specific Funds to their clients. Funds as to which Société Générale and/or certain of its affiliates have formed investment recommendations may now or may in the future be among the underlying Funds used in the redemption formula of the Notes. Any views that may be held by Société Générale and/or certain of its affiliates with respect to the expected future performance of one or more of such underlying Funds should not be deemed as an indication of the future expected performance of such Funds. The offering of the Notes does not constitute a recommendation by the Issuer or Société Générale and/or any of its affiliates with respect to an investment linked to such underlying Funds.

*Influence of hedging transactions on the value of the fund*

The Issuer, in order to hedge its obligations under the Notes, may enter into a hedging transaction with Société Générale or one of its affiliates who in turn will hedge itself by investing in units of the underlying funds. Investors should be aware that, as a result of hedging decisions by the hedging counterparty, transfers into or out of the fund by the hedging counterparty may affect the value of the fund units and, in turn, the Final Redemption Amount of the Notes.

### *Structured Notes linked to hedge funds*

If Structured Notes are linked to the performance of one or more Funds that are hedge funds, an investment in the Structured Notes may, in addition to the risks of Funds described above, involve all the risks typically related to single hedge funds and, if applicable, to funds of hedge funds (these risks may partly relate to regular Funds as well). Generally, hedge funds (including hedge funds that are managed by managers affiliated with Société Générale) do not disclose information on their investments and/or the details of their investment techniques. Even if the Issuer, the Guarantor or any affiliate of Société Générale have arrangements with a hedge fund manager to obtain information required to calculate the value of such Fund, they may not have access to the activities of such Fund on a continuous basis or at all (including Funds that are managed by managers affiliated with Société Générale). Depending on the domicile of the hedge funds, there may be no regulatory requirements compelling funds to publish information that would allow the Issuer, the Guarantor or any affiliate of Société Générale to value such hedge funds or to accurately determine the value of such fund units and, consequently, to determine the Final or Early Redemption Amount of the relevant Notes.

Hedge funds involve various investment strategies each of which may involve high risks. Various technical devices will be used and a failure or blackout of such devices may result in significant losses or a non-realisation of investment opportunities. Generally, there are no restrictions regarding the investment instruments in which a hedge fund may invest. Therefore, the investments include *inter alia* stocks, other securities, derivatives and other forms of direct or indirect investments. Hence, an investment in hedge funds involves the specific investment risks of such investment instruments. Moreover, hedge funds may concentrate their investment activities on a few assets, markets or industries. Such a concentration is particularly risky and may result in relatively higher losses than it would be the case if investments were spread out more broadly. Furthermore, hedge funds may invest in assets the transfer of which is subject to legal or other restrictions or for which no liquid market exists. The value of such assets tends to be subject to strong fluctuations and it may be impossible to sell such assets at the desired time or to receive the actual market value in the event of a sale. The investments may be subject to foreign currency risks (including the risk of a temporary unenforceability, devaluation or non-convertibility) and to a number of other potential risks (e.g. confiscation, imposition of confiscatory taxes or charges, political or social instability, illiquidity, price volatility and market manipulation). The markets on which investments are made may have a significantly lower liquidity and governmental supervision than organised markets. Furthermore, higher transaction costs and delays in the settlement and clearing may occur. In addition, certain strategies may involve the assumption of certain short term losses in order to achieve higher long term profits. This may also affect the value of the Structured Notes linked to such hedge funds. Depending on whether and to which extent such risks materialise, there is a risk that hedge funds make no profits at all or even losses.

An investment in Structured Notes which are linked to hedge funds (and funds of hedge funds) involves substantial risks. Investors should be able to bear these risks, including a total loss of the invested capital.

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

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

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

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

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

The net asset value of hedge funds may be highly volatile within one day or over longer periods. Consequently, the performance of hedge fund units over a given period will not necessarily be indicative of the future performance of such units. Trades made by hedge fund managers may be based upon their expectation of price movements of certain investment instruments. It cannot be excluded that such expectations of price movements will not realise several months following initiation of such trades and may not even realise at all. Therefore, the market value of any positions held by hedge funds may not increase, but may in fact decrease, and this will be reflected in the net asset value of the units of such hedge funds and ultimately in the market value of the Structured Notes linked to such hedge funds.

If market prices move in a direction not anticipated by the respective hedge fund manager, the market volatility may cause significant losses to the net asset value of the hedge fund units and ultimately in the market value of the Structured Notes linked to such hedge funds.

### *The use of leverage and short sales may increase the risk of losses*

Hedge funds may usually borrow without restrictions or use derivatives in order to raise their investment level (leverage). While this may increase the total potential return, such policy at the same time involves the risk of increased losses if, for example, the earnings and value of investments financed with outside funds fall below the payments due on those loans.

Furthermore, hedge funds may usually sell assets which are not owned at the time of the sale (short sales). The relevant asset must be borrowed from a third party whereas the return to the lender is effected following a purchase at a later stage. The short sale generates a profit if the value of the asset drops between the time of the short sale and the time of the subsequent purchase. However, in case the relevant asset increases in value, there is theoretically an unlimited risk of loss.

### *Management fees and incentive compensation*

Hedge funds usually have to bear certain management and custody fees and further fees and expenses regardless of their performance. They usually accrue even if the fund's assets decrease in value. In addition to the fixed management fees, performance fees are also common. Performance fees may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. Furthermore, the management fees and performance fees payable to the hedge fund managers may partly be based upon unrealised gains (as well as unrealised losses), and such unrealised gains and losses may never be realised by the hedge funds.

### *Custody risks*

The assets which belong to a hedge fund are usually held in custody by one or more custodians or sub-custodians. This leads to a potential risk of loss resulting from a breach of duties to exercise due care, abusive content or the possible insolvency of the custodian or sub-custodian (if any).

### *Counterparty and Issuer Risks*

Usually, hedge funds are not subject to any limitations regarding counterparties with whom they do business for investment purposes. As a consequence, they are to a specific extent subject to general non-payment risk (counterparty or issuer risk). Even if utmost care is exercised in the selection process, losses (as a consequence of an (impending) default of the issuer) cannot be excluded. Hedge funds often enter into transactions on over-the-counter

markets (OTC transactions) in which the participants are usually not subject to an assessment of their creditworthiness or to regulatory control and therefore incur a specific counterparty risk with regard to the relevant counterparty of the transaction.

#### *Soft Dollar Commissions*

When selecting brokers, banks, traders and advisors, portfolio managers of hedge funds may apart from factors like prices, reliability and creditworthiness also consider certain products or services received by these persons for which these persons have covered the costs. Such soft-dollar commissions may induce portfolio managers to effect transactions with a person even if it does not offer the lowest transaction fees.

#### *Lack of regulation*

Underlying funds that are hedge funds are generally not subject to the same regulatory regime, or regulated to the same extent as mutual funds or listed securities. Consequently, investors in such hedge funds will not benefit from certain of the protections provided by such laws or regulations (as, for example, provisions whereby investment companies must have directors that do not participate in the investments of the Fund, whereby the securities have to be kept separate at a custodian bank which has to act independently of the investment management company and solely in the interests of the investors, whereby the relations between the investment company and their advisers are regulated or whereby fundamental changes of the investment policy require the consent of the investors). Changes to the current regulatory environment could affect the investment, operations and structure of the underlying hedge funds and could adversely affect their performance.

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

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

#### *Specific risks of funds of hedge funds*

Investors should investigate the underlying Funds as if investing directly. To the extent the underlying Funds includes a hedge fund or portfolio of hedge funds for a series of Notes, investors should conduct their own diligence of the underlying Funds as it would if it were directly investing in the underlying Funds. The offering of the Notes does not constitute a recommendation by the Issuer, the Guarantor or any affiliate of Société Générale with respect to an investment linked to an underlying Fund (including in respect of funds that are managed by managers affiliated with Société Générale). Investors should not conclude that the sale by the Issuer of the Notes is any form of investment recommendation by the Issuer or any of its affiliates to invest in the underlying Funds.

If the underlying is one or more funds of hedge funds, the specific risks of funds of hedge funds have to be regarded in addition to the risks of single hedge funds (which may materialise on the level of the target funds), which include, *inter alia*, the following: The performance of funds of hedge funds depends on the successful implementation of the investment strategies both on the level of each individual target fund and on the level of the fund of hedge funds by the relevant portfolio manager. In order to achieve a diversification of its investments, funds of hedge funds will invest their assets in a multitude of target funds

which may be attributed to various investment strategies. Although such diversification is meant to compensate losses and at the same time to maintain the possibility of making profits from favourable price movements, no assurance can be given that the investment in the various target funds on an overall basis does not incur any losses. In contrast, the portfolio of a fund of hedge funds may also be composed of only a few target funds and/or may be focused on certain hedge fund strategies. Such a concentration on only a few portfolio managers and/or investment strategies involves particularly high risks and may lead to larger losses than in the case of a broad diversification of the assets. Moreover, the selection of the target funds by the manager of a fund of hedge funds is made on the basis of an analysis consisting of quantitative and qualitative elements. For such analysis, the manager of the respective fund of hedge funds has to rely on confirmations, calculations, representations and other information received from the relevant target fund itself or on its behalf from any third party. There is more or less no way of verifying the reliability of such information. In addition, the value of a fund of hedge funds does not reflect the total performance of all the target funds since, apart from the fees that accrue on the level of the target funds, management fees and other expenses will accrue on the level of the fund of hedge funds regardless of its performance. These fees and expenses will reduce the net asset value and therefore the performance of the fund of hedge funds. Besides the net asset value of a fund of hedge funds can only be determined on the basis of the available information about the net asset values of the target funds which may be limited in certain cases. In general, there may therefore be significant time-lags between the occurrence and the publication of events which may have an effect on the value of the hedge fund of funds assets.

An investment in Structured Notes which are linked to hedge funds (and funds of hedge funds) involves substantial risks. Investors should be able to bear these risks, including a total loss of the invested capital.

#### **Common risk factors relating to Structured Notes based on shares or indices or commodities (or futures contracts on the same)**

Where payments (whether in respect of principal and/or interest and whether at maturity or otherwise) on Structured Notes are calculated by reference to an index or a basket of indices or a share or a basket of shares or a commodity or a basket of commodities (or futures contracts on the same), the return of the Notes is based on changes in the value of the Reference Asset, which fluctuates. Changes in the value of the Reference Asset cannot be predicted. Although historical data with respect to the Reference Asset is available, the historical performance of the Reference Asset should not be taken as an indication of future performance.

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

Where payments (whether in respect of principal and/or interest and whether at maturity or otherwise) on Structured Notes are calculated by reference to a Reference Asset, they may not have the same periodic payments of interest on the Notes as there would be on a conventional fixed rate or floating rate debt security having the same issue date and maturity date as the Notes. Further, with respect to the Final Redemption Amount, the effective yield to maturity of the Notes may be less than that which would be payable on a conventional fixed rate or floating rate debt security. The return of only the Final Redemption Amount of each Note at maturity may not compensate the holder for any opportunity cost implied by inflation and other factors relating to the value of money over time.

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

*Return does not reflect dividends*

Depending upon the calculation methodology of an index, where the performance of an index is taken into account in order to calculate payments due under the Indexed Notes the payment of income (such as dividends for an index that has stocks as underlyings) may not be reflected as the index may be calculated by reference to the prices of the underlyings

comprising the index without taking into consideration the value of any income paid on those underlying assets. Therefore, the yield to maturity of Indexed Notes referring to an index may not be the same as the yield that would be produced if such underlying assets were purchased and held for a similar period.

#### *Risks relating to an index*

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

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

The policies applied by the sponsor of an index concerning additions, deletions and substitutions of the assets underlying the index and the manner in which the index sponsor takes account of certain changes affecting such underlying assets may affect the value of the index. The policies of an index sponsor with respect to the calculation of an index could also affect the value of the index. An index sponsor may discontinue or suspend calculation or dissemination of information relating to its index. Any such actions could affect the value of the Notes. In addition, indices may be subject to management and other fees as well as charges that are payable to the index sponsors and which may reduce the Final Redemption Amount payable to the Noteholders. Such fees may be paid to index sponsors that are affiliates of Société Générale.

#### *Conflicts of interest*

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

### **Risk factors specific to Structured Notes based on shares or other securities**

#### *No beneficial interest in the underlying shares or other securities*

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

### *Limited anti-dilution protection*

The Calculation Agent may make adjustments to elements of the Notes as described in the Technical Annex. The Calculation Agent is not required to make an adjustment for every corporate event that may affect the underlying shares or other securities. Those events or other actions by the issuer of underlying shares or other securities or a third party may nevertheless adversely affect the market price of the underlying shares or other securities and, therefore, adversely affect the value of the Notes. The issuer of underlying shares or other securities or a third party could make an offering or exchange offer, or the issuer of underlying shares or other securities could take any other action, which adversely affects the value of the underlying shares or other securities and the Notes but does not result in an adjustment.

### *Risks arising from conduct of issuers of shares or other securities*

The issuers of underlying shares or other securities are not involved in the offer of the Notes in any way and have no obligation to consider the interests of the holders of the Notes in taking any corporate actions that might affect the value of the Notes. The issuers of underlying shares or other securities may take actions that will adversely affect the value of the Notes.

### **Risk factors specific to Structured Notes based on baskets**

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

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

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

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

### *Conflicts of interest*

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

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

Commodity Linked Notes may be redeemed by the Issuer at their par value and/or by the physical delivery of the underlying asset(s) and/or by payment of an amount determined by reference to the value of the underlying asset(s). Accordingly, an investment in Commodity Linked Notes may bear similar market risks to a direct investment in the relevant commodities and investors should take advice accordingly. Interest payable on Commodity Linked Notes may be calculated by reference to the value of one or more underlying asset(s). The value of the underlying asset(s) may vary over time and may increase or decrease by reference to a

variety of factors which may include global supply and demand of commodities to which the underlying asset(s) refer, production and selling activities of the respective commodities by producers, central banks and international organisations, demand for end-products based on the respective commodity, net investment demand and industrial demand.

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

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

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

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

Accordingly, Noteholders may be exposed to fluctuations in the creditworthiness of the Reference Entities to the full extent of their investment in the Credit Linked Notes.

The issuance of the Credit Linked Notes is no representation or gives any warranty whatsoever with respect to the Reference Entity or Reference Entities, including its creditworthiness, or the likelihood of the occurrence or non-occurrence of a Credit Event, either at the time of issue of the Notes or at any time thereafter.

Credit ratings (including, where applicable, shadow credit ratings or credit ratings estimates) and credit spreads of the Reference Entity or the Reference Obligation can be considered for the purposes of assessing the credit and default risk of the Reference Entity or the Reference Obligation. Such credit ratings (including, where applicable, shadow credit ratings or credit ratings estimates) and credit spreads represent the opinions of the relevant rating agencies or market participants regarding the likelihood of payment by the Reference Entity of any amounts due pursuant to the terms of any of its obligations, but are not a guarantee of such payments or of the creditworthiness of the Reference Entity. None of the Issuer and the Noteholders will have recourse to any applicable rating agencies for ratings actions taken.



Prospective Noteholders should inform themselves about and evaluate the nature and financial condition of other parties involved in the issue, including the Reference Entity and its obligations. The Issuer, the Guarantor and any affiliate of Société Générale are under no obligation to provide the Noteholders with any public or non-public information with respect to the Reference Entity or the Reference Obligation that is or may be material in the context of the Notes. The issue of Notes will not create any obligation on the part of any such person to disclose to the Noteholders or any other party any such information (whether or not confidential).

The Notes do not create any rights of the Noteholders against the Reference Entity. In particular, the Noteholders have no right of recourse against the Reference Entity due to a loss suffered as a result of the occurrence of a Credit Event with respect to such Reference Entity. In case of a physical delivery of an obligation of the Reference Entity, the Noteholders may obtain debt instruments issued by the Reference Entity, but have no rights against the Reference Entity other than that of other holders of such debt instrument.

Under the terms of the Notes, where Société Générale acts as Calculation Agent, it may, for the purposes of determining the Cash Settlement Amount or Physical Delivery Amount, select obligations with the lowest price of any obligations which meet the relevant criteria. In making such selection, the Calculation Agent will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from such selection.

The Cash Settlement Amount may be equal to zero if it is not possible to obtain quotations from Quotation Dealers for the selected obligations.

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

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

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

The market value of bonds is influenced by the creditworthiness of the issuer of the relevant bond, by the general interest level, the remaining term until maturity as well as by the liquidity of the market. The performance of the bonds further depends on other factors including economic, financial and political events which affect the capital markets in general and, in the case of listed bonds, the exchanges (if applicable) on which the bonds are traded. Past performances of a bond are not an indicator for future performances.

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

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

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

A holder of the Notes will not be a beneficial owner of the relevant shares or other securities and therefore will not be entitled to receive any of the underlying dividends paid on the relevant shares or other securities, nor will a Noteholder be entitled to purchase the underlying shares or other securities by virtue of their ownership of the Notes. Moreover, holders of the Notes will not be entitled to any voting rights or other control rights that holders of the relevant shares or other securities may have with respect to the issuer of such shares

or other securities. The Final Redemption Amount might not reflect the payment of the dividends on a one to one basis. Accordingly, the return on the Notes might not reflect the return an investor would realise if he actually owned the relevant shares or other securities and actually received dividends, if any, paid on those securities. Furthermore, the amount and payment of dividends is subject to a multitude of factors on which the Issuer has no influence and falls in the absolute discretion of the issuer of the relevant shares or other securities and therefore dividends might not be paid at all. The issuer of the shares or other securities may take actions, which will adversely affect the value of the Notes.

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

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

#### **Risks factors specific to Certificates traded on Italian regulated and unregulated markets**

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

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

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

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

### **C. Market and Other Risks**

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

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

##### *Market Price Risk*

The development of market prices of the Notes depends on various factors, such as creditworthiness of the Issuer respectively the Guarantor, changes of market interest rate levels, the policy of central banks, overall economic developments, inflation rates, deflation rates or the lack of or excess demand for the relevant type of Notes. The holder of Notes is therefore exposed to the risk of an unfavourable development of market prices of its Notes

which materialises if the holder sells the Notes prior to the final maturity or, in the case of open end notes, before redemption of such Notes. The above described factors and accordingly the risks may be increased by the measures taken by governments in the context of the financial markets crisis.

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

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

*Prices provided by the market maker*

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

*The secondary market generally*

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

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

In case of Italian Certificates to be listed or for which application will be made for listing on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, the Issuer (or a third party appointed for this purpose) shall undertake to act as a market maker in relation to the Certificates and, therefore, to display continuous bid and offer prices that do not differ by more than the maximum spread indicated by Borsa Italiana S.p.A. (spread obligations) in its instructions to the listing rules of the markets managed and organised by Borsa Italiana S.p.A. (respectively, the "**Instructions**" and the "**Listing Rules**"), and/or in the instructions of the other regulated or unregulated markets with similar listing requirements, with the timing and for the quantity set out by the above mentioned Instructions.

*Exchange rate risks and exchange controls*

Prospective investors in the Notes should be aware that their investment may involve exchange rate, redenomination, devaluation and other currency related risks. The Issuer will effect payments on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified

Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are generally affected by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates as well as currency redenomination or devaluation (on the basis of monetary reforms or otherwise) cannot be excluded and may affect the value of the Notes or the underlying(s).

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.

If the currency in which the Notes and/or the underlying(s) are denominated (i) is or becomes unavailable due to the imposition of exchange controls or other circumstances beyond the Issuer's and/or the Guarantor's control, (ii) is no longer used by the governments issuing such currency or having adopted such currency as their legal currency (e.g. in case of a redenomination) or (iii) is no longer used for the settlement of transactions by public institutions of the international banking community, this could have an adverse effect on the value of the Notes and the amounts or other assets received by any Noteholder thereunder.

#### *Interest rate risks*

The interest rate risk is one of the central risks of interest-bearing Notes. The interest rate level on the money and capital markets may fluctuate on a daily basis and cause the value of the Notes to change on a daily basis. The interest rate risk is a result of the uncertainty with respect to future changes of the market interest rate level. In particular, Noteholders of Fixed Rate Notes are exposed to an interest rate risk that could result in a diminution in value if the market interest rate level increases. In general, the effects of this risk increase as the market interest rates increase.

The market interest level is strongly affected by public budget policy, the policies of the central bank the overall economic development and inflation rates, as well as by foreign interest rate levels and exchange rate expectations. However, the importance of individual factors cannot be directly quantified and may change over time.

The interest rate risk may cause price fluctuations during the term of any Note. The longer the remaining term until maturity of the Notes and the lower their rates of interest, the greater the price fluctuations.

A materialisation of the interest rate risk may result in delay in, or inability to make, scheduled interest payments.

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

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time. Any ratings assigned to the Notes as at the date of this Prospectus are not an indicator for future performances of the Issuer's business or its future creditworthiness.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should

consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***Any decline in the credit rating of the Guarantor may affect the market value of the Notes***

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

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

The global capital markets are still exposed to particular instability influenced by factors such as the deterioration in the sub-prime mortgage market in the United States. The financial crisis that has followed the breakdown of the U.S. sub-prime mortgage market since summer 2007 has led to a worldwide economic downturn and has had considerable effects on the real economy around the globe. Economic forecasts signal a continued impact of the Financial Market Crisis also in 2010, the risk of a further increase in unemployment and inflation, leading to a general trend towards monetary tightening.

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

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

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

It cannot be excluded that this crisis will have a long term and lasting effect on the financial markets, the business cycle and the economic growth on which also the economic development of the Issuer and/or the Guarantor and/or any of their affiliates is dependent. Furthermore, it cannot be excluded that other crises will occur on the financial markets, which may have a significant direct negative effect on the business areas of the Issuer and/or the Guarantor and/or the Group and/or any of their affiliates and thereby on their assets and liabilities, financial position and profits and losses. The same applies with regard to the amounts to be paid under and the market value of the Notes.

## RESPONSIBILITY STATEMENT

Société Générale Effekten GmbH, having its registered office at Neue Mainzer Str. 46 - 50, 60311 Frankfurt am Main (the “**Issuer**”), and Société Générale, having its registered seat at 29, boulevard Haussmann, 75009 Paris (the “**Guarantor**”), assume, within the meaning of Section 5(4) German Securities Prospectus Act, responsibility for the information contained in, or incorporated into, this Debt Issuance Programme Prospectus (hereinafter the “**Prospectus**”), and declare that, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and no material circumstances are omitted in the Prospectus, and that they have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect the import of such information.

## GENERAL INFORMATION

Under this Debt Issuance Programme (the "**Programme**"), Société Générale Effekten GmbH (the "**Issuer**"), acting in its own name but for the account of Société Générale, may from time to time issue Notes (the "**Notes**") denominated in any currency agreed by the Issuer, the Guarantor and the relevant Dealer(s)/Purchaser(s), as specified in the relevant Final Terms, in an undetermined aggregate principal amount. The principal amount of the Notes, the interest payable in respect of the Notes, if any, the issue prices and maturities of the Notes and all other terms and conditions not contained herein which are applicable to a particular Tranche of Notes (as defined in "*Terms and Conditions of the Notes*"), including the aggregate principal amount of such Tranche of Notes, will be set out in the applicable Final Terms.

Payments and/or physical delivery of any securities or assets in respect of Notes will be unconditionally and irrevocably guaranteed by Société Générale (in such capacity, the "**Guarantor**").

The Notes will be issued to one or more of the Dealers as specified in "*Additional Information regarding the Notes Offered and the Offer - Placing and Underwriting*" and any additional dealers appointed under the Programme from time to time. Notes may also be issued to third parties other than Dealers (each a "**Purchaser**").

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

The Notes of a particular Tranche or Series (as defined in "Terms and Conditions of the Notes") to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") applies, as specified in the Final Terms, will be initially represented by a temporary global note (each, a "**Temporary Global Note**") and subsequently, after expiry of 40 days after the relevant issue date and upon certification as to non-U.S. beneficial ownership, by a permanent global note (each, a "**Permanent Global Note**"). Notes of a particular Tranche or Series to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") applies or to which neither the TEFRA C Rules nor the TEFRA D Rules apply, as specified in either case in the Final Terms, will be represented by a Permanent Global Note. Definitive Notes will not be issued.

Furthermore, when Notes qualify as Italian Certificates, all references to Notes herein shall be deemed to be Certificates. In the case of Italian Certificates where Monte Titoli is the relevant Clearing System, the circulation of Certificates will be made pursuant to Italian legislative decree no. 213/1998 as amended and integrated and subsequent implementing provisions. The Certificates will be freely transferable by way of book entries on the accounts registered on the settlement system of Monte Titoli S.p.A. and, when admitted to listing on Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, they may be transferred in lots at least equal to the Minimum Tradable Lot (as defined by the Listing Rules), or multiples thereof, as determined by Borsa Italiana S.p.A. and/or by other regulated or unregulated markets with similar listing requirements, and indicated in the Final Terms in relation to each Series.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may be subject to certain requirements under U.S. tax law. Apart from certain exceptions, the Notes may not be offered, sold or delivered within the United States of America (see "Selling Restrictions").

Interests in a Temporary Global Note, if any, will be exchangeable, in whole or in part, for interests in a Permanent Global Note on a day falling not earlier than 40 days after the date of issue of the Temporary Global Note (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership.

**As of the date the "Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC" (the "Prospectus Directive") is implemented in the relevant member states of the European Economic Area, the Notes may be offered and sold to the public within such member states of the European Economic Area only in accordance with the provisions of the Prospectus Directive and the acts and regulations passed in the respective member states with regard to the implementation of the Prospectus Directive. This Debt Issuance Programme Prospectus does not constitute a "prospectus" for the purposes of the Prospectus Directive in respect of any Notes (i) involving an offer to the public outside the EEA (if so specified in the applicable Final Terms) or of a type listed in Article 3.2 of the Prospectus Directive and (ii) which are not admitted to trading on a regulated market under Article 3.3 of the Prospectus Directive (any such Notes, "Exempt Notes").**

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

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

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

There is no warranty that all information contained in this Debt Issuance Programme Prospectus, any supplements or in the relevant Final Terms will still be correct at any time subsequent to the respective date of publication. The Issuer will prepare a supplement to this Debt Issuance Programme Prospectus in relation to every significant new factor, material mistake or inaccuracy relating to the information contained in this Debt Issuance Programme Prospectus and its supplements, if any, which is capable of affecting the assessment of the Notes.

Neither this Debt Issuance Programme Prospectus, any supplement hereto, the relevant Final Terms nor any other information supplied in connection with the Programme or the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation or a statement of opinion (or a report on either of those things) by the Issuer or the Guarantor that any recipient of this Debt Issuance Programme Prospectus or any other person should subscribe for or purchase any Notes issued under the Programme. Each investor contemplating an investment in any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor and the terms of the Notes issued, including the related chances and risks.



This Debt Issuance Programme Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Debt Issuance Programme Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Guarantor do not represent that this Debt Issuance Programme Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Guarantor which would permit a public offering of any Notes outside the European Economic Area or distribution of this Debt Issuance Programme Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Debt Issuance Programme Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Debt Issuance Programme Prospectus or any Note comes must inform themselves about, and observe, any such restrictions on the distribution of this Debt Issuance Programme Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Debt Issuance Programme Prospectus and the offer or sale of Notes in the European Economic Area, the United States and the United Kingdom (see "*Additional Information Regarding the Notes Offered and the Offer – Selling Restrictions*").

Neither the Issuer nor the Guarantor represent or warrant that an investment in the Notes issued under the Programme is permissible under the applicable laws of any jurisdiction. Investors should satisfy themselves that they are able to bear the economic risk of an investment in the Notes.

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

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

**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OR SERIES OF NOTES (AS DEFINED IN "*TERMS AND CONDITIONS OF THE NOTES*"), THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (THE "STABILISING MANAGER(S)") (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES (PROVIDED THAT, IN THE CASE OF ANY TRANCHE OR SERIES TO BE ADMITTED TO TRADING ON THE MARKET, THE AGGREGATE PRINCIPAL AMOUNT OF NOTES ALLOTTED DOES NOT EXCEED 105 PER CENT. OF THE AGGREGATE PRINCIPAL AMOUNT OF THE RELEVANT TRANCHE OR SERIES OF NOTES) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OR SERIES OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OR SERIES OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES.**

**FORM OF FINAL TERMS**

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

*When the Notes qualify as securitised derivatives to be offered in Italy and/or listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, the term "Notes" may be replaced by the term "Certificates" in all applicable provisions (the "**Italian Certificates**").*

[Date]

**FINAL TERMS**

**[Offer] [Issue] of [[Aggregate Principal Amount] [Title of] [Notes]**

**[Otherwise, in case of Italian Certificates, insert:**

**[Issue] of [Number of Certificates] [of] [Currency] [Specified Denomination] each]**

Series [ ], Tranche [ ]<sup>1</sup>

[[ISIN Code]	[Number of Notes] [Number of Certificates]	[Aggregate Principal Amount]/[Specify other]	[Series]	[Tranche]
[ ]	[ ]	[ ]	[ ]	[ ] <sup>2</sup>

issued under the

**Debt Issuance Programme for the issue of Notes and Certificates**

**of**

**SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**

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

**Unconditionally and irrevocably guaranteed by Société Générale**

<sup>1</sup> Applicable in case of issue or offer of one type of Notes under the Final Terms.

<sup>2</sup> Only applicable if several Series of Notes are to be issued or offered simultaneously and consolidated in one set of Final Terms. In such case insert the relevant information for each Series of Notes.

[For Certificates, insert the following provision: The Certificates offered hereby are being issued pursuant to the Debt Issuance Programme Prospectus provided that (i) all current references to "Notes" in the relevant sections of the Debt Issuance Programme Prospectus and in these Final Terms shall be deemed to be instead to "Certificates"; (ii) all current references to "Noteholders" in the relevant sections of the Debt Issuance Programme Prospectus and in these Final Terms shall be deemed to be instead to "Holders".] [Without prejudice to the previous paragraph and, in case of Italian Certificates, all references to "Notes" in these Final Terms may be replaced by "Certificates" and all references to "Noteholders" may be replaced by "Holders".]

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

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

Unless defined, or stated otherwise herein, capitalised terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Debt Issuance Programme Prospectus dated 4th May 2010 (the "**Debt Issuance Programme Prospectus**") (which [(as supplemented by the supplemental Prospectus[es] dated [ ] (the "**Supplement[s]**"))] constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the [Notes] [Certificates] (the "**Notes**") described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Debt Issuance Programme Prospectus. Full information on the Issuer, the Guarantor and the [In case of Italian Certificates, Insert: offer of the] Notes is only available on the basis of the combination of these Final Terms (these "**Final Terms**") and the Debt Issuance Programme Prospectus. [Prior to acquiring an interest in the Notes described herein, prospective investors should read and understand the information provided in the Debt Issuance Programme Prospectus and any Supplement(s) and be aware of the restrictions applicable to the offer and sale of such Notes in the United States or to, or for the account or benefit of, U.S. persons.] [The Debt Issuance Programme Prospectus, any Supplement(s) and these Final Terms are available for viewing at [address] [and] [website] and copies may be obtained free of charge from [address].]

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a prospectus with an earlier date.]

[Unless defined, or stated otherwise herein, capitalised terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Debt Issuance Programme Prospectus dated [original date]. This document constitutes the Final Terms of the [Notes] [Certificates] (the "**Notes**") described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with the Debt Issuance Programme Prospectus dated [4th May 2010] (the "**Debt Issuance Programme Prospectus**") (which [(as supplemented by the supplemental Prospectus[es] dated [ ] (the "**Supplements**"))] constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**")), save in respect of the Terms and Conditions (the "**Conditions**") which are extracted from the Debt Issuance Programme Prospectus dated [original date]. Full information on the Issuer, the Guarantor and the Notes is only available on the basis of the combination of these Final Terms (these "**Final Terms**"), the Debt Issuance Programme Prospectus dated [4th May 2010] and the [Debt Issuance Programme Prospectus dated [original date]]. [Such Debt Issuance Programme Prospectuses, any Supplement(s) and these Final Terms are available for viewing at [address] [and] [website] and copies may be obtained free of charge from [address].]

[The provisions of the Technical Annex (Part B of the Conditions) apply to these Final Terms and such documents shall be read together.]

*[In case of Supplemented Conditions, insert:* The terms of these Final Terms amend, supplement and vary the Conditions of the Notes set out in the Debt Issuance Programme Prospectus. If and to the extent the terms of these Final Terms deviate from the Conditions, the terms of these Final Terms shall prevail. The Conditions so amended, supplemented or varied together with the relevant provisions of these Final Terms will form the Conditions applicable to this Series of Notes (the "**Supplemented Conditions**").]

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

[Application [has been][will be] made to [trade] [list] the Notes on the [regulated] [official] market [of the] [Frankfurt] [Luxembourg] [Italian] Stock Exchange [*insert relevant other stock exchange and market segment*] [*In case of Italian Certificates, insert:* and to admit the Notes for trading on the electronic "Securitized Derivatives Market" (the "SeDeX"), organised and managed by Borsa Italiana S.p.A.].

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

*[In the case of Structured Notes the terms of which rely in whole or in part on the provisions of the Technical Annex (Part B of the Conditions) insert:*

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

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

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

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

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

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

*Include whichever of the following apply or specify as "Not Applicable".*

*Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs.*

*Italics denote directions for completing the Final Terms.*

## PART A – CONTRACTUAL TERMS

Form of Conditions <sup>3</sup>	[Supplemented]  [Consolidated]
1.	<p>(i) Issuer: Société Générale Effekten GmbH</p> <p>(ii) Guarantor: Société Générale [<i>In case of Italian Certificates, insert: (acting also as placement coordinator (responsabile del collocamento) pursuant to applicable Italian laws and regulations)</i>]</p> <p><i>[Sub-paragraphs 1(i) and (ii) above will be restated in the Schedule]</i></p>
2.	<p>(i) Series Number: [ ] [See Table in paragraph 44.]</p> <p>(ii) Tranche Number: [ ]</p> <p><i>[If fungible with an existing Series, details of that Series, including the date on which the Notes are expected to become fungible]</i></p> <p>[See Table in paragraph 44.]</p>
3.	<p>Specified Currency or Currencies: [ ]</p> <p>[See Table in paragraph 44.]</p> <p><i>[To be restated in the Schedule]</i></p>
4.	<p>Aggregate Principal Amount<sup>4</sup>:</p> <p>(i) Tranche: [ ] <i>[in the case of a subscription period prior to the Issue Date insert: Up to [ ] [but limited to the amount of the subscriptions actually received at the end of the offer period]. The [Aggregate Principal Amount] [number of securitised derivatives] will be determined at the end of the subscription period [and published in accordance with Condition 13(a)].]</i></p> <p>[See Table in paragraph 44.]</p> <p>(ii) Series: [ ]</p> <p>[See Table in paragraph 44.]</p> <p><i>[In case of Italian Certificates and Public Offer in Italy and on a case by case basis if requested by the Distributor, insert: Provided that, until the fourth Business Day before the Issue Date, the</i></p>

<sup>3</sup> To be determined in consultation with the Issuer and the Guarantor.

<sup>4</sup> In case of Italian Certificates: All references to "Aggregate Principal Amount" herein, where applicable, shall be deemed to be instead to or may be replaced by "number of securitised derivatives".

Issuer, after consultation with the Distributor, may decide to increase the number of Certificates. If such is the case, the Issuer will publish the information regarding such increase on website of the Issuer on <http://prospectus.socgen.com>

*[Sub-paragraphs 4(i) and (ii) above will be restated in the Schedule]*

5. Issue Price:  per cent. of the Aggregate Principal Amount  
 *[insert amount]* per Note of  *[insert amount]* Specified Denomination] [plus an amount equal to the interest accrued from and including  *[insert date]* to but excluding the Issue Date (which is equal to  days' accrued interest) *[if applicable]*
- [See Table in paragraph 44.]
- [In case of Italian Certificates and Public Offer in Italy, insert: See paragraph 14 of Part B "Offer Price" below.]*
- [To be restated in the Schedule]*
6. Specified Denomination(s):
- [See Table in paragraph 44.]
- [To be restated in the Schedule]*
7. (i) [Issue Date [and Interest Commencement Date]:
- [In case of Italian Certificates, insert: The Certificates do not pay interests]*
- (ii) [Interest Commencement Date *[if different from the Issue Date]*:
- [Sub-paragraph 7(i) above will be restated in the Schedule]*
8. Maturity Date<sup>5</sup>:  *[Specify date]* [The Interest Payment Date scheduled to fall in  *[specify a month and a year]*
- [See Table in paragraph 44.]
- [To be restated in the Schedule]*
9. Interest Basis: [See paragraphs 15 to 18 below]
- [In case of Italian Certificates: Not Applicable]*
10. Redemption/Payment Basis: [See paragraph(s) 20 to 25 below]
11. Change of Interest Basis or [Not Applicable] [See paragraphs 15 to 25]

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<sup>5</sup> In case of Italian Certificates: All references herein to "Maturity Date" shall be deemed to be instead to or may be replaced by "Final Exercise Date".

- Redemption/Payment Basis: below]
12. Put/Call Options: [See paragraph(s) 21 and/or 22 below]  
 [(further particulars specified below)]
13. Status of the Notes Unsubordinated
14. Method of distribution: [Syndicated] [Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE<sup>6</sup>**

15. Fixed Rate Note Provisions [Applicable] [Not Applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- [If applicable, sub-paragraphs (ii) and (iv) below will be restated in the Schedule]*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable] [annually]  
 [semi-annually] [quarterly] in arrear
- [If payable other than annually, consider amending Condition 4 (Interest)]*
- [See Table in paragraph 44.]
- (ii) Interest Payment Date(s): [ ]
- First Interest Payment Date: [ ] *[if not the first anniversary of Interest Commencement Date]* [Not Applicable]
  - Initial Broken Amount(s): [ ] [per Aggregate Principal Amount] [per Specified Denomination]
  - Interest Payment Date preceding the Maturity Date: [ ] *[if Maturity Date is not a fixed Interest Payment Date]* [Not Applicable]
  - Final Broken Amount(s): [ ] [per Aggregate Principal Amount] [per Specified Denomination] *[if Maturity Date is not a fixed Interest Payment Date]* [Not Applicable]
- (iii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] *[specify other]*
- [adjusted] [unadjusted] [Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount (eg. for fixed rate notes): see Condition 4(a)(iii)]*
- (iv) [Fixed Coupon Amount(s): [[ ] per Note of [ ] Specified Denomination] [Not

<sup>6</sup> Do not fill in case of Italian Certificates. Provisions relating to coupon(s) should be detailed in the paragraph 23 below



- Applicable]
- [NB: Only applicable in the case of Fixed Coupon Amount(s) instead of a fixed Rate of Interest]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA)] [Not Applicable] [*specify other*]
- (vi) Number of regular Interest Payment Dates per calendar year: [ ]
- (vii) Determination Date(s): [ ] in each year [*Insert regular Interest Payment Dates, ignoring the Issue Date or Maturity Date in the case of a long or short first or last coupon*]
- [NB: This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration]
- [NB: Only to be completed where Day Count Fraction is Actual/Actual (ICMA)]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None] [give details] [See the Schedule]
16. Floating Rate Note Provisions [Applicable] [Not Applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]
- [If applicable, sub-paragraphs 16(i), 16(ii), 16(iii), 16(iv), 16(vi) and 16(x) will be detailed in the Schedule]
- (i) Specified Interest Payment Date(s)/Specified Interest Period(s): [ ]
- [specify: fixed dates, or dates that are determined as a certain number of Business Days after certain specified dates (in such case, also specify such dates); specify if such dates occur in each year or other period to be specified; also specify in (iii) below any applicable financial centre(s) for the definition of "Business Day"]
- First Interest Payment Date: [ ] [if not the first anniversary of Interest Commencement Date] [Not Applicable]
  - Interest Payment Date preceding the Maturity Date: [ ] [if Maturity Date is not a fixed Interest Payment Date] [Not Applicable]

[In the case of specified Interest Period(s) (instead of specified Interest Payment Date(s)) insert:

- Specified Interest Period(s):]       ]
- [specify Interest Payment Dates by reference to period after Interest Commencement Date and/or last preceding Interest Payment Date; specify first and last such date]*
- (ii) Business Day Convention:       Floating Rate Note Convention]  Following Business Day Convention]  Modified Following Business Day Convention]  Preceding Business Day Convention] *[specify other]*
- [adjusted] [unadjusted] [Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount: see Condition 4(a)(iii)]*
- (iii) Relevant financial centre(s)/ Applicable "Business Day" Definition:       ]
- (iv) Manner in which the Rate of Interest is to be determined:       ISDA Determination]  Screen Rate Determination] *[specify other]*
- (v) Calculation Agent responsible for calculating the Rate of Interest and/or Interest Amount:       ] *(if not the Agent)* [As provided in the Technical Annex]
- (vi) Screen Rate Determination:       Applicable]  Not Applicable]
- (If not applicable, delete the remaining items of this sub-paragraph)*
- Reference Rate:       EURIBOR]  LIBOR] *[specify other] [if other Reference Rate is specified, include additional information such as fall-back provisions]*
- Interest Determination Date(s):       ]  [[TARGET2] [London] *[insert other relevant reference]* Business Day(s) prior to the  [[commencement] [end] [first day] of the relevant Interest Period / relevant Interest Payment Date]]
- Specified Time:       ] *[which will be 11.00 a.m. Brussels time, in the case of EURIBOR or London time, in the case of a Reference Rate other than EURIBOR] [specify other]*
- Relevant Screen Page:       ] *[In the case of EURIBOR, if not Telerate Page 248, ensure it is a page which shows a composite rate or amend the fall-back provisions appropriately]*

- [Reference Banks: [ ]  
[specify only if indicated in Condition 4(b)(iii)]
- (vii) ISDA Determination:
- (i) Floating Rate Option: [ ]
- (ii) Designated Maturity: [ ]
- (iii) Reset Date: [ ]
- (viii) Formula for calculation of Rate of Interest: [ ] [Not applicable]
- (ix) Margin(s): [+/-] [ ] per cent. per annum
- (x) Day Count Fraction: [Actual/365 or Actual/Actual;  
Actual/Actual (ICMA);  
Actual/365 (Fixed);  
Actual/360;  
30/360; 360/360 or Bond Basis;  
30E/360 or Eurobond Basis];  
[other]
- (xi) Fall-back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from, or in addition to, those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions [Applicable] [Not Applicable]  
[If not applicable, delete the remaining sub-paragraphs of this paragraph]  
[If applicable in respect of Structured Notes, the following sub-paragraphs will appear and be detailed in the Schedule]
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ] [Consider applicable day count fraction if euro denominated]

- (iv) Day Count Fraction in relation to Early Redemption Amount(s) and late payment: [Condition 4 applies] [*specify other*]
18. Structured Note Provisions [Applicable] [Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (i) Index/Formula: [As specified in the Schedule]
- (ii) Calculation Agent responsible for calculating Rate of Interest and/or Interest Amount: [ ] (*if not the Agent*)
- [As provided in the Technical Annex]
- (iii) Provisions for determining Interest where calculation by reference to Index and/or Formula is impossible or impracticable: [As provided in the Technical Annex]
- [If the Underlying is not covered by the Technical Annex: As provided in the Schedule]*
- (iv) Specified Interest Period(s)/Interest Payment Date(s): [ ]
- (v) Business Day Convention: [Floating Rate Note Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [*specify other*]
- [adjusted] [unadjusted] [*Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount: see Condition 4(a)(iii)*]
- (vi) Relevant financial centre(s): [ ]
- (vii) Day Count Fraction: [ ]
19. Dual Currency Note Provisions [Applicable] [Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*give or annex details*]
- (ii) Calculation Agent responsible for calculating the Rate of Interest and/or Interest Amount (if not the

Agent):

- (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

## PROVISIONS RELATING TO PHYSICAL DELIVERY<sup>7</sup>

20. Physical Delivery Note Provisions [Applicable] [Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- [If applicable and except as specified below, the relevant provisions are as set out in the Technical Annex]*
- (i) Underlyings and/or Formula to be used to determine principal and/or interest or the Physical Delivery Amount: *[If the Underlying is covered by the Technical Annex insert: As specified in the Schedule under Final Redemption Amount and, if applicable, Other final terms, subject to adjustment as provided in the Technical Annex]*  
*[If the Underlying is not covered by the Technical Annex insert: As provided in the Schedule]*
  - (ii) Settlement by way of cash and/or physical delivery: *[If the Underlying is covered by the Technical Annex insert: As specified in the Schedule under Final Redemption Amount and, if applicable, Other final terms, subject to adjustment as provided in the Technical Annex]*  
*[If the Underlying is not covered by the Technical Annex insert: As provided in the Schedule]*
  - (iii) [Issuer/Noteholder] option to vary method of settlement and, if yes, method of election, and procedure, for variation of settlement: [Yes *[give or annex details]*] [No]
  - (iv) If settlement is by way of physical delivery:
    - (a) method of delivery of Physical Delivery Amount and consequences of a Settlement Disruption Event(s): [ ]  
[As provided in the Technical Annex]

<sup>7</sup> In case of Italian Certificates, except when the relevant underlyings are shares or government securities listed on the Italian Exchange, only cash settlement is allowed.

- (b) details of how and when Transfer Notice is to be delivered: [ ]  
[As provided in the Technical Annex]
- (c) details of how entitlement to Physical Delivery Amount will be evidenced: [ ]  
[As provided in the Technical Annex]
- (v) The party responsible for calculating the redemption amount and/or interest amount, or the Physical Delivery Amount, payable (if not the Agent): [ ] [Not Applicable]
- (vi) Provisions where calculation by reference to the Underlyings and/or Formula is impossible or impracticable: [ ]  
[As provided in the Technical Annex]
- (vii) Details of any other relevant terms, any stock exchange requirements/tax considerations (including details of person responsible for transfer expenses): [ ]  
[As provided in the Technical Annex and as the case may be in the Schedule]
- (viii) Method of calculating Early Redemption Amount: [[ ] per Note of [ ] Specified Denomination][Market Value]
- (ix) Valuation Date(s): [ ]  
[As provided in the Schedule]
- (x) Details of Exchanges(s) [and Related Exchange(s)]: [ ]  
[As provided in the Schedule]
- (xi) Such other additional terms or provisions as may be required (including, without limitation, definitions of Settlement Disruption Event(s), Potential Adjustment Events and Market Disruption Events): [ ]  
[As provided in the Technical Annex and the as the case may be in the Schedule]

## PROVISIONS RELATING TO REDEMPTION<sup>8</sup>

21. Redemption at the option of the Issuer (other than for Tax Reasons): [Applicable] [Not Applicable; the Notes cannot be redeemed early other than pursuant to Condition 6(b)]

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

*[If applicable for reasons other than Tax Reasons, the following sub-paragraphs will appear and be detailed in the Schedule]*

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[ ] per Note of [ ] Specified Denomination] [Market Value] [ ]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
- (iv) Notice period: [As specified in Condition 6(c)]
- [Insert only if other than as set out in the Conditions: [Other Minimum Notice Period to Noteholders] [Other Maximum Notice Period to Noteholders]]*

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

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

*[If applicable in respect of Structured Notes, the following sub-paragraphs will appear and be detailed in the Schedule]*

- (i) Put Redemption Date(s): [ ]
- (ii) Put Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[ ] per Note of [ ] Specified Denomination] [Market Value] [ ]

<sup>8</sup> In case of Italian Certificates, all references herein in the item "Provisions relating to Redemption" to "Redemption" shall be deemed to be instead to or may be replaced by "Exercise"

- (iii) Notice period (if other than as set out in the Conditions): [As specified in Condition 6(d)]
- [Insert only if other than as set out in the Conditions: [Other Minimum Notice Period to Issuer] [Other Maximum Notice Period to Issuer]]*
23. Final Redemption Amount (Notes other than Instalment Notes and Open End Notes): [principal amount][indexed][specify other Final Redemption Amount per Specified Denomination] [See the Schedule] [ ]
- [If indexed or other, give details as provided in the following sub-paragraphs]*
- [If Final Redemption Amount is indexed]*
- (i) Index/Formula: [See the Schedule]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ] *(if not the Agent):*  
[As provided in the Technical Annex]
- (iii) Provisions for determining the redemption amount where calculation by reference to Index and/or Formula is impossible or impracticable: [give or annex details]  
[As provided in the Technical Annex and as the case may be in the Schedule]
- [if Italian Certificates insert the following sub-paragraphs which are to be restated in the Schedule]*  
Final Exercise Amount: *[give details as provided in the following sub-paragraphs]*
- (i) Underlying: [ ] [See the Schedule]
- (ii) Initial Closing Price: [ ], i.e. the Closing Price of [•, the Underlying] on [•, date as specified in the applicable Final Terms]. [See the Schedule]
- (iii) Final Closing Price: Closing Price of [•, the Underlying] on [•, the date as specified in the applicable Final Terms]. [See the Schedule]
- (iv) Multiplier: [ ] [See the Schedule]
- (v) Final Exercise Amount: [Formula] [See the Schedule]
- (vi) Valuation Date: [ ] [See the Schedule]
- (vii) Index/Formula: [See the Schedule]
- (viii) Calculation Agent responsible for calculating the Final Exercise Amount: [ ] *(if not the Agent):*  
[As provided in the Technical Annex]



(ix) Provisions for determining the exercise amount where calculation by reference to Index and/or Formula is impossible or impracticable: *[give or annex details]*  
[As provided in the Technical Annex and as the case may be in the Schedule]]

(x) Automatic Exercise at Final Exercise Date: Applicable

*[Insert the following sub-paragraphs only for Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements]*

(xi) Waiver of automatic exercise at Final Exercise Date: By Notice Date, as specified in Condition 6(g)

(xii) Minimum Trading Lot: [ ] as specified in the Terms and Conditions in accordance with the Listing Rules of Borsa Italiana S.p.A. and/or by the rules of other regulated or unregulated markets with similar listing requirements, if applicable

*[Insert the following sub-paragraphs only for Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, and whose underlying is a share listed on the Italian Exchange or an Index managed by Borsa Italiana]*

(xiii) Final Valuation Date: [See the Schedule]

(xiv) Final Payment Date: [See the Schedule]

24. Maturity Date<sup>9</sup> (Notes other than Open End Notes): [See paragraph 8 above]

(i) Specified Maturity Date: [Not Applicable] *[Specify Date]*

(ii) Redemption Month: [Not Applicable] *[Specify Month and Year]*

25. Early Redemption Amount(s) payable on redemption due to Tax Reasons or due to an Event of Default and/or the method of calculating the same (if required or if different from that set out in the

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<sup>9</sup> See footnote 5 above

Conditions): [the principal amount of the Notes [plus accrued interest until the date of redemption (exclusive)] [and all outstanding Arrears of Interest] [the Amortised Face Amount of the Notes] [Market Value] [NB: "Market Value" is generally applicable in the case of Structured Notes or if so specified and means the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior (and ignoring the circumstances leading) to such early redemption [*the following statement is not applicable to Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements:* and adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes).] [insert any other applicable provisions]

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

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

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note][Permanent Global Note] [*specify other*]

28. Payments on Temporary Global Notes Restricted: [Yes][No] [see Condition 5(b)] [Not Applicable]

29. "Payment Business Day" election in accordance with Condition 5(e) or other special provisions relating to Payment Business Days: [none] [Following Payment Business Day] [Modified Following Payment Business Day] [*other*]

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

30. Financial Centre(s) for the purposes of Condition 5(e)<sup>10</sup>: [Not Applicable] [*give details*]

31. Details relating to Partly Paid Notes: [amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure

<sup>10</sup> Amend "Payment Business Day" definition if payment is to be made on 25th December as Euroclear and Clearstream, Luxembourg do not settle payments on such day.

- to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:] [Not Applicable] *[give details]*
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (i) Instalment Payment Date(s): [ ]
- (ii) Instalment Amount(s): [ ]
- (iii) Other applicable provisions: [ ]
32. Details relating to Instalment Notes: [Not Applicable] *[give details]*
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (i) Instalment Amount(s): [ ]
- (ii) Instalment Date(s): [ ]
- (iii) Other applicable provisions: [ ]
33. Redenomination: [Applicable ][Not Applicable]
- [If Redenomination is applicable, specify the terms of the redenomination in an annex to these Final Terms]*

#### **OTHER FINAL TERMS**

34. Other final terms: [Not Applicable] *[give details]* [As specified in the Schedule]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive]*

#### **NOTICES**

35. Means of publication in accordance with Condition 13(a): [Börsen-Zeitung][d'Wort]  
[http://prospectus.socgen.com][Specify other]
36. Clearing System Delivery Period in accordance with Condition 13(b): [Applicable] [Not Applicable] [other] *[give details]*

#### **PLAN OF DISTRIBUTION AND ALLOTMENT**

37. Notification Process for allotted amount: [ ] [Not Applicable]

38. Tranche reserved to one of the [ ] [Not Applicable]  
countries where the Offer is made:

#### PLACING AND UNDERWRITING

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

*[Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment on a "best efforts" basis if such entities are not the same as the Managers.]\*\**

(ii) [Date of Subscription [Not Applicable] [give date]\*\*  
Agreement:\*\*

(iii) Stabilising Manager (if any): [Not Applicable] [give name]

40. If non-syndicated, name [and [Société Générale  
address]\*\* of relevant Dealer: Tours Société Générale  
17, Cours Valmy  
92987 Paris-La Défense Cedex 7] \*\*  
[Give name [and address]\*\*] [in case of a dealer  
other than Société Générale].

*[In case of Italian Certificates, insert: For the avoidance of doubt, the Dealer does not perform any placement activity of the Certificates to the public in Italy]*

41. Total commission and [There is no commission and/or concession paid  
concession\*\*:

*[In case of Italian Certificates, insert: See also paragraph 14 of Part B "Offer Price" below]*

42. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D] [TEFRA C] [Not Applicable]

43. Additional selling restrictions: [Not Applicable] [give details]

44. Table: [Applicable (see the table on the following page)] [Not Applicable]

WKN / ISIN Code	Underlying	[Specified Currency or Currencies:]	[Parity [Specified Denomination(s)]]	[Participation Rate]	[Initial Valuation Date]	[Final Valuation Date]	[Maturity]	[Issue Price]	[Management Fees]	[Barrier Level]	[Minimum Redemption Amount]	[Cap]	[[Interest] Observation Period]	[Rates of Interest]	[Number of Certificates]	[Aggregate Principal Amount] [Specify Method]	[Series]	[Tranche]	[Other]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ] [plus an Premium of ~]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

**[PUBLIC OFFER] [LISTING AND ADMISSION TO TRADING APPLICATION]**

These Final Terms comprise the final terms required for the issue of the Notes [and] [public offer in the public offer jurisdiction(s)], [and] [listing] [and] [admission to trading on the [Official Market] [Regulated Market]] [traded]<sup>11</sup> [on the *Freiverkehr*] [unregulated market]] of the [Frankfurt] [Luxembourg] [*specify other*] [Stock] [Exchange]] [electronic “Securitized Derivatives Market” (the “**SeDeX**”), organised and managed by *Borsa Italiana S.p.A.*] [*specify other*] described herein by Société Générale Effekten GmbH pursuant to its Debt Issuance Programme for which purpose they are hereby submitted.]

**RESPONSIBILITY**

Société Générale Effekten GmbH as Issuer and Société Générale as Guarantor accept responsibility for the information contained in these Final Terms [*in case of public offer or listing, insert: under § 5 Sec. (4) German Securities Prospectus Act (Wertpapierprospektgesetz)*]. Information or summaries of information included herein with respect to the Underlying(s) has been extracted or obtained, as the case may be, from general databases released publicly or by any other available information. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as they are aware and are able to ascertain from information published, no facts have been omitted which would render the reproduced information, inaccurate or misleading.

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:

By:

By:

*Duly authorised*

*Duly authorised]*

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<sup>11</sup> Delete in case of Securities to be listed on the Freiverkehr of any German Stock Exchange or on the unregulated market of any other stock exchange.

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: [None] [Application [has been] [shall be] made to list the Notes on the [[Official Market] [Regulated Market] [unregulated market] [Frankfurt] [Luxembourg] Stock Exchange [*In case of Italian Certificates, insert:* and to admit the Notes for trading on the electronic “Securitised Derivatives Market” (the “SeDeX”), organised and managed by Borsa Italiana S.p.A.)] [*specify other*]]

*[If other than "None" this will be restated in the Schedule]*

*[Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]\*\**

- (ii) Estimate of total expenses related to admission to trading:\* [ ]\*

### 2. RATINGS

Ratings:

[The Notes to be issued have not been rated.]

[The Notes to be issued have been rated:

[Standard & Poor's Ratings Services, a division of the McGraw Hill Companies Inc.:

[ ]]

[Moody's Investors Service Limited:

[ ]]

[Fitch Ratings Ltd.:

[ ]]

[Other]:

[ ]]

### 3. [NOTIFICATION

The *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)*, Germany, [has been requested to provide] [has provided] (***include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues***) the [***include names of competent authorities of host Member States***] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive].

[[The Issuer [and the Guarantor] has [have] authorised the use of these Final Terms and the Debt Issuance Programme Prospectus dated [4th May 2010] by the Dealer/Managers and [*include names [and addresses] of other financial*

*intermediaries involved in the offer*] (the **Distributors** and, together with the Dealer/Managers, the **Financial Intermediaries**) [*In case of Italian Certificates: the Distributor[s] (the **Distributor[s]**)*] in connection with offers of the Notes to the public in [Germany [*and/or jurisdictions into which it has been passported*]] for the period set out in paragraph 14 below [; being specified that names and addresses of the Distributor[s] [, if any,] are available upon request to the Dealer (specified above in the item 40 of the Part A).] \*\*]

#### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Dealer(s) [*In case of Italian Certificates:; if any, or the Distributor[s] and except as mentioned below*] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

The Issuer and Société Générale expect to enter into hedging transactions in order to hedge the Issuer's obligations under the Notes. Should any conflicts of interest arise between (i) the responsibilities of Société Générale as Calculation Agent for the Notes and (ii) the responsibilities of Société Générale as counterparty to the above mentioned hedging transactions, the Issuer and Société Générale hereby represent that such conflicts of interest will be resolved in a manner which respects the interests of the Noteholders.]

[*Amend as appropriate if there are other interests*]

#### 5. ESTIMATED NET PROCEEDS AND TOTAL EXPENSES\*\*

(i) [Reasons for the offer: [ ]]

[*See "Use of Proceeds" wording in Debt Issuance Programme Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*]

(ii) [Estimated net proceeds: [ ] [Not Applicable]

[*If the proceeds are intended for more than one purpose, those purposes should be disclosed in order of priority. If the proceeds will be insufficient to fund all disclosed purposes, state the amount and sources of other funding.*]

(iii) [Estimated total expenses: [ ] [*Include breakdown of expenses*]]

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

(iv) Taxes and other expenses: Taxes charged in connection with the subscription, transfer, purchase or holding of the Notes must be paid by the Noteholders and neither the Issuer nor the Guarantor shall have any obligation in relation thereto; in that respect, Noteholders shall consult professional tax advisers to determine the tax regime applicable to



their own situation. Other expenses that may be charged to the Noteholders, *inter alia* by distributors, in relation to the subscription, transfer, purchase or holding of the Notes, cannot be assessed or influenced by the Issuer or the Guarantor and are usually based on the relevant intermediary's business conditions.

[specify other]

**6. YIELD** (*Fixed Rate Notes only*)

Indication of yield:

[Not Applicable] [Applicable] [*give details*]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

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

[*In case of Structured Notes in respect of which a fixed rate of interest is paid during all part or part of the term of the Notes and either or both of interest and/or the redemption amount is/are indexed insert.*]

**7. HISTORIC INTEREST RATES** (*Floating Rate Notes only*)

[Not Applicable] [Applicable]  
Details of historic [EURIBOR] [LIBOR] [*other*] rates can be obtained from [Telerate].\*\*

**8. PERFORMANCE OF UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Not Applicable] [Applicable]

[*Include details of where performance and volatility from time to time of the Underlying can be obtained*]

[*Include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances in which the risks are most evident.*\*\*

[*Where the Underlying is an index, include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the Underlying is not an index need to include equivalent information.*]

**9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

[Not Applicable] [Applicable]

[*Include details of where performance and volatility from time to time of the relevant rates can be*

*obtained]*

*[Include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances in which the risks are most evident.] \*\**

## 10. OPERATIONAL INFORMATION

(i) ISIN Code: [ ] [see Table in paragraph 44. of Part A - Contractual Terms]

(ii) Common Code: [ ] [see Table in paragraph 44. of Part A - Contractual Terms]

(iii) Clearing System(s): [Clearstream Banking AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Germany] [Clearstream Banking AG Luxemburg, 42 Avenue JF Kennedy, L-1855 Luxemburg] [Euroclear Bank S.A./N.V., 1, Boulevard du Roi Albert II, B - 1210 Brussels] [Monte Titoli S.p.A., Via Mantegna, 6, 20154 Milano (MI), Italy] [Euroclear France, 113 rue Réaumur, F – 75081 Paris – Cedex 02]

*[other] [additional Clearing System]*

*[give name(s) and number(s)]*

[Not Applicable]

11. **Delivery:** Delivery [against] [free of] payment

12. **Names and addresses of Additional Paying Agent(s) and Settlement Agent (if any):** [ ]

13. **Address and contact details of Société Générale for all administrative communications relating to the Notes:** Telephone: [ ]  
Telex: [ ]  
Facsimile: [ ]  
Attention: [ ]

## [14. \*\*[PUBLIC OFFERS

This paragraph applies only in respect of any offer of Notes made in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), where such offer is not made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes.

(i) Offer Period: From [and including] [ ] to [and including] [ ]

*[This period should be from the date of publication of the Final Terms to a specified date (or a formulation such as “the Issue Date” or “the date which falls [ ]*

*Business Days thereafter”].*

*[In case of Italian Certificates and and in case the period between the end of the Offer Period and the Issue Date is shorter than seven Business Days, insert: Notes placed through “Door-to-door selling” (pursuant to Article 30 of the Italian Financial Services Act) shall be offered from and including [ ] to and including [ ] in Italy.*

(ii) Offer Price:

[The Issuer has offered the Notes to the Dealer(s)/Managers at the initial issue price of [ ] less a total commission of [ ].

*[or where the price is not determined at the date of the Final Terms:*

The issue price of the Notes will be determined by the Issuer and the [Dealer(s)/Managers] on or about [ ] in accordance with market conditions then prevailing, including [supply and demand for the Notes and other similar securities] [and] [the then current market price of *[insert relevant benchmark security, if any].*]

*[or in case of Italian Certificates:*

Notes will be offered at the Issue Price (of which [a] [an] [maximum] [annual] [ ] % is represented by commissions payable to the Distributor[s] [and [ ] % is represented by structuring costs]) increased by fees, if any, as mentioned in item (xii) below.]

(iii) Conditions to which the offer is subject:

[Offers of the Notes are conditional [on their issue *[only applicable to offers during the subscription period]*] [and] [on any additional conditions set out in the standard terms of business of the [Financial Intermediaries] *[In case of Italian Certificates: Dealer and the Distributor[s] (the “Financial Intermediaries”)]*, notified to investors by such relevant Financial Intermediaries].]

*[In case of Italian Certificates, insert: The Issuer reserves the right to withdraw the offer and cancel the issuance of Notes for any reasons at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each potential investor shall not be entitled to subscribe or otherwise acquire the Notes.]*

(iv) Description of the application process:

*[N/A unless full application process is being followed in relation to the issue]*

[Any application for subscription of the Notes shall be

sent to Société Générale (see paragraph 13 of Part B above) or any Financial Intermediary]

*[In case of Italian Certificates, insert:* Any application for subscription of the Notes shall be sent to the relevant Distributor. The distribution activity will be carried out in accordance with the relevant Distributor's usual procedures. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription of the Notes.]

- (v) Details of the minimum and/or maximum amount of application: *[N/A unless full application process is being followed in relation to the issue]*

*[In case of Italian Certificates, insert:*

Minimum subscription amount per investor: [ ]

Maximum subscription amount per investor: [ ]

The maximum amount of application of Notes will be subject only to the availability at the time of the application.

There are no pre-identified allotment criteria. The Distributor[s] will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Notes requested through the Distributor[s] during the Offer Period will be assigned up to the maximum of the Offer.

In the event that during the Offer Period the requests exceed the total amount of the Offer destined to prospective investors the Issuer may early terminate the Offer Period and will immediately suspend the acceptance of further requests.]

- (vi) [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: *N/A unless full application process is being followed in relation to the issue]*

- (vii) Details of the method and time limits for paying up and delivering the Notes: [The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.] [The settlement of the net subscription moneys and the delivery of the Notes will be executed through the Dealer mentioned above.] *[In case of Italian Certificates, insert:* The Notes will be then delivered to the investors by the Distributor[s] on or around the Issue Date.] Investors will be notified by the relevant [Financial Intermediaries] *[or in case of Italian Certificates: Distributor]* of their allocations of Notes and the settlement arrangements in respect thereof.]

*[In case of Italian Certificates, insert:* The settlement

of the net subscription moneys and the delivery of the Notes will be executed through the Dealer only for technical reasons. However, the Issuer will be the only offeror and as such will assume all the responsibilities in connection with the information contained in the Final Terms together with the Debt Issuance Programme Prospectus.]

(viii) Manner and date in which results of the offer are to be made public: [N/A unless the issue is an “up to” issue when disclosure must be included]

[Publication on the website of the Issuer on <http://prospectus.socgen.com> on [ ] or by the Issuer in a daily newspaper of general circulation in the relevant place(s) of listing and/or public offer at the end of the subscription period if required by local regulation.]

[In case of Italian Certificates, the following applies: [Publication on the Issuer’s website <http://prospectus.socgen.com> on or around the Issue Date.]

(ix) [Procedure for exercise of any right of preemption, negotiability of subscription rights and treatment of subscription rights not exercised: N/A unless full application process is being followed in relation to the issue]

(x) Categories of potential investors to which the Notes are offered: [Offers [may be made by the Financial Intermediaries [in [Germany] [and jurisdictions into which the Debt Issuance Programme Prospectus has been passported] to any person] [In case of Italian Certificates, insert: of the Notes shall be made by the Issuer in Italy through the Distributor[s]]. In other EEA countries, offers will only be made [by the Financial Intermediaries]<sup>12</sup> pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]

[In case of Italian Certificates, insert: Any investor not located in Italy should contact its financial advisor for more information, and may only purchase Notes from its financial advisor, bank or financial intermediary.]

(xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Process for notification – N/A unless full application process is being followed in relation to the issue.]

[In case of Italian Certificates, insert: Each investor will be notified by the relevant Distributor of its allocation of the Notes after the end of the Offer

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<sup>12</sup> To be deleted in case of Italian Certificates

Period and before the Issue Date. No dealing in the Notes may take place before the Issue Date.]

[No dealings in the Notes on a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on Markets in Financial Instruments may take place prior to the Issue Date.]

(xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [ ]

Taxes charged in connection with the subscription, transfer, purchase or holding of the Notes must be paid by the Noteholders and neither the Issuer nor the Guarantor [*In case of Italian Certificates, insert:* nor the Distributor[s]] shall have any obligation in relation thereto; in that respect, Noteholders shall consult professional tax advisors to determine the tax regime applicable to their own situation. The Noteholders shall also consult the Taxation section in the Debt Issuance Programme Prospectus.

Additional subscription fees or purchases fees:

[None] [up to [ ]% being specified that the Distributor[s] can waive such fees.]

[*In case of Italian Certificates, insert:* In respect of the Offer Price which includes the commissions payable to the Distributor[s], please see item (ii) "Offer Price" above.]

## GOVERNING LAW

[15.] Governing law in respect of the Notes [and any non-contractual obligations arising out of or in connection with the Notes]: German law

[16.] Governing law in respect of the Guarantee [and any non-contractual obligations arising out of or in connection with the Guarantee]: French law

**Post-issuance information:** The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.

**Notes:**

- \* Delete if the minimum denomination is less than €50,000
- \*\* Delete if the minimum denomination is €50,000

## SCHEDULE

(This Schedule forms part of the Final Terms to which it is attached)

### Part 1:

1. (i) Issuer: Société Générale Effekten GmbH
- (ii) Guarantor: Société Générale [*In case of Italian Certificates, insert:* (acting also as placement coordinator (*responsabile del collocamento*) pursuant to applicable Italian laws and regulations)]
3. **Specified Currency or Currencies** [ ] [see Table in paragraph 44. of Part A - Contractual Terms]
4. **Aggregate Principal Amount**
- (i) [Tranche: [ ] [see Table in paragraph 44. of Part A - Contractual Terms]
- (ii) [Series: [ ] [see Table in paragraph 44. of Part A - Contractual Terms]
5. **Issue Price** [ ] [see Table in paragraph 44. of Part A - Contractual Terms]
6. **Specified Denomination(s)** [ ] [see Table in paragraph 44. of Part A - Contractual Terms]
- 7(i). **Issue Date** [ ] [see Table in paragraph 44. of Part A - Contractual Terms]
8. **Maturity Date** [ ] [see Table in paragraph 44. of Part A - Contractual Terms]
- [*In case of Italian Certificates: Final Exercise Date*]
- 1.(i) **Listing** [ ]  
(Part B)
15. **[Fixed Rate Note Provisions]** Applicable<sup>13</sup>
- (ii) Interest Payment Date(s): [ ]
- (iv) Fixed Coupon Amount(s): [ ]
16. **[Floating Rate Note Provisions]** Applicable<sup>14</sup>

<sup>13</sup> If specified as “Not Applicable” in paragraph 15 of Part A of the Final Terms, delete this paragraph

<sup>14</sup> If specified as “Not Applicable” in paragraph 16 of Part A of the Final Terms, delete this paragraph.



- (i) Specified Interest Payment Date(s)/Specified Interest Period(s): [ ]
- (ii) Business Day Convention: [ ]
- (iii) Relevant financial centre(s)/ Applicable "Business Day" Definition: [ ]
- (iv) Manner in which the Rate of Interest is to be determined: [ ]
- (vi) Screen Rate Determination: [ ]
- Reference Rate: [ ]
- Interest Determination Date(s): [ ]
- Specified Time: [ ]
- Relevant Screen Page: [ ]
- (x) Day Count Fraction: [ ]
17. **[Zero Coupon Note Provisions:** Applicable<sup>15</sup>
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]  
*[Consider applicable day count fraction if euro denominated]*
- (iv) Day Count Fraction in relation to Early Redemption Amount(s) and late payment: [Condition 4 applies] *[specify other]*
18. **[Structured Note Provisions** Applicable<sup>16</sup>
- (i) Index/Formula: [ ]
20. **[Physical Delivery Note Provisions** Applicable<sup>17</sup>
- (ix) Valuation Date(s): [ ]

<sup>15</sup> If specified as "Not Applicable" in paragraph 17 of Part A of the Final Terms, delete this paragraph.

<sup>16</sup> If specified as "Not Applicable" in paragraph 18 of Part A of the Final Terms, delete this paragraph.

<sup>17</sup> If specified as "Not Applicable" in paragraph 20 of Part A of the Final Terms, delete this paragraph.

(x) Details of Exchanges(s) [and Related Exchange(s)]: [ ]

21. **[Redemption at the option of the Issuer (other than for Tax Reasons):** Applicable<sup>18</sup>

(i) Optional Redemption Date(s): [ ]

(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[ ] per Note of [ ] Specified Denomination] [Market Value] [ ]

(iii) If redeemable in part: [ ]

(a) Minimum Redemption Amount: [ ]

(b) Maximum Redemption Amount: [ ]

(iv) Notice period: [As specified in Condition 6(c)]

*[Insert only if other than as set out in the Conditions:*

[Other Minimum Notice Period to Noteholders]  
[Other Maximum Notice Period to Noteholders]]

22. **[Redemption at the option of the Noteholders:** Applicable<sup>19</sup>

(i) Put Redemption Date(s): [ ]

(ii) Put Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[ ] per Note of [ ] Specified Denomination] [Market Value] [ ]

(iii) Notice period: [As specified in Condition 6(d)]

*[Insert only if other than as set out in the Conditions:*

[Other Minimum Notice Period to Issuer]  
[Other Maximum Notice Period to Issuer]]

<sup>18</sup> If specified as "Not Applicable" in paragraph 21 of Part A of the Final Terms, delete this paragraph.

<sup>19</sup> If specified as "Not Applicable" in paragraph 22 of Part A of the Final Terms, delete this paragraph.

23. **Final Redemption Amount:** [principal amount][indexed][specify other Final Redemption Amount per Specified Denomination]
- [If indexed or other, give details in the following sub-paragraph]
- [(i) Index/Formula: [ ]
  - [(ii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ] (if not the Agent):  
[As provided in the Technical Annex]
  - [(iii) Provisions for determining the redemption amount where calculation by reference to Index and/or Formula is impossible or impracticable: [give or annex details]  
[As provided in the Technical Annex and the as the case may be in the Schedule]]
- [(if Italian Certificates insert the following subparagraphs) Final Exercise Amount: [give details as provided in the following subparagraphs]
- [(i) Underlying: [ ]
  - [(ii) Initial Closing Price: [ ], i.e. the Closing Price of [•, the Underlying] on [•, date as specified on the applicable Final Terms].
  - [(iii) Final Closing Price: Closing Price of [•, the Underlying] on [•, the date as specified in the applicable Final Terms].
  - [(iv) Multiplier: [ ]
  - [(v) Final Exercise Amount: [Formula]
  - [(vi) Valuation Date: [ ]
  - [(vii) Index/Formula: [ ]
  - [(viii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ] (if not the Agent):  
[As provided in the Technical Annex]
  - [(ix) Provisions for determining the redemption amount where calculation by reference to Index and/or Formula is impossible or impracticable: [give or annex details]  
[As provided in the Technical Annex and as the case may be in the Schedule]
  - [(x) Automatic Exercise at Final Exercise Date: Applicable

*[Insert the following subparagraphs only for Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements]*

- (xi) Waiver of automatic exercise: By Notice Date, as specified in Condition 6(g)
- (xii) Minimum Trading Lot: [ ] as specified in the Terms and Conditions in accordance with the Listing Rules of Borsa Italiana S.p.A. and/or by the rules of other regulated or unregulated markets with similar listing requirements, if applicable]

*[Insert the following subparagraphs only for Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements and whose underlying is a share listed on the Italian Exchange or an Index managed by Borsa Italiana]*

- (xiii) Final Valuation Date: [ ]
- (xiv) Final Payment Date: [ ]
26. **[Knock-In/-Out Event(s):** [Applicable<sup>20</sup>]  
[See Part 2 below]]
34. **Other final terms:** [Applicable] [Not Applicable]

## Part 2: Definitions

Terms used in the Formula above are described in this Part 2.

[ ]

## Part 3: Information relating to the Underlying(s)

[ ] has been extracted from [ ]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to

<sup>20</sup> If specified as "Not Applicable" in paragraph 26 of Part A of the Final Terms, delete this paragraph.

ascertain from information published by [ ], no facts have been omitted which would render the reproduced inaccurate or misleading.]

**[Part 4:] [Additional Information]**

[ ]

**[Part 5:] [Additional Risk Factors]**

*[Insert additional specific risk factors relating to an Underlying of a particular Tranche of Notes, provided that these risks are specific to this Underlying and can only be determined at the time of the individual issue.]*

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (the "**Terms and Conditions**" or the "**Conditions**") are set forth below in two parts: Part A sets out the basic contractual terms that apply to all types of Notes issued under this Debt Issuance Programme (the "**Basic Terms**"). Part A is supplemented by Part B, commencing on page 154 of this Debt Issuance Programme Prospectus, which sets out specific terms that apply, if stated to be applicable in the applicable Final Terms, to Notes whose interest rate and/or redemption amount is determined or calculated by reference to an index and/or a formula based on or referring to changes in the prices of securities or assets (including shares in companies, any other equity or non-equity securities, indices, currencies or currency exchange rates, interest rates, dividends, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities or bond or futures contracts, unit linked features (accounting units) or the occurrence or not of certain events not linked to the Issuer or the Guarantor or a basket thereof or any combination thereof) or by reference to such other factor or factors as indicated in the applicable Final Terms (collectively "**Structured Notes**") (the "**Technical Annex**").

The Basic Terms and the Technical Annex together form the Terms and the Conditions of the Notes. To the extent so specified in the Final Terms or to the extent inconsistent with the Basic Terms, the terms of the Technical Annex replace or modify the Basic Terms for the purpose of the Notes to which it applies.

**[In the case of supplemented Conditions insert:** The provisions of these Terms and Conditions apply to the Notes as completed, modified, supplemented or replaced, in whole or in part, by the applicable Final Terms, which are attached hereto and which together with the Terms and Conditions will apply to the Notes to be issued under the Programme and will be endorsed on, attached to or incorporated by reference into each Global Note.

The blanks in these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Terms and Conditions shall be deemed to so modify, supplement or replace the provisions of these Terms and Conditions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms.]

*[When the Notes qualify as securitised derivatives to be offered in Italy and/or listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets, the term "Notes" will be replaced by the term "Certificates" in all applicable provisions (the "**Italian Certificates**").]*

### PART A - BASIC TERMS

#### 1. Currency, Denomination, Form and Certain Definitions

- (a) *Currency; Denomination.* This tranche of [Notes (the "**Notes**") [Certificates (the "**Certificates**") of Société Générale Effekten GmbH (the "**Issuer**", which expression shall include any Substitute Debtor as defined in Condition 12 is being issued in [*in case of Table in Condition 1(g) being applicable insert:* the Currency as defined in the Table in Condition 1.(g)] [*insert Specified Currency*] [(the "**Specified Currency**")]] in the aggregate principal amount [of] [*insert aggregate principal amount*] [*in case of Table in Condition 1(g) being applicable insert:* as defined in the Table in Condition 1 (g)] (the "**Aggregate Principal Amount**")], divided into notes in the specified denomination [*in case of Table in Condition 1(g) being applicable insert:* as defined

in the Table in Condition 1 (g) [of] [*insert Specified Denomination*] (the “**Specified Denomination**”) each.”

(b) *Form.* The Notes are issued in bearer form.

(c) *Global Notes:*

[*In case of Italian Certificates where Monte Titoli is the relevant Clearing System, the following wording should be added:* In case of Italian Certificates, the Permanent Global Note and/or the Temporary Global Note will be deposited in the central clearing system managed by Monte Titoli S.p.A. (“**Monte Titoli**”, also referred to as the “**Clearing System**”). As better described below, the Italian Certificates will be transferred in accordance with dematerialised securities regulations contained under the Legislative Decree No 213 of 24 June 1998.]

[*In all other cases insert:* The Notes are [represented by a permanent global bearer note (“**Permanent Global Note**”)] [initially represented by a temporary global bearer Note (“**Temporary Global Note**”)] without interest coupons. [The Permanent Global Note shall bear] [Each of the Temporary Global Note and the Permanent Global Note shall bear] the manual or facsimile signatures of two duly authorised officers of the Issuer.

[*In the case of Notes which are represented by a Temporary Global Note add the following provision:* The Temporary Global Note will be exchangeable, free of charge to the holder of Notes, on or after its Exchange Date, in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note for a Permanent Global Note (the Temporary Global Note and the Permanent Global Note, each a “**Global Note**”) without interest coupons.

“**Exchange Date**” means a day falling not earlier than 40 days after the date of issue of the Temporary Global Note.]]

The right of the Noteholders to require the issue and delivery of definitive Notes or interest coupons is excluded.

(d) *Clearing System:* [*In case of Italian Certificates where Monte Titoli is the relevant Clearing System, insert:* The circulation of Certificates centralised with Monte Titoli S.p.A. (“**Monte Titoli**”) will be made pursuant to Italian legislative decree no. 213/1998 as amended and integrated and subsequent implementing provisions.

The Italian Certificates are freely transferable by way of book entries on the accounts registered on the settlement system of Monte Titoli and, when admitted to listing on the Italian Stock Exchange on the market for securitised derivatives (“SeDex”) and/or other regulated or unregulated markets with similar listing requirements, they may be transferred in lots at least equal to the Minimum Tradable Lot (as defined by the Listing Rules of Borsa Italiana S.p.A. and/or by the rules of other regulated or unregulated markets with similar listing requirements), or multiples thereof, as determined by Borsa Italiana S.p.A. and/or by other regulated or unregulated markets with similar listing requirements and indicated in the Final Terms in relation to each Series]

[*In all other cases insert:* [The Permanent Global Note] [Each of the Temporary Global Note and the Permanent Global Note] will be held in custody by or on behalf of [Clearstream Banking AG, Frankfurt (“**Clearstream, Frankfurt**”)] [a depository common to Clearstream Banking, *société anonyme*, Luxembourg (“**Clearstream, Luxembourg**”) and Euroclear Bank SA/NV., as operator of the Euroclear System (“**Euroclear**”)] [Euroclear France] [a depository or nominee for purposes of introducing the Notes into the clearing system operated by [insert other clearing

system]] ([together] the "**Clearing System**") until all obligations of the Issuer under the Notes have been satisfied.]

- (e) *Holder of Notes.* "Noteholder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note(s) introduced into the Clearing System under a particular securities identification number, which are transferable in accordance with applicable laws and the rules and regulations of the Clearing System [*In case of Italian Certificates insert:* or any person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing System as the holder of a particular amount of the Certificates (in which regard any certificate or other document issued by the relevant Clearing System as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error)].

- (f) *Certain Definitions:*

References in these Conditions to "**Tranche**" shall mean Notes which are identical in all respects.

References in these Conditions to "**Series**" shall mean a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) are identical in all respects except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

[Any reference in these Conditions to "**Physical Delivery Notes**" shall mean Notes in respect of which an amount of principal and/or interest or the final exercise amount is payable and/or (by reference to an underlying security or asset as specified in the applicable Final Terms (the "**Underlying**")) a Physical Delivery Amount (being the number of Underlyings plus/minus any amount due to/from the Noteholder in respect of each Note) is deliverable and/or payable, in each case by reference to one or more Underlyings as indicated in the applicable Final Terms.]



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

[g] Table

WKN / ISIN Code	Underlying	[Specified Currency or Currencies:]	[Parity] [Specified Denomination(s)]	[Participation Rate]	[Initial Valuation Date]	[Final Valuation Date]	[Maturity]	[Issue Price]	[Management Fees]	[Barrier Level]	[Minimum Redemption Amount]	[Cap]	[Interest Observation Period]	[Rates of Interest]	[Number of Certificates]	[Aggregate Principal Amount] [Specify other]	[Series]	[Tranche]	[Other]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ] <sup>plus</sup> a Premium of ~]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

## 2. Status of the Notes and Guarantee

- (a) *Status of the Notes:* The obligations under the Notes constitute direct, unconditional, unsubordinated and, subject to the Guarantee unsecured limited recourse obligations of the Issuer and shall at all times rank pari passu and without preference among themselves. The payment obligations of the Issuer under the Notes (save for certain obligations preferred by mandatory provisions of statutory law) shall rank pari passu with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.
- (b) *Guarantee:* Société Générale (the "**Guarantor**") has given an unconditional and irrevocable Guarantee for the due and punctual payment of principal of, and interest on, and any other amounts expressed to be payable under the Notes and/or the due and punctual physical delivery of securities deliverable under or in respect of the Notes for the benefit of the Noteholders.

## 3. Negative Pledge

The Guarantor will not, so long as any of the Notes or any receipts or coupons relating thereto remain outstanding, create a **Security Interest** (other than a Permitted Security Interest) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Guarantor, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as approved by an extraordinary resolution (duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders.

For the purposes of these Conditions:

**Permitted Security Interest** means (i) any Security Interest created or outstanding upon any property or assets (including current and/or future revenues, accounts, receivables and other payments) of the Guarantor arising out of any securitisation or other similar structured finance transaction involving such property or assets where the primary source of payment of any obligations secured by such property or assets is the proceeds of such property or assets (or where the payment of such obligations is otherwise supported by such property or assets) and where recourse to the Guarantor in respect of such obligations does not extend to defaults by the obligors in relation to such property or assets; or (ii) a lien arising solely by operation of law.

**Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures (including, without limitation, *obligations*, as such term is defined for the purposes of French law) or other securities, of the Guarantor, which are for the time being quoted, listed or ordinarily dealt in on any stock exchange or regulated securities market and (ii) any guarantee or indemnity of any such indebtedness.

**Security Interest** means any mortgage, charge, lien, pledge or other encumbrance.

#### 4. Interest

***[In the case of Fixed Rate Notes insert the following paragraphs (a) to (c):***

(a) *Rate of Interest and Interest Payment Dates*

The Notes shall bear interest on their principal amount *[In the case of Rate of Interest insert: at the rate of [insert Rate of Interest] per cent. per annum] [In case of Table in Condition 1(g) being applicable insert: as defined in the Table in Condition 1(g)]* from (and including) *[Insert Interest Commencement Date]* to (but excluding) the Maturity Date *[(as defined in Condition 6(a))] [In case of Table in Condition 1(g) being applicable insert: as defined in the Table in Condition 1(g)]*. Interest shall be payable in arrears on *[Insert Interest Payment Date or Dates]* in each year (each such date, an "**Interest Payment Date**"). *[In the case of Fixed Coupon Amount insert: The amount of interest payable on such Interest Payment Date will amount to [Insert Fixed Coupon Amount].] [If first Interest Payment Date is not the first anniversary of Interest Commencement Date insert: The first payment of interest shall be made on [Insert first Interest Payment Date] and will amount to [Insert Initial Broken Amount] [If Initial Broken Amount per Aggregate Principal Amount insert: per Aggregate Principal Amount.] [If Initial Broken Amount per Specified Denomination insert: per Specified Denomination.]] [If Maturity Date is not an Interest Payment Date insert: Interest in respect of the period from (and including) [Insert the Interest Payment Date preceding the Maturity Date] to (but excluding) the Maturity Date will amount to [Insert Final Broken Amount] [If Final Broken Amount per Aggregate Principal Amount insert: per Aggregate Principal Amount.] [If Final Broken Amount per Specified Denomination insert: per Specified Denomination.]] [If the Specified Currency is Euro and if Actual/Actual (ICMA) is applicable insert: The number of Interest Payment Dates per calendar year (each a "**Determination Date**") is [Insert number of regular Interest Payment Dates per calendar year]].*

(b) *Accrual of Interest*

If the Issuer shall fail to redeem the Notes when due, interest shall not cease to accrue on (and including) the day which precedes the due date but shall continue to accrue until (and including) the day which precedes the actual redemption of the Notes at the default rate of interest established by law.

(c) *If Day Count Fraction is specified as Not Applicable in the relevant Final Terms*

Equity Linked Notes and Commodity Linked Notes may provide for a method of calculating interest on Fixed Rate Notes which does not require any Day Count Fraction as interest payable on each specified Interest Payment Date is determined by applying a fixed specified percentage to the Specified Denomination as it shall be detailed in the applicable Final Terms [and] [or] Schedule thereto.]

*[Insert any other relevant terms here and in the applicable Final Terms.]*

***[In the case of Floating Rate Notes insert, in accordance with the selections made in the applicable Final Terms, the following paragraphs (a) to (g):***

(a) *Interest Payment Dates*

(i) The Notes bear interest on their principal amount from (and including) *[Insert Interest Commencement Date]* (the "**Interest Commencement Date**") to (but excluding) the first Interest Payment Date and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date (each, an "**Interest Period**"). Interest on the Notes shall be payable in arrear on each Interest Payment Date.

(ii) "**Interest Payment Date**" means:

*[In the case of Specified Interest Payment Dates or one Specified Interest Payment Date insert: [in case of a short/long first interest period insert: [first Interest Payment Date] and thereafter] [each] [Insert Specified Interest Payment Date(s)].] [In case of a short/long last interest period insert: The last payment of interest preceding the Maturity Date shall be made on [Insert Interest Payment Date preceding the Maturity Date].]*

*[In the case of Specified Interest Periods insert: each date which (except as otherwise provided in these Terms and Conditions) falls [Insert number] [weeks] [months] [Insert other specified periods] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]*

- (iii) If (x) there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

*[If Specified Periods and Floating Rate Note Convention are specified in the Final Terms insert: (a) in the case of (x) above, the last day that is a Business Day in the relevant month and the provisions of (iv) below shall apply mutatis mutandis or (b) in the case of (y) above, postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls [[Insert number] months] [Insert other specified periods] after the preceding applicable Interest Payment Date.]*

*[If Following Business Day Convention is specified in the Final Terms insert: postponed to the next day which is a Business Day.]*

*[If Modified Following Business Day Convention is specified in the Final Terms insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.]*

*[If Preceding Business Day Convention is specified in the Final Terms insert: the immediately preceding Business Day.]*

Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "**unadjusted**" basis, the Interest Amount (as defined below) payable on any date shall not be affected by the application of such Business Day Convention.

- (iv) In this Condition 4(a) "**Business Day**" means (unless otherwise stated in the applicable Final Terms) a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in *[Insert all relevant additional financial centre(s)]* and

either (x) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency or (y) in relation to any sum payable in euro, a day on which the TARGET2 System is open (a "**TARGET2 Business Day**") In these Terms and Conditions, **TARGET2 System** means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System.

(b) *Rate of Interest*

*[If Screen Rate Determination is specified in the applicable Final Terms insert:*

The rate of interest (the "**Rate of Interest**") for each Interest Period will, except as provided below, be:

- (i) the offered quotation (if there is only one offered quotation on the Screen Page (as defined below)), or
- (ii) if there is more than one offered quotation on the Screen Page, the arithmetic mean (rounded if necessary to the nearest *[If the Reference Rate is EURIBOR insert: one thousandth of a percentage point, with 0.0005] [If the Reference Rate is not EURIBOR insert: one hundred-thousandth of a percentage point, with 0.000005]* being rounded upwards) of such offered quotations,

(expressed as a percentage rate per annum) for deposits in the Specified Currency for [that Interest Period] *[Insert other period]* which appears on the Screen Page as of [11:00 a.m. (*[If the Reference Rate is EURIBOR insert: Brussels] [If the Reference Rate is not EURIBOR insert: London]*) *[Insert other relevant time and/or relevant location]* time) on the Interest Determination Date (as defined below) *[If Margin insert: plus] [minus] the Margin (as defined below)]*, all as determined by the Calculation Agent, as specified in Condition 11(a) below. If five or more of such offered quotations are available on the relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

"**Interest Determination Date**" means the [[second] *[Insert other applicable number of days]* [TARGET2] [London] *[Insert other relevant reference]* Business Day prior to the [[commencement] [end] of the relevant Interest Period] [relevant Interest Payment Date]] [first day of the relevant Interest Period]. *[In case of a TARGET2 Business Day insert: "TARGET2 Business Day" means a day on which the TARGET2 System is operating.] [In case of a non-TARGET2 Business Day insert: "[London] [Insert other relevant location] Business Day"* means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [London] *[Insert other relevant location].]*

*[If Margin insert: "Margin" means [ ] per cent. per annum.]*

"**Screen Page**" means *[Insert relevant Screen Page]* or, if discontinued, its successor page.

If the Screen Page is not available or if no such quotation appears (as at such time) the Calculation Agent shall request the principal *[If the Reference Rate is EURIBOR insert: Euro-Zone] [If the Reference Rate is not EURIBOR insert: London]* office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the *[If the Reference Rate is not EURIBOR insert: London]* interbank market *[If the Reference Rate is EURIBOR insert: of the Euro-Zone]* at approximately [11.00 a.m. (*[If the Reference Rate is EURIBOR insert: Brussels] [If the Reference Rate is not EURIBOR insert: London]*) time) on the Interest Determination Date. ["**Euro-Zone**" means the region comprised of member states of the European Union that participate in the European Economic and Monetary Union.] If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest *[If the Reference Rate is EURIBOR insert: one thousandth of a percentage point, with 0.0005] [If the*

*Reference Rate is not EURIBOR insert: one hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of such offered quotations [If Margin insert: [plus] [minus] the Margin], all as determined by the Calculation Agent.*

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest *[If the Reference Rate is EURIBOR insert: one thousandth of a percentage point, with 0.0005] [If the Reference Rate is not EURIBOR insert: one hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at [11.00 a.m. (If the Reference Rate is EURIBOR insert: Brussels) [If the Reference Rate is not EURIBOR insert: London] time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the *[If the Reference Rate is not EURIBOR insert: London] interbank market [If the Reference Rate is EURIBOR insert: of the Euro-Zone] [If Margin insert: [plus] [minus] the Margin] or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the *[If the Reference Rate is not EURIBOR insert: London] interbank market [If the Reference Rate is EURIBOR insert: of the Euro-Zone] (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) [In the case of Margin insert: [plus] [minus] the Margin]. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last preceding Interest Determination Date *[If Margin insert: [plus] [minus] the Margin] (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).****

**"Reference Banks"** means *[If no other Reference Banks are specified in the Final Terms, insert: the principal Euro-Zone offices of four major banks in the Euro-Zone interbank market as selected by the Calculation Agent] [If other Reference Banks are specified in the Final Terms, insert names here].*

*[If the Reference Rate is other than EURIBOR, insert relevant details in lieu of the provisions of this subparagraph (b)]*

*[If the Specified Currency is a currency of a country which does not at the date of issue participate in the European Economic and Monetary Union, insert: If the Notes are redenominated from the Specified Currency into Euro and if the rate last displayed on the Screen Page is not substituted by applicable statutory or regulatory law, Screen Page shall mean the reference rate specified as Euro Interbank Offered Rate (EURIBOR) on the monitor page [Insert the relevant page] of Reuters or its successor page. This reference rate shall commence to be applicable with respect to the first Interest Period which begins after redenomination of the Specified Currency into Euro. As of such Interest Period each reference in this subparagraph (b) to a local time shall be to Brussels time, each reference to a principal office shall be to the principal Euro-Zone office and each reference to an interbank market shall be to the interbank market of the Euro-Zone. "Euro-Zone" means the region comprised of member states of the European Union that participate in the European Economic and Monetary Union.]*

*[If ISDA Determination applies insert the following alternative of this paragraph (b):*

The rate of interest (the "**Rate of Interest**") for each Interest Period will be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate *[If Margin is applicable the following applies: [plus] [minus] a margin of [Insert applicable Margin] (the "Margin")]*.

For the purposes of this paragraph (b), "**ISDA Rate**" for an Interest Period means the Rate of Interest equal to the Floating Rate that would be determined by the [Calculation] Agent under an interest rate swap transaction if the [Calculation] Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which

- (iii) the "**Floating Rate Option**" means *[Insert Floating Rate Option]*
- (iv) the "**Designated Maturity**" means *[Insert Designated Maturity]*.
- (v) the relevant "**Reset Date**" means *[the first day of that Interest Period] [Insert other relevant Reset Date]*.

For purposes of this sub-paragraph, **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and as amended and updated as at the issue date of the first Tranche of the Notes of this Series of Notes [and as attached to these Terms and Conditions]. *[Insert any other relevant provisions here and in the Final Terms]*

*[If the Rate of Interest is determined by reference to a formula insert the following alternative of this paragraph (b):*

The rate of interest (the "**Rate of Interest**") for each Interest Period shall be determined by the Calculation Agent in accordance with the following formula: *[Insert formula and detailed description of the relevant variables including the relevant fall back provisions]*.

*[If other method of determination/indexation applies, insert relevant details in addition to, or in lieu of, the provisions of this paragraph (b).*

[ ]

- (c) *Determination of Rate of Interest and calculation of Interest Amount*

The [Calculation] Agent, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. [The Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.]

The [Calculation] Agent will, on or as soon as practicable after each date at which the Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") payable on the Notes in respect of each Specified Denomination for the relevant Interest Period or Interest Periods, as the case may be. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below in ([ ] (Definitions)) to each Specified Denomination and rounding the resulting figure *[If the Specified Currency is Euro the following applies: to the nearest 0.01 Euro, 0.005 Euro being rounded upwards.] [If the Specified Currency is not Euro the following applies: to the nearest minimum unit of the Specified Currency, with 0.005 of such unit being rounded upwards.]* Where any Interest Period comprises two or more Interest Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Periods.

(d) *Notification of Rate of Interest and Interest Amount*

The [Calculation] Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, and to the Noteholders in accordance with Condition 13 as soon as possible after their determination, but in no event later than the fourth [TARGET2] [London] [*Insert other relevant reference*] Business Day (as defined in Condition 4(a)) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance with Condition 13.

(e) *Determinations Binding*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Agent or, if applicable, the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Agent, the Calculation Agent (if applicable), the Paying Agent(s) and the Noteholders. No liability to the Issuer, the Guarantor or the Noteholders shall attach to the Agent or, if applicable, the Calculation Agent, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(f) *Accrual of Interest*

The Notes shall cease to bear interest as from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall not cease to accrue on (and including) the day which precedes the due date, but shall continue to accrue until (and including) the day which precedes actual redemption of the Notes. Interest shall continue to accrue on the outstanding principal amount of the Notes from the due date (inclusive) until the date of redemption of the Notes (exclusive), at the default rate of interest established by law.

***[In the case of Zero Coupon Notes insert:]***

(g) *No Periodic Payments of Interest*

There will not be any periodic payments of interest on the Notes during their term.

(h) *Accrual of Interest*

If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the amount due and payable under the Notes as from (and including) the Maturity Date to (and including) the day which precedes the date of actual redemption, at the default rate of interest established by law.

*[Insert other applicable provisions]*

***[In the case of Structured Notes, insert any other applicable provisions regarding interest here and in the relevant Final Terms.]***

[ ]

***[In the case of Dual Currency Notes, insert any other applicable provisions regarding interest here and in the relevant Final Terms.]***

[ ]



***[In the case of Physical Delivery Notes, insert any other applicable provisions regarding interest here and in the relevant Final Terms.]***

[ ]

***[In the case of Partly Paid Notes, insert any other applicable provisions regarding interest here and in the relevant Final Terms.]***

[ ]

*[(Insert relevant paragraph number)]* Certain Definitions Relating to the Calculation of Interest In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Day Count Fraction"** means with regard to the calculation of interest on any Note for any Interest Period:

*[If Actual/365 or Actual/Actual applies insert: the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365).]*

*[In the case of Fixed Rate Notes, if the Specified Currency is Euro and if Actual/Actual (ICMA) is applicable insert:*

- (i) if the Interest Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Interest Period ends, the number of days in such Interest Period (from and including the first day of such period but excluding the last) divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in Condition 4 (a)) that would occur in one calendar year; or
- (ii) if the Interest Period is longer than the Determination Period during which the Interest Period ends, the sum of: (A) the number of days in such Interest Period falling in the Determination Period in which the Interest Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in Condition 4 (a)) and (B) the number of days in such Interest Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in Condition 4 (a)) that would occur in one calendar year.

**"Determination Period"** means the period from (and including) a Determination Date to, (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).]

*[If Actual/365 (Fixed) insert: the actual number of days in the Interest Period divided by 365.]*

*[If Actual/360 insert: the actual number of days in the Interest Period divided by 360.]*

*[If 30/360, 360/360 or Bond Basis: the number of days in the Interest Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Interest Period is the last day of the month of February in*

which case the month of February shall not be considered to be lengthened to a 30-day month).]

*[If 30E/360 or Eurobond Basis insert: the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered lengthened to a 30-day month).]*

## **5. Payments**

### **(a) *Payment of Principal***

Payment of principal in respect of Notes shall be made, subject to subparagraph (c) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

*[In case of Italian Certificates replace the foregoing paragraph as follows: Payment of Final Exercise Amount in respect of the Certificates shall be made, subject to subparagraph (c) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System]*

*[In case of Notes other than Zero Coupon Notes insert the following para. (b):*

### **(b) *Payment of Interest***

Payment of interest on Notes shall be made, subject to subparagraph (c) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

*[In the case of interest payable on a Temporary Global Note insert: Payment of interest on Notes represented by the Temporary Global Note shall only be made upon due certification as provided in Condition 1(c).]*

### **(c) *Manner of Payment***

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency. Should the Specified Currency have been replaced on the due date under any applicable legal provision, payments shall be made in such legally prescribed currency. If, as a result of such legal changes, there are several currencies to choose from, the Issuer shall choose a currency in its reasonable discretion. This shall also apply if payment in the Specified Currency is not possible for any other reason.

### **(d) *Discharge***

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

### **(e) *Payment Business Day***

If the due date for payment of any amount in respect of any Note is not a Payment Business Day then the Noteholder shall instead be entitled to payment *[If Following Payment Business Day is specified in the Final Terms or if no Payment Business Day election is made in the Final Terms insert: on the next following Payment Business Day in the relevant place] [If Modified Following Payment Business Day Convention is specified in the Final Terms insert: on the next following Payment*

Business Day in the relevant place, unless the date for payment would thereby fall into the next calendar month, in which event such date for payment shall be brought forward to the immediately preceding Payment Business Day in the Relevant Date]. In the event that any adjustment is made to the date for payment in accordance with this Condition 5(e), the relevant amount due shall not be affected by any such adjustment, unless otherwise specified in the Final Terms.

In this Condition 5(e), **Payment Business Day** means (unless otherwise stated in the applicable Final Terms) a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(f) *References to Principal and Interest*

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

- (i) the Final Redemption Amount of the Notes;
- (ii) the Early Redemption Amount of the Notes;
- (iii) *[If the Notes are redeemable at the option of the Issuer other than for tax reasons insert: the Optional Redemption Amount(s) of the Notes;]*
- (iv) *[If the Notes are redeemable at the option of the Noteholder insert: the Put Redemption Amount(s) of the Notes;]*
- (v) *[In relation to Notes redeemable in instalments insert: the Instalment Amounts;]*
- (vi) *[In relation to Zero Coupon Notes insert: the Amortised Face Amount (as defined in Condition 6(f));]*
- (vii) *[In relation to Italian Certificates: all references herein to Final Redemption Amount and Early Redemption Amount, where applicable, shall be deemed to be to the final exercise amount and early exercise amount] and*

any premium and any other amounts which may be payable under or in respect of the Notes, including, as applicable, any Additional Amounts which may be payable under Condition 7. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Condition 7.

*[In case of Physical Delivery Notes insert: References in these Terms and Conditions to principal and/or interest and Physical Delivery Amount(s) shall mean such amount less any expenses, fees, stamp duty, levies or other amounts payable on or in respect of the relevant Physical Delivery Amount(s).]*

(g) *Deposit of Principal and Interest.*

The Issuer may deposit with the Amtsgericht in Frankfurt am Main principal or interest not claimed by Noteholders within twelve months after the due date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

***[In the case of Physical Delivery Notes insert:***

*[(Insert relevant paragraph number)] Physical Delivery Notes*

*[Insert relevant provisions relating to the procedure for the delivery of any Physical Delivery Amount in respect of Physical Delivery Notes (including, without limitation, liability for the costs of transfer of Underlyings) here and in the applicable Final Terms.]*

***[In case of Notes where a Knock-In Event or a Knock-Out Event shall be applicable, insert the following para. (h):***

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

The [redemption amount] [interest amount] [physical delivery amount] due by the Issuer under these Notes is subject to the occurrence of a Knock-In-Event or a Knock-Out Event as specified in the applicable Final Terms. For the purpose hereof, [Knock-In Event] [Knock-Out Event] means, in respect of an Underlying, that any price, performance or level of such Underlying during a specified period is (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" a predetermined [Knock-In Level] [Knock-Out Level], all as specified in the applicable Final Terms.

*[Insert relevant provisions relating to Knock-In/-Out Event(s)]*

**6. Redemption and Purchase**

(a) *Redemption at Maturity*

***[In case of Notes other than Instalment Notes and Open-End Notes, insert:***

*[In case of Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, insert: Without prejudice to condition 6 (g) (iv), to the extent not previously redeemed in whole or in part, the Notes shall be redeemed at their Final Redemption Amount on [In the case of a specified Maturity Date insert such Maturity Date] [In case of a redemption month the following applies: the Interest Payment Date falling in [Insert redemption month]] (the "Maturity Date").]*

*[In case of Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, and whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana S.p.A., insert: The Final Exercise Amount shall be paid on the Final Exercise Date, if specified as such in the applicable Final Terms, otherwise on the Final Payment Date.]*

*[In all other cases, insert: To the extent not previously redeemed in whole or in part, the Notes shall be redeemed at their Final Redemption Amount on [In case of a specified Maturity Date insert such Maturity Date] [In case of a redemption month the following applies: the Interest Payment Date falling in [Insert redemption month]] (the "Maturity Date").]*

**"Final Redemption Amount"** means, in respect of each Note, *[If the Notes are redeemed at their principal amount insert: its principal amount] [If the Notes are redeemed at an amount other than the principal amount insert: other Final Redemption Amount] [If Final*

Redemption Amount is calculated on the basis of a formula insert: an amount calculated by the Calculation Agent in accordance with the following formula:

[Insert formula]

provided always that the Final Redemption Amount shall in no event be less than zero].]

[In case of Table in Condition 1(g) being applicable insert: For further details see Table Condition 1(g).]

**[In case of Instalment Notes, insert the following alternative of Condition 6(a):**

To the extent not previously redeemed in whole or in part, the Notes shall be redeemed on the Instalment Date(s) and in the Instalment Amount(s) set forth below:

Instalment Date(s)	Instalment Amounts (per Specified Denomination)
[ ]	[ ]
[ ]	[ ]

**[In case of Open-End Notes insert:**

The Notes are open-ended [and may only be redeemed in accordance with the following provisions of this Condition 6].]

**[In the case of Physical Delivery Notes, insert any other applicable provisions regarding redemption here and in the relevant Final Terms]**

[ ]

- (b) *Early Redemption<sup>21</sup> for Tax Reasons*
- (i) *Early Redemption because of a Gross-up Event*

If at any time after the issuance of the Notes a Gross up Event (as defined below) occurs, the Notes may be redeemed (in whole but not in part) at the option of the Issuer at their Early Redemption Amount (as defined below) [together (if applicable) with accrued interest to but excluding the date of redemption] [In case of Notes other than Floating Rate Notes or any other interest bearing Notes in respect of which the Rate of Interest is not calculated on a fixed rate basis (Variable Interest Notes), insert: at any time] [In the case of Floating Rate Notes or Variable Interest Notes insert: on any Interest Payment Date] upon giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13, provided that no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts.

Any notice given in accordance with the above paragraph shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

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<sup>21</sup> In case of Italian Certificates, all references herein to Early Redemption, where applicable, shall be deemed to be to early exercise.

A "**Gross up Event**" occurs if the Issuer has or will become obliged by a legislative body, a court or any authority to pay Additional Amounts pursuant to Condition 7 or the Guarantor has or will become obliged to pay Additional Amounts in respect of payments due under the Guarantee or the Trust Agreement dated February 24th, 2006 between the Issuer and the Guarantor as a result of any change in or amendment to the laws of (or any rules or regulations thereunder) of the Federal Republic of Germany or France or any political subdivision or any authority of or in the Federal Republic of Germany or France (each a "**Tax Jurisdiction**"), or any change in or amendment to any official interpretation or application of those laws or rules or regulations, and that obligation cannot be avoided by the Issuer and/or the Guarantor taking reasonable measures it (acting in good faith) deems appropriate.

(ii) *Special Tax Redemption*

If the Issuer or, as the case may be, the Guarantor would, on the occasion of the next payment of principal or interest in respect of the Notes, be prevented by the law of a Tax Jurisdiction from causing payment to be made to the Noteholders of the full amount then due and payable, then the Issuer or the Guarantor, as the case may be, shall forthwith give notice of such fact to the Agent and the Issuer or the Guarantor, as the case may be, shall, upon giving not less than seven nor more than 45 days' prior notice to the Noteholders in accordance with Condition 13, forthwith redeem all, but not some only, of the Notes at their Early Redemption Amount, together, if appropriate, with accrued interest, on the latest practicable Interest Payment Date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice to Noteholders shall be the later of:

- (A) the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Notes; and
- (B) 14 days after giving notice to the Agent as aforesaid.

***[If the applicable Final Terms provide that the Notes may be redeemed at the option of the Issuer for a reason other than Tax Reasons, insert the following paragraph (c):***

(c) *Early Redemption at the option of the Issuer*

The Issuer may, upon having given notice in accordance with subparagraph three below, redeem the Notes [in whole or in part] [in whole but not in part] at the Optional Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Optional Redemption Date on the Optional Redemption Date(s).

<b>Optional Redemption Date(s)</b>	<b>Optional Redemption Amount(s)</b>
[ ]	[ ]
[ ]	[ ]

*[If Notes are also subject to Early Redemption at the option of the Noteholders the following applies: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Condition 6(d).]*

The appropriate notice of redemption shall be given by the Issuer to the Noteholders in accordance with Condition 13 no later than [30] *[Insert Other Minimum Notice Period to*

Noteholders] and not earlier than [45] [Insert Other Maximum Notice Period to Noteholders] days prior to the relevant Put Redemption Date, which notice shall be irrevocable and shall specify:

- the Tranche or Series of Notes subject to redemption;
- whether such Tranche or Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- the Optional Redemption Date; and
- the Optional Redemption Amount at which such Notes are to be redeemed.

[In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

The Issuer will inform, if required by such stock exchange on which the Notes are listed, such stock exchange, as soon as possible of such redemption.]

***[If the applicable Final Terms provide that the Notes may or may not be redeemed at the option of the Noteholders, insert the following paragraph (d):***

(d) *[No] Redemption at the option of the Noteholders*

***[Alternative 1: If there is no right to early redemption of the Notes at the option of the Noteholders, the following applies:***

The Noteholders shall not be entitled to put the Notes for early redemption otherwise than provided in Condition 9.]

***[Alternative 2: If there is a right to early redemption of the Notes at the option of the Noteholders, the following applies:***

The Issuer shall, at the option of any Noteholder, redeem such Note in whole (but not in part) on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)	Put Redemption Amount(s)
[ ]	[ ]
[ ]	[ ]

*[If Notes are also subject to Early Redemption at the Option of the Issuer the following applies: The Noteholder may not exercise the option for Early Redemption in respect of any Note which is the subject of the prior exercise by the Issuer of its right to redeem such Note under this Condition 6.]*

In order to exercise the option, the Noteholder must, not less than [15] [Insert Other Minimum Notice Period to the Issuer] nor more than [30] [Insert Other Maximum Notice Period to the Issuer] days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Agent a duly completed early redemption notice ("Put Notice") in the form available from the specified office of the Agent. The Put Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification number of such Notes, if any. The Issuer shall only be required

to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order. No option so exercised may be revoked or withdrawn except where prior to the Put Redemption Date an Event of Default has occurred and is continuing, in which event such Noteholder at its option may elect by notice to the Issuer to withdraw the Put Notice and instead declare such Notes forthwith due and demand immediate redemption thereof pursuant to Condition 9.]

***[If the Notes are subject to repurchase by the Issuer insert the following paragraph (e):***

(e) *Purchase*

The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

(f) *Early Redemption Amount*

The "**Early Redemption Amount**" of the Notes will be [the principal amount of the Notes] [plus accrued interest to but excluding the date of redemption] [and all outstanding Arrears of Interest] [the Amortised Face Amount]

*[In case of Structured Notes or if "Market Value" is specified in the applicable Final Terms, insert: the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes).] [In case of Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, insert: the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior (and ignoring the circumstances leading) to such early exercise] [Insert other applicable provisions].*

*[If the Notes subject to early redemption are Zero Coupon Notes, the following paragraphs shall be added to Condition 6(f) to provide for early redemption:*

- (i) Subject to the provisions of subparagraph (ii) below, the "**Amortised Face Amount**" of any such Note shall be the sum of (x) [*Insert Reference Price*] (the "**Reference Price**") and (y) the product of [*Insert the Accrual Yield*] (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.
- (ii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(b) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in subparagraph (i) above, except that such subparagraph shall have effect as though the date fixed for the redemption or the date on which the Note becomes due and payable were the date on which notice of receipt of the full amount has been given to the Noteholders in accordance with Condition 13.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction (Condition 4).]]

***[In case of Physical Delivery Notes, insert any other applicable provisions regarding redemption here and in the relevant Final Terms.]***



[ ]

***[In case of Partly Paid Notes, insert the following alternative of Condition 6(a):***

The Notes will be subscribed at the Instalment Amounts and on the Instalment Payment Dates set forth below:

<b>Instalment Date(s)</b>	<b>Instalment Amount(s)</b>
[ ]	[ ]
[ ]	[ ]

[The obligation to pay an Instalment Amount on the relevant Instalment Payment Date is only incurred by the holders of the Notes on such Instalment Payment Date.

The Notes will be redeemed on the Maturity Date at their nominal amount and on any Optional Redemption Date at their paid-up nominal amount as at the date fixed for redemption.

In the event that any Noteholder fails to pay an Instalment Amount on the relevant Instalment Payment Date (such date an "**Instalment Default Date**"), any such Notes held by such Noteholder shall automatically be redeemed on the relevant Early Redemption Date, at the Settlement Amount.

For the purposes of this Condition 6(a):

**Early Redemption Date** means, in respect of any Note, the seventh Payment Business Day following an Instalment Default Date;

**Settlement Amount** means, in respect of any Note, an amount determined by the Calculation Agent in accordance with the following formula:

Max [0; [Paid-up Nominal Amount – Hedging Arrangements]] where:

**Hedging Arrangements** means the pro-rata share, in respect of each Note, of the costs of unwinding all hedging arrangements (taking into account the present value of any Instalment Amount(s) remaining to be paid in respect of the Notes) entered into or purchased by the Issuer and/or the Guarantor in respect of the Notes;

**Paid-up Nominal Amount** means, in respect of any Instalment Payment Date, the paid-up nominal amount of the relevant Note up to (and including) the applicable Instalment Payment Date. Interest will neither accrue nor be payable in respect of the period from and including the applicable Instalment Default Date to and including the applicable Early Redemption Date.]

***[In case of Structured Notes, insert any other applicable provisions regarding redemption here and in the relevant Final Terms.]***

[ ]

***[In case of Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, insert the following paragraph (g):***

(g)

- (i) "**Multiplier**" means the number of underlying assets for each certificate.
- (ii) "**Final Exercise Amount**" means in respect of each certificate an amount calculated by the Calculation Agent in accordance with the formula or the provisions as indicated in the paragraph 23 of the applicable Final Terms.
- (iii) "**Final Exercise Date**" means the date on which the automatic exercise of the certificates occurs.
- (iv) "**Final Payment Date**" means [the date specified in the applicable Final Terms] [*in case of Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, and whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana [, such as the FTSE MIB index] insert: at least [five] [Specify other] Exchange Business Day[s] following the Final Valuation Date*].
- (v) "**Final Valuation Date**" means [the date specified in the applicable Final Terms] [*in case of Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, and whose underlying is an index managed by Borsa Italiana: the Final Exercise Date*] [*If the Underlying is a share listed on the Italian Exchange: the Exchange Business Day preceding the Final Exercise Date, if specified as such in the applicable Final Terms (such date being a Valuation Date as defined in the Technical Annex)*].
- (vi) "**Initial Closing Price**" means the amount equal to the Closing Price on the date specified in the applicable Final Terms, as determined by the Calculation Agent and without regard to any subsequently published adjustment(s).
- (vii) "**Final Closing Price**" means the amount equal to the Closing Price [on the date specified in the applicable Final Terms; or, *for Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, and whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana: on the Final Valuation Date, if specified as such in the applicable Final Terms*], as determined by the Calculation Agent and without regard to any subsequently published adjustment(s).
- (viii) "**Minimum Trading Lot**" means the minimum number of Certificates that may be traded in the SeDex and/or other regulated or unregulated markets with similar listing requirements as determined by Borsa Italiana S.p.A. and/or by other regulated or unregulated markets with similar listing requirements, if applicable.
- (ix) "**Notice Date**" means 10:00 CET of the Exchange Business Day immediately following the Valuation Date, if not specified differently in the applicable Final Terms.
- (x) "**Waive of automatic exercise at Final Exercise Date**":

The Noteholder may waive the automatic exercise at Final Exercise Date, in whole or in part, by delivering a Waiver Notice that must be received by the Paying Agent by the Notice Date.

The Waiver Notice shall:

- (1) specify the Series, the ISIN code and the number of Notes held by the Noteholder;
- (2) specify the number of Notes [- equal at least to the Minimum Exercise Amount and multiples thereof -] in respect of which automatic exercise is being waived by the Noteholder;
- (3) specify the number of the account of the Noteholder with the intermediary adhering to the "Monte Titoli" system [or any other relevant clearing system] where the Notes that are the subject of the waiver are held;
- (4) specify name, address and telephone and fax number of the Noteholder.

[The form of the Waiver Notice is attached hereto as Exhibit A.]

Any Waiver Notice that has not been delivered in compliance with this paragraph and/or not received by the Paying Agent on or prior to the Notice Date.

If the right to waive the automatic exercise is not validly exercised, the automatic exercise of the Notes shall apply on the Specified Final Exercise Date in accordance with Condition 6 (a).

The Waiver Notice shall be sent via fax to the Paying Agent and addressed as follows: [ ], Attention: [ ], phone no. [ ], fax no. [ ].

The Waiver Notice shall be deemed received by the Paying Agent at the time indicated on the facsimile transmission report.

An incomplete Waiver Notice or a Waiver Notice which has not been timely sent will be deemed as void and ineffective. Any assessment relating to the validity, both from a substantial and a formal perspective, of the Waiver Notice will be performed by the Paying Agent and will be final and binding for both the Issuer and the Noteholder. Any Waiver Notice which, in accordance with the above, is deemed to be incomplete or not completed will be considered as void and ineffective.

In the event that such Waiver of Notice is subsequently amended in such a way that is satisfactory to the Paying Agent, such Waiver Notice, as amended, will be deemed as a new Waiver Notice filed at the time such amendments are received by the Paying Agent.

When the Paying Agent deems the Waiver Notice to be invalid or incomplete, the said Paying Agent undertakes to notify such invalidity or incompleteness to the relevant Noteholder as soon as practicable.

Notification of the Waiver Notice: The Noteholder, by way of sending the Waiver Notice, irrevocably exercises the right to waive the automatic exercise of the relevant Note.

Waiver Notices may not be withdrawn after their receipt by the Paying Agent. After a Waiver Notice is sent, the Note to which it refers may no longer be transferred.

[ ]

***[Insert any other applicable provisions regarding redemption here and in the relevant Final Terms.]***

[ ]

## 7. Taxation

All payments of principal and interest in respect of the Notes (including payments by the Guarantor under the Guarantee) will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Federal Republic of Germany or France (as the case may be) or any political subdivision or any authority of the Federal Republic of Germany or France (as the case may be) that has power to tax, unless that withholding or deduction is required by law. In that event, the Issuer or the Guarantor (as the case may be) shall pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which the Noteholders would otherwise have received if no such withholding or deduction had been required, except that no additional amounts will be payable in respect of any Note if it is presented for payment:

- (i) by or on behalf of a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of that Note by reason of its having some connection with the Federal Republic of Germany or France (as the case may be) other than the mere holding of that Note; or
- (ii) by or on behalf of a Noteholder which would be able to avoid such withholding or deduction by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund but fails to do so; or
- (iii) more than 30 days after the Relevant Date (as defined below); or
- (iv) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 3 June 2003 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) by or on behalf of a Noteholder which would have been able to avoid such withholding or deduction by presenting the Note to a Paying Agent in another Member State of the European Union.

In these Conditions, "**Relevant Date**" means whichever is the later of the date on which the payment in question first becomes due and, if the full amount payable has not been received by the Agent on or prior to that due date, the date on which notice of receipt of the full amount has been given to the Noteholders in accordance with Condition 13.

## 8. Presentation, Prescription

- (a) The period for presentation of Notes due, as established in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten years.
- (b) The period for prescription for Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

## 9. Events of Default

- (a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in Condition 6 (f)), together with accrued interest (if any) to the date of repayment, if any of the events below occurs and is continuing:

- (i) the Issuer or the Guarantor fails to pay, for any reason whatsoever, any amount due under the Notes within 30 days from the relevant due date; or
- (ii) the Issuer or the Guarantor is in default in the performance of any other obligation arising from the Notes or the Guarantee, as the case may be, which default is not capable of remedy or, if such default is capable of being remedied by the Issuer or the Guarantor, such default has not been so remedied within 60 days after the Agent has received written notification thereof from a Noteholder; or
- (iii) the Issuer or the Guarantor suspends payment or announces its inability to pay its debts (*Zahlungsunfähigkeit*); or
- (iv) insolvency or court composition proceedings are commenced before a court against the Issuer or the Guarantor, as the case may be, which shall not have been discharged or stayed within 60 days after the commencement thereof, or the Issuer or the Guarantor, as the case may be, institutes such proceedings or suspends payments or offers or makes a general arrangement for the benefit of all its creditors; or
- (v) the Issuer or the Guarantor, as the case may be, enters into a winding up or dissolution or liquidation, unless such a winding up or dissolution or liquidation is to take place in connection with a merger, consolidation or other combination with another company and such company assumes all obligations of the Issuer or the Guarantor, as the case may be, under these Conditions.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (b) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## 10. Limited Recourse

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

Any payment obligations of the Issuer under the Notes shall therefore be limited to the funds received from the Guarantor under the Trust Agreement. To the extent such funds prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom shall be extinguished and no Noteholder shall have any further claims against the Issuer, regardless of whether the Issuer would be able to fulfil its payment obligations under the Notes out of its own funds, provided that the

foregoing shall be without prejudice to the right to exercise any termination or early redemption rights.

**11. Agent, Paying Agent[s] [and Calculation Agent]**

(a) *Appointment; Specified Office*

The Agent, the Principal Paying Agent [, the additional Paying Agent[s]] [and the Calculation Agent] and [its] [their] initial specified office[s] shall be:

Agent:

[Name and address]

[Calculation Agent:

*[If the Agent acts as Calculation Agent, insert: The Agent shall act as Calculation Agent in respect of the Notes.]*

*[If a Calculation Agent other than the Agent is to be appointed, insert:*

*[Name and address]]*

*[If the Agent acts as Paying Agent, insert: The Agent shall also fulfil the functions of a paying agent in respect of the Notes.]*

*[If there is [are] additional paying agent[s] and the Agent acts as Principal Paying Agent, insert:*

Principal Paying Agent:

The Agent shall act as the principal paying agent in respect of the Notes.

The additional paying agent[s] (the Paying Agent[s]) shall be:

[Name[s] and address[es]]

*[In the case of Physical Delivery Notes, insert: The Agent may (with the prior written consent of the Issuer) delegate certain of its functions and duties in relation to the Notes to a settlement agent (the "**Settlement Agent**").*

The Settlement Agent shall be:

[Name and address]]

The Agent, the Principal Paying Agent [, the additional Paying Agent[s]] [and] [,] the Calculation Agent] [and the Settlement Agent] reserve[s] the right at any time to change [its] [their] specified office[s] to some other specified office in the same city. The term "**Paying Agent[s]**" shall include the Principal Paying Agent, unless the context requires otherwise. The term[s] "**Agent**" [and "**Calculation Agent**", respectively,] shall include any additional or successor agents [or any other or successor calculation agents].

(b) *Variation or Termination of Appointment*

The Issuer reserves the right at any time to vary or terminate the appointment of the Agent, the Principal Paying Agent, and any Paying Agent [and] [,] [the Calculation Agent] [and the Settlement Agent] and to appoint another Agent, additional or other Principal Paying Agent or Paying Agents [or][,][Calculation Agent][or Settlement

Agent] provided that it will at all times maintain an Agent [and] [,] [a Calculation Agent], [a Paying Agent (which may be the Principal Paying Agent) with a specified office in a continental European city,] [a Paying Agent with a specified office outside the European Union,] [a Paying Agent in an EU member state, if any, that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 3 June 2003 on the taxation of savings income or any law implementing or complying with, or introduced to conform to, such Directive,] [and] [so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Principal Paying Agent) with a specified office in such city as may be required by the rules of the relevant stock exchange].

The Issuer shall without undue delay notify the Noteholders of any variation, termination, appointment or change in accordance with Condition 13.

(c) *Agent of the Issuer*

The Agent, the Principal Paying Agent [, the additional Paying Agents] [and] [,] [the Calculation Agent] [and the Settlement Agent] act[s] solely as the agent[s] of the Issuer and [does] [do] not assume any obligations towards or relationship of agency or trust for any Noteholder.

**12. Substitution**

(a) *Substitution*

The Issuer and/or the Guarantor may, without the consent of the Noteholders, if it is not in default with any payment of principal of or interest on any of the Notes, at any time substitute for the Issuer either itself or any Affiliate (as defined below) of the Issuer as principal debtor (the "**Substitute Debtor**") in respect of all obligations arising from or in connection with the Notes with the effect of releasing the Issuer of all such obligations, provided that:

- (i) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes and, if service of process vis-à-vis the Substitute Debtor would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (ii) the Substitute Debtor has obtained all necessary authorisations and approvals for the substitution and the fulfilment of the obligations in respect of the Notes and may transfer to the Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (iii) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;
- (iv) the Issuer and/or the Guarantor (except in the case that the Guarantor itself is the Substitute Debtor) irrevocably and unconditionally guarantees [*In case of Italian Certificates to be listed on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on other regulated or unregulated markets with similar listing requirements, insert:* as evidenced by the declaration of the Issuer filed at the time of the application to the Borsa Italiana S.p.A. and/or the other regulated or unregulated markets with similar listing requirements] in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Noteholder will be put in an economic position that is at

least as favourable as that which would have existed if the substitution had not taken place.

For purposes of this Condition 12, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz*).

(b) *Notice and Effectiveness of Substitution*

Notice of any such substitution shall be published in accordance with Condition 13 without delay. Upon such Notice, the substitution shall become effective, and the Issuer, and in the event of any repeated application of this Condition 12, any previous Substitute Debtor, shall be discharged from any and all obligations under the Notes. In the event of such substitution, the stock exchange(s), if any, on which the Notes are then listed will be notified and a Supplement describing the Substitute Issuer will be prepared.

(c) *Change of References*

In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

- (i) in Condition 7 and Condition 6(b) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;
- (ii) in Condition 9(a) (iii) to (v) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor; and
- (iii) in Condition 9(a) a further event of default shall be deemed to have been included; such event of default shall exist in the case that the guarantee pursuant to subparagraph (a)(iv) above is or becomes invalid for any reason.

**13. Notices**

(a) *Publication*

[Notices to Noteholders relating to the Notes will be published [on the Internet on the website [<http://prospectus.socgen.com>] [www.[insert address]]] [and/or] [in a leading newspaper having general circulation and being a newspaper for statutory stock market notices of the Stock Exchange on which the Notes are listed, and in any case in accordance with the rules of each stock exchange on which the Notes are listed] [ ]. The Issuer shall also ensure that notices are duly published in compliance with the rules and regulations of each stock exchange or any other relevant authority on which the Notes are listed or by which they have been admitted to trading. *[In case of a listing at the Frankfurt Stock Exchange insert: So long as the Notes are listed on the Frankfurt Stock Exchange and the rules of the Frankfurt Stock Exchange so require, notices to the Noteholders shall be published in at least one national newspaper recognised (überregionales Börsenpflichtblatt) by the Frankfurt Stock Exchange (expected to be the Börsen-Zeitung). [In case of a listing at the Luxembourg Stock Exchange insert: So long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or, at the option of the Issuer, the Luxembourg Stock Exchange's website, www.bourse.lu.] Any notice so given will be deemed to have been validly given on the date of first such publication. [In case of Italian Certificates to be listed on the Italian Stock Exchange*



on the market for securitised derivatives ("SeDex") of Borsa Italiana and/or on other regulated or unregulated markets with similar listing requirements, insert: So long as the Italian Certificates are listed, notices to the Noteholders shall be published in accordance with the rules of the Italian Stock Exchange and/or the other regulated or unregulated markets with similar listing requirements as amended from time to time.] Any notice so given will be deemed to have been validly given on the date of first such publication.] [Insert other applicable provision(s)]

(b) *Notification to the Clearing System*

[To the extent permissible under applicable laws and other regulations and by the rules and regulations of the Clearing System, the Issuer may, in lieu of the publication set forth in Condition 13(a) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Noteholders, provided that, so long as any Notes are listed on any stock exchange, the rules of such stock exchange permit such form of notice. Any such notice shall be deemed to have been given to the Noteholders on [If "Clearing System Delivery Period – Applicable" is specified in the applicable Final Terms, insert: the fourth day after the day on which the notice was given to the Clearing System] [If "Clearing System Delivery Period – Not Applicable" is specified in the applicable Final Terms, insert: the day on which the notice was given to the Clearing System] [If otherwise specified in the applicable Final Terms, insert: the [ ] the day after the day on which the said notice was given to the Clearing System].] [Insert other applicable provision(s)]

#### **14. Resolutions of the Noteholders**

(a) *Matters subject to resolutions*

With regard to matters affecting the interests of the Issuer or the Noteholders in relation to the Notes the Noteholders may agree in accordance with the German Bond Act (*Schuldverschreibungsgesetz*) by majority resolution to amend the Terms and Conditions of the Notes and on all other issues permitted by law. Resolutions affecting the interests of the Issuer require the consent of the Issuer.

(b) *Resolutions of the Noteholders*

The resolutions of the Noteholders are subject to the German Bond Act unless otherwise specified in the Terms and Conditions of the Notes.

(c) *Passing of resolutions*

Noteholders shall pass resolutions by vote taken without a physical meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 of the German Bond Act.

(d) *Proof of eligibility*

Noteholders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the Custodian Bank, which includes the complete name and full address of the Noteholder, the aggregate principal amount of Notes which have been, as of the date of such confirmation booked to the account of such Noteholder and by submission of a blocking instruction by the Custodian Bank for the voting period.

#### **15. Further Issues**

The Issuer reserves the right from time to time, without the consent of the Noteholders, to issue additional notes with identical terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any,

on them) so as to be consolidated and form a single Series with such Notes. The term "**Notes**" shall, in the event of such further issue, also comprise such further notes.

## **16. Adjustments and Disruption**

The Technical Annex will (where stated to be applicable in the relevant Final Terms) contain provisions relating to adjustments with respect to Underlyings (as defined in the Technical Annex) as well as settlement disruption and market disruption in respect of such Underlyings (including, without limitation and where necessary, appropriate definitions of Potential Adjustment Events, Settlement Disruption Events and Market Disruption Events and details of the consequences of such events).

## **17. Governing Law and Submission to Jurisdiction; Rescission; Miscellaneous Provisions**

### *(a) Applicable Law in respect of the Notes and the Guarantee*

The form and content of the Notes as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany. The form and content of the Guarantee as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of France.

### *(b) Applicable Law in respect of any non-contractual obligations*

Any non-contractual obligations arising out of or in connection with the Notes shall be governed exclusively by the laws of the Federal Republic of Germany. Any non-contractual obligations arising out of or in connection with the Guarantee shall be governed exclusively by the laws of France.

### *(c) Submission to Jurisdiction*

Non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Conditions (except for the Guarantee) is Frankfurt am Main. Place of performance is Frankfurt am Main. The jurisdiction of such Court shall be exclusive if proceedings are brought by merchants (*Kaufleute*), legal persons under public law (*juristische Personen des öffentlichen Rechts*), special funds under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of the Federal Republic of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). Any dispute arising out of or in connection with the validity, interpretation or performance of the Guarantee shall be submitted to the exclusive jurisdiction of Tribunal de Commerce de Paris, France.

### *(d) Annulment*

The courts in the Federal Republic of Germany shall have exclusive jurisdiction over the annulment of lost or destroyed Notes.

### *(e) Entitlement to declare a Rescission*

The Issuer shall be entitled to declare a rescission (*Anfechtung*) to the Noteholders in the event of

(i) a manifest typing or calculation error in the Terms and Conditions of the Notes and/or

(ii) a manifest error in the Terms and Conditions of the Notes similar to (i).

### *(f) Declaration of Rescission*

After becoming aware of the reason for the rescission (*Anfechtungsgrund*) the declaration of rescission shall be made without undue delay and in accordance with Condition 13. In the event of a rescission by the Issuer, the Noteholder is entitled to demand repayment of the actual purchase price paid at the time of the first purchase of the Notes delivered for repayment, or if this price cannot be determined the Issue Price of the Notes (the "Rescission Amount") by delivery of a duly completed redemption notice (the "Redemption Notice") in the form available from the specified office of the Agent. The Issuer shall only be required to redeem Notes in respect of which such redemption is requested against delivery of such Notes to the Issuer or to its order. The Issuer shall make available the Rescission Amount to the Clearing System for the account of the Noteholders within seven Payment Business Days calendar days following receipt of the Redemption Notice and of the delivery of the Notes to the Issuer, whichever receipt is later, whereupon the Agent shall transfer the Rescission Amount to the account specified in the Redemption Notice. Upon payment of the Issue Price all rights under the Notes delivered shall expire.

(g) *Offer to continue the Notes on the basis of amended Terms and Conditions*

The Issuer may combine the declaration of rescission pursuant to paragraph (f) with an offer to continue the Notes on the basis of amended Terms and Conditions of the Notes. Such an offer and the amended provisions shall be notified to the Noteholders together with the declaration of rescission in accordance with Condition 13. Any such offer shall be deemed to be accepted by a Noteholder (and the rescission shall not take effect), unless the Noteholder requests repayment of the Rescission Amount within six weeks following the date on which the offer has become effective in accordance with Condition 13 by delivery of a duly completed Redemption Notice to the Agent and by delivery of the Notes to the Issuer or to its order pursuant to paragraph (f). The Issuer shall refer to this effect in the notification.

(h) *Awareness of errors*

If the Noteholder was aware of typing or calculation errors or similar errors in the Terms and Conditions of the Notes as mentioned in paragraph (e) above at the time of the purchase of the Notes, then, notwithstanding paragraphs (e) – (g), the Noteholder can be bound by the Issuer to the amended Terms and Conditions.

(i) *Modifications without the consent of the Noteholders*

The Issuer may in its reasonable discretion (§ 315 of the German Civil Code), without the consent of the Noteholders, agree to:

- (i) modifications to reflect any changes in an Underlying (to the extent they have an effect on these Terms and Conditions) or to cure any inconsistencies or add any missing provisions provided that such amendment or modification is, having regard to the interests of the Issuer, not materially detrimental to the economic position of the Noteholders;
- (ii) modifications of the Terms and Conditions which are of a formal, minor or technical nature or, notwithstanding paragraphs (e) – (g), which are made to correct a manifest error, provided that a correction of such error is acceptable to the Noteholders under the principle of good faith having regard to the interests of the Issuer and the legal or economic position of the Noteholders or to comply with mandatory provisions of the laws of the jurisdictions in which the Issuer and/or the Guarantor are organised.

Any such modification shall be binding on all Noteholders and shall be notified to them without undue delay in accordance with Condition 13.

(j) *Severability*

Should any provision of these Terms and Conditions be or become void, the other provisions shall remain in force. Such provisions as are void or cannot be given effect shall be replaced in accordance with the meaning and purpose of these Terms and Conditions.

(k) *Language*

These Terms and Conditions are written in the English language only. Only the English text shall be controlling and binding.

## PART B - TECHNICAL ANNEX

The following shall, if stated to be applicable in the applicable Final Terms, comprise together with section "Part A – Basic Terms" commencing on page 124 hereof the Terms and Conditions of the Notes as completed, modified, supplemented or replaced by the applicable Final Terms, which together with the terms and conditions will apply to the Notes to be issued under the Programme.

This Technical Annex shall apply to any Notes if so specified in the applicable Final Terms.

The payment of principal and/or interest in respect of the Notes subject to the Technical Annex will be determined or calculated by reference to an index and/or a formula based on or referring to one or more "Underlying".

For the purposes of this Technical Annex, **Underlying** shall mean, as specified in the applicable Final Terms, without limitation, a share in a company, any other equity or non-equity security, an index, a currency, a currency exchange rate, an interest rate, a dividend, a credit risk, a fund unit, a share of an investment company, a term deposit, a life insurance contract, a loan, a commodity, a futures contract, a unit linked feature (accounting unit), an event not linked to the Issuer or the Guarantor, a basket thereof or any combination thereof.

This Technical Annex contains technical provisions relating, *inter alia*, to (i) the adjustments to be made by the Calculation Agent (ii) the way a market disruption event that may affect an Underlying will be treated in the context of the Notes, or (iii) mathematical formulas used to calculate amounts due under the Notes.

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## A) EQUITY TECHNICAL ANNEX

### PART 1 – DEFINITIONS RELATING TO SHARES, AMERICAN DEPOSITARY RECEIPTS (ADRS), INDICES, DIVIDENDS AND EXCHANGE TRADED FUNDS

#### I. Common definitions and provisions for Shares, American Depositary Receipts, Indices and Dividends

#### II. General Definitions

**Averaging Date** means, in respect of a Valuation Date and a Share, an ADR or an Index, each date specified as such in the applicable Final Terms for the purpose of determining an average (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day) unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Consequences of Disrupted Days for a Share, an ADR or an Index.

**Basket** means a basket composed of the Shares and/or ADRs and/or Indices and/or any other asset (each an Underlying) in the relative proportions or numbers of Shares, ADRs, Indices or other asset specified in the applicable Final Terms.

**Business Day** means a “Business Day” as defined in Condition 4(a) of the Terms and Conditions of the relevant Notes, determined on the basis of the Specified Currency.

**Closing Price** means:

- (i) in respect of a Share:
  - (A) if such Share is traded on the Tokyo Stock Exchange or the Osaka Securities Exchange, the last traded price of such Share for the day quoted by the Exchange, provided however, that if there is a closing special quote on such Share quoted by the Exchange (*tokubetsu kehaine*), such quote shall be deemed to be the relevant Closing Price;
  - (B) if such Share is traded on the Italian Stock Exchange (Borsa Italiana S.p.A.), the *Prezzo di Riferimento*, which means the price as published by the Borsa Italiana S.p.A. at the close of trading and having the meaning ascribed thereto in the Rules of the markets organised and managed by Borsa Italiana S.p.A., as such Rules may be amended by Borsa Italiana S.p.A. from time to time;
  - (C) in any other case, the official closing price of such Share on the relevant Exchange.
- (ii) in respect of an Index, the official closing level of the Index published and announced by the Index Sponsor;
- (iii) in respect of an ADR, the official closing price of such ADR on the relevant Exchange;

in any case as adjusted (if applicable) pursuant to the provisions of Part 2 below.

**Company** means, in respect of a Share, the issuer of such Share and, in respect of an ADR, the issuer of the Deposited Securities related to such ADR.

**Exchange(s)** means, in respect of a Share, an ADR or an Index, the corresponding exchange or quotation system specified in the applicable Final Terms, or any successor exchange or quotation system or any substitute exchange or quotation system to which trading in the Share, ADR or Shares underlying such Index, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share, ADR or Shares underlying an Index, on such temporary substitute exchange or quotation system as on the original Exchange). In respect of Deposited Securities, **Exchange** means the primary exchange or market of trading of such Deposited Securities.

**Fx Rate** means, in respect of a date, the currency exchange rate of one currency against another currency, as specified in the applicable Final Terms, quoted by the relevant exchange rate provider on such date, as ascertained by the Calculation Agent on the Reuters page (or any other relevant page of an information provider) specified in the applicable Final Terms. If such Fx Rate cannot be or ceases to be determined, then the Calculation Agent shall select another Reuters page (or any other relevant page of an information provider) or determine in good faith such exchange rate by reference to such sources as it may select in its absolute discretion.

**Related Exchange(s)** means, in respect of a Share, an ADR or an Index (and, in the case the Underlying is an ADR, the Deposited Securities), each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to such Share, ADR, Index or Deposited Securities, any successor exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to a Share, ADR, Index or Deposited Securities, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating such Share, ADR, Index or Deposited Securities, on such temporary substitute exchange or quotation system as on the original Related Exchange).

**Scheduled Closing Time** means, in respect of an Exchange or Related Exchange, the scheduled weekday closing time of such Exchange or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

## **II.1. Definitions and Provisions relating to valuation and Market Disruption Event**

**II.1.1 Valuation Date** means, in respect of a Share, an ADR or an Index, each date specified as such in the applicable Final Terms (or, if such date is not a Scheduled Trading Day for such Share, ADR or Index, the next following Scheduled Trading Day), unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Consequences of Disrupted Days for a Share, an ADR or an Index.

**II.1.2 Valuation Time** means, in respect of a Share, an ADR or an Index, the Scheduled Closing Time provided however that if the Exchange closes prior to its Scheduled Closing Time, the Valuation Time shall be the actual closing time of the Exchange.

**II.1.3 Market Disruption Event** means, in respect of a Share or an Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption which, in either case, the Calculation Agent determines is material, at any time during the one hour

period that ends at the relevant Valuation Time or (iii) an Early Closure. For the purpose hereof:

- (i) **Trading Disruption** means, in respect of a Share or an Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange or, in the case of an Index, on the relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of the relevant Index or (ii) in futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange;
- (ii) **Exchange Disruption** means, in respect of a Share or an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for the Share on the Exchange, or, in the case of an Index, on any relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange;
- (iii) **Early Closure** means, the closure on any Exchange Business Day of (i) (a) in the case of a Share, the relevant Exchange, or (b) in the case of an Index any relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of the relevant Index, or (ii) any Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

In the event that the Underlying is in the form of an ADR issued pursuant to a Deposit Agreement (i) references to **Share** in the definitions of **Market Disruption Event**, **Trading Disruption**, **Exchange Disruption** and **Early Closure** above refer both to the ADRs and to the Deposited Securities relating to such ADRs, and (ii) references to Exchange and Related Exchange in these definitions refer to such exchanges as they relate to both the ADRs and to the Deposited Securities relating to such ADRs. For the avoidance of doubt, a Disrupted Day will be deemed to have occurred with respect to an ADR if a Disrupted Day has occurred with respect to the related Deposited Securities.

#### **II.1.4 Consequences of Disrupted Days for a Share, an ADR or an Index**

If any Valuation Date or Averaging Date specified in the applicable Final Terms (the **Scheduled Valuation Date** and the **Scheduled Averaging Date** respectively), is a Disrupted Day for a Share, an ADR or an Index, the Valuation Date or the Averaging Date for such Share, ADR or Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, ADR or Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or the Scheduled Averaging Date is also a Disrupted Day. In that case:

- (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, for the Share, ADR or Index notwithstanding the fact that such day is a Disrupted Day, and
- (ii) the Calculation Agent shall determine (a) in respect of a Share or an ADR, its good faith estimate of the value of the Share or ADR as of the Valuation Time on that eighth Scheduled Trading Day or (b) in respect of an Index, the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day) and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price;

Provided that if the Share, ADR or Index is included in a Basket, the hereabove provisions shall apply only to the Share, ADR or Index affected by the occurrence of a Disrupted Day and the Valuation Date or the Averaging Date for each Share, ADR or Index not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

*provided however that,*

- (iii) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (ii) above, and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price;
- (iv) notwithstanding the foregoing, in respect of any Notes, a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date; if a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) would fall less than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (ii) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price.

### **III. Definitions specific to Shares and American Depositary Receipts**

**ADR** means an American Depositary Receipt (or the American Depositary Receipts in case of a Basket) representing shares issued by a Company and which constitute Deposited Securities, specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of “Adjustment and Extraordinary Events Relating to Shares and ADRs” below.

**ADR Intraday Price** means, in respect of an ADR, the price of such ADR on the relevant Exchange at any time during a trading session on an Exchange Business Day, including the Closing Price.

**Deposit Agreement** means the deposit agreement between the Company that has issued the shares that are Deposited Securities and the Depositary pursuant to which an ADR was issued.

**Depositary** means the depositary appointed in the Deposit Agreement or any successor to it from time to time in such capacity.

**Deposited Securities** means the shares issued by a Company held by the Depositary under the Deposit Agreement pursuant to which an ADR evidencing such Deposited Securities was issued.

**Disrupted Day** means, in respect of a Share or an ADR (or, in the case of a Basket of Shares or ADRs, in respect of any Share or ADR comprising the Basket and observed separately), any Scheduled Trading Day on which (a) a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or (b) a Market Disruption Event has occurred.

**Exchange Business Day** means, in respect of a Share or an ADR, (or, in the case of a Basket of Shares or ADRs, in respect of any Share or ADR comprising the Basket and observed separately) any Scheduled Trading Day on which each relevant Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**Scheduled Trading Day** means, in respect of a Share or an ADR (or, in the case of a Basket of Shares or ADRs, in respect of any Share or ADR comprising the Basket and observed separately), any day on which each Exchange and each Related Exchange, if any, are scheduled to be open for trading for their respective regular trading session.

**Share(s)** means a share of the Company (or the shares of the relevant Company in case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of Part 2- I “*Adjustments and Extraordinary Events relating to Shares and American Depositary Receipts*” (below).

**Share Intraday Price** means, in respect of a Share, the price of such Share on the relevant Exchange at any time during a trading session on an Exchange Business Day, including the Closing Price.

#### **IV. Definitions specific to Indices**

**Disrupted Day** means, in respect of an Index, any Scheduled Trading Day on which (a) a relevant Related Exchange fails to open for trading during its regular trading

session, (b) a Market Disruption Event has occurred or (c) the Index Sponsor fails to publish the Closing Price of the Index.

**Exchange Business Day** means, in respect of an Index (or, in the case of a Basket of Indices, each Index comprising the Basket and observed separately), any Scheduled Trading Day on which the relevant Related Exchange of the Index is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time and the Index Sponsor publishes the Closing Price of such Index.

**Index** means the index (or the indices in case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of "Adjustments relating to Indices" (below).

**Index Calculation Agent** means the entity in charge of calculating and publishing the Index, if different from the Index Sponsor.

**Index Sponsor** means the corporation or other entity (as specified in the applicable Final Terms) that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and/or (b) announces (directly or through an Index Calculation Agent) the level of the relevant Index on a regular basis.

**Index Intraday Price** means, in respect of an Index, the level of such Index on the relevant Exchange at any time during a trading session on an Exchange Business Day including the Closing Price.

**Opening Price** means the value of the FTSE MIB index calculated on the Opening Auction Prices (as defined under the Borsa Italiana's Rules) recorded on the Valuation Date provided that this is a trading day on the Borsa Italiana S.p.A. of the financial instruments making-up the Index as defined in the article 1.3 of the Borsa Italiana's Rules and calculated following the provisions of the article 4.1.5 of the Borsa Italiana's Rules. If during the Valuation Date the Opening Price of the Index cannot be determined for any reason whatsoever, the Calculation Agent shall determine the level of the Index in good faith on that Valuation Date in accordance with the formula for, and method of, calculating that Index last in effect prior to the occurrence of the event that prevents the determination of the Opening Price of the Index and taking into account any other objective element that may be available.

**Scheduled Trading Day** means, in respect of an Index, any day on which (a) the Index Sponsor is scheduled to publish the Closing Price of the Index and (b) the Related Exchange is scheduled to be open for trading during its regular trading session.

## V. **Definitions specific to shares or units of Exchange Traded Funds (ETF)**

- (A) Part 1. I and II above of this Equity Technical Annex, De-listing Event and any related provisions of Part 2 below of this Equity Technical Annex shall apply to a share or unit of an ETF which for all purposes of these provisions shall be deemed to be a Share and to an ETF which shall be deemed to be a Company.
- (B) Part 3. section 2 Postponement of a Valuation Date, Adjustments, Extraordinary Events, Liquidity Disruption Events and Maturity Disruption

Events relating to Funds shall apply to an ETF which for all purposes of these provisions shall be deemed to be a Fund.

## VI. Definitions specific to Dividends

This section applies to Dividends when they are specified as Underlying(s) in the applicable Final Terms.

**Dividend** means in respect of a Share:

- (i) an amount of dividend per Share as declared by the Company, before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an **Applicable Authority**), but which shall not take into account:
  - (a) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the **Credits**); and
  - (b) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (a) above and/or
- (ii) an amount per Share being the cash value of any dividend paid in shares (whether or not such dividend comprises shares that are not the ordinary shares of the issuer) declared by the Company (or, if no cash value is declared by the relevant issuer, the cash value of such dividend as determined by the Calculation Agent, calculated by reference to the opening price of such ordinary shares on the Ex-Dividend Date applicable to that dividend) provided that if holders of record of the relevant Share may elect between receiving an amount as defined in (i) above or in this subparagraph (ii), the dividend shall be deemed to be an amount as defined in (i) above.

In any case, this definition shall exclude (i) any dividends in relation to which the Index Sponsor makes an adjustment to the Index when the Share is considered as a component of an Index, or (ii) any dividends in relation to which the Related Exchange makes an adjustment to the Designated Contract when the Share is considered individually or as part of a basket (however where the Index Sponsor has adjusted the Index for part of a dividend or as the case may be the Related Exchange, the provisions above shall apply only to the unadjusted part).

**Designated Contract** means an options or futures contract on the Share traded on the Related Exchange with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that matches the relevant Valuation Date specified in the applicable Final Terms.

**Dividend Period** means the period specified as such in the applicable Final Terms.

**Ex-Dividend Date** means in respect of a Dividend the date on which the relevant Share is scheduled to commence trading ex-dividend on the primary exchange or quotation system for such Share, as determined by the Calculation Agent.

**Official Index Divisor** means the value, calculated by the Index Sponsor, necessary to ensure that the numerical value of the Index remains unchanged after a change in the composition of the Index. The value of the Index after any change in its

composition is divided by the Official Index Divisor to ensure that the value of the Index returns to its normalised value.

**Official Number** means, in respect of a date, an Index and a Share comprising such Index, the number of free-floating shares relating to such Share comprised in the Index, as calculated and published by the Index Sponsor on such date, subject to “Failure to Publish” under section III. B. Part 2 below.

## **PART 2 – ADJUSTMENTS, EXTRAORDINARY EVENTS, HEDGING DISRUPTION, INSOLVENCY FILING AND CHANGE IN LAW RELATING TO SHARES, AMERICAN DEPOSITARY RECEIPTS (ADRS), INDICES AND DIVIDENDS**

### **I. Adjustments and Extraordinary Events relating to Shares and American Depositary Receipts**

#### **A. Potential Adjustment Events**

**Potential Adjustment Event** means, in relation to a Share, any of the following:

- (i) a subdivision, consolidation or reclassification of such Share (unless resulting in a Merger Event) including, for the avoidance of doubt, a stock split or reverse stock split, or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of such Share of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares (c) share capital, other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by the Company in respect of Shares that are not fully paid;
- (v) a repurchase by the Company or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares.



Following the occurrence of any Potential Adjustment Event as defined above, the Calculation Agent will, as soon as reasonably practicable after it becomes aware of such event determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the relevant Share used to determine any settlement or payment terms under the Notes and/or any other terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes and (b) determine the effective date of that adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares of any Potential Adjustment Event, and any related adjustments to the terms of the Notes, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by a Related Exchange to options on the Share traded on such Related Exchange.

In the event that the Underlying is in the form of an ADR, references to **Share** in the definition of **Potential Adjustment Event** above refer to the Deposited Securities underlying such ADRs. In addition, an event that has a diluting or concentrative effect on the Deposited Securities will affect the theoretical value of the ADR unless (and to the extent that) the Company or the Depository, pursuant to its authority (if any) under the Deposit Agreement, elects to adjust the number of the Deposited Securities that are represented by each ADR such that the price of the ADR will not be affected by any such event (as determined by the Calculation Agent), in which case the Calculation Agent will make no adjustment. If the Company or the Depository elects not to adjust the number of Deposited Securities that are represented by an ADR or makes an adjustment that the Calculation Agent determines not to have been adequate, then the Calculation Agent may, in its discretion, make the necessary adjustment to the elements relating to the Underlying used to determine any settlement or payment terms under the Notes and/or any other terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes and determine the effective date of that adjustments. The Depository may also have the ability pursuant to the Deposit Agreement to make adjustments in respect of the ADR for share distributions, rights distributions, cash distributions and distributions other than shares, rights and cash. Upon any such adjustment by the Depository, the Calculation Agent may, in its discretion, make the necessary adjustments as the Calculation Agent deems appropriate to account for such event.

Definitions applicable to this section:

**Local Taxes** shall mean taxes, duties, and similar charges imposed by the taxing authority of the country in which the Company has been incorporated or in which the Exchange on which the Share is listed is located.

**Offshore Investor** shall mean a holder of Shares who is an institutional investor not resident in the country in which the Company has been incorporated or in which the Exchange on which the Share is listed is located (the **Local Jurisdiction**), for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (i) shall be determined by the

Calculation Agent and (ii) may be the jurisdiction of Société Générale or one of its affiliates.

## **B. Extraordinary Events**

- (i) Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date or the last Averaging Date of the opening of an Offering Period relating to a Merger Event, a De-merger Event, a De-listing Event, an Insolvency, a Nationalisation or a Participation Event, in respect of a Share or an ADR (an **Affected Share** or an **Affected ADR**), then during such Offering Period, the Calculation Agent may decide in good faith to apply Method of Substitution with respect to the Affected Share or Affected ADR.
- (ii) If the Calculation Agent decides not to apply Method of Substitution during the Offering Period with respect to the Affected Share or Affected ADR, then:
  - (A) in respect of a Merger Event, from the Merger Date, and/or upon consummation of the Merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, shall apply either:
    - (a) Share-for-Share Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption;
    - (b) Share-for-Other Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption;
    - (c) Share-for-Combined Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption;
  - (B) in the case of a Merger Event affecting two Shares or ADRs comprised in a Basket, the Calculation Agent will either:
    - (a) continue with the share or ADR resulting from the Merger Event and in order to maintain the original number of companies in the Basket, a Substitute Share or Substitute ADR (as applicable) will be elected and included in the Basket; or
    - (b) substitute both Shares (or ADRs) with two Substitute Shares (or ADRs) selected as described in the Method of Substitution;
  - (C) in respect of a De-merger Event, from the De-merger Date, and/or upon consummation of the De-merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, will either:
    - (a) replace the Affected Share or Affected ADR with the shares or ADRs of the successor companies; or
    - (b) substitute one or more share(s) resulting from such De-merger Event pursuant to the Method of Substitution,

it being understood that, in the case of a Basket, the Calculation Agent shall maintain the initial number of companies in the Basket and that in the case where the Calculation Agent has elected to substitute the Affected Share or Affected ADR with several shares or ADRs resulting from such De-merger

Event, such shares or ADRs shall be placed in a sub-basket and considered as one component of the Basket;

- (D) in respect of a De-listing Event or a Nationalisation, from the effective date of such event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, may, but is not obliged to, apply the Method of Substitution;
  - (E) in respect of an Insolvency, the Calculation Agent will decide, either that:
    - (a) the Affected Share or the Affected ADR will be substituted pursuant to the Method of Substitution; or
    - (b) the value of the relevant component in the formula used to determine the amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms, representing the Affected Share or the Affected ADR will be accounted by the Calculation Agent for its fair market value determined at any time as from the date of occurrence of such Insolvency until the last Valuation Date or the last Averaging Date. The determination of the fair market value shall depend upon the liquidity of the market and the trading conditions relating to the Share or ADR affected at the time of calculation; and
  - (F) in respect of a Participation Event from the effective date of such event until the sixtieth Business Day thereafter, the Calculation Agent may, but is not obliged to, select a Substitute Share or Substitute ADR for the Affected Share or the Affected ADR pursuant to the Method of Substitution.
- (iii) Notwithstanding anything herein to the contrary, the Calculation Agent shall use its reasonable endeavours at all times to maintain the original number of companies in the Basket as Companies hereunder.

Definitions applicable to this section B - Extraordinary Events:

**Alternative Obligation** means:

- (i) if, in respect of a Share-for-Share Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date the New Shares and the issuer of such New Shares (or, in the case of New Shares which are issued in the form of ADRs, the issuer of the Deposited Securities related to such ADRs) will be deemed the **Shares** (or **ADRs**, as the case may be) and the **Company**, respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the number of New Shares (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares or ADRs immediately prior to the occurrence of the Merger Event would be entitled upon consummation of the Merger Event;
- (ii) if, in respect of a Share-for-Other Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the amount of Other Consideration (as subsequently modified in

accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares or ADRs would be entitled upon consummation of the Merger Event and, if necessary, any relevant terms of the Notes; and

- (iii) if, in respect of a Share-for-Combined Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the Merger Date the New Shares and the Other Consideration will be deemed the **Shares** (or **ADRs**, as the case may be) and the issuer of the New Shares (or, in the case of New Shares which are issued in the form of ADRs, the issuer of the Deposited Securities related to such ADRs) will be deemed the **Company** respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the number of New Shares and the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares or ADRs would be entitled upon consummation of the Merger Event.

**Combined Consideration** means New Shares in combination with Other Consideration.

**De-listing Event** means, in respect of a Share or an ADR, that such Share or ADR (or Deposited Securities related to such ADR): (a) ceases to be listed, traded or publicly quoted on the relevant Exchange or listing compartment of the relevant Exchange (for any reason other than a Merger Event or a tender offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any member state of the European Union) or (b) has its listing, trading or public quotation maintained in inappropriate conditions in the opinion of the Calculation Agent (such conditions to include, without limitation, a lack of liquidity or the disappearance of the relevant futures and/or option contract of the relevant Share) or (c) in respect of an Underlying in the form of an ADR, the Deposited Agreement is terminated.

**De-merger Event** means, in respect of any Share or ADR, that the Company relevant to such Share or ADR is affected by a de-merger including, without limitation, a spin off, *scission* or any operation of a similar nature.

**De-merger Date** means the date on which a De-merger Event becomes effective.

**Early Redemption** means that there will be an Early Redemption of the Notes on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

**Fixing Period** means the period subject to a maximum of ten Exchange Business Days, which shall expire no later than 90 Business Days following the Merger Date, the De-merger Date or the effective date of the De-listing Event, Nationalisation, Insolvency or Participation Event) during which:

- (i) Société Générale or one of its affiliates sells the Affected Shares, Affected ADRs, the New Shares and/or the Other Consideration, (as the case may be), on the basis of the weighted average of the closing prices of the relevant assets traded by Société Générale or one of its affiliates with regards to the relevant Notes, as observed during such Fixing Period; and

- (ii) the proceeds of such sale are re-invested in the Substitute Shares, Substitute ADRs and/or New Shares accordingly during the said Fixing Period on the basis of the weighted average of the closing prices of such Substitute Shares, Substitute ADRs and/or New Shares traded by Société Générale or one of its affiliates with regards to the relevant Notes, as observed during such Fixing Period.

**Insolvency** means, in respect of a Company, voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, such Company, as determined in good faith by the Calculation Agent.

**Merger Date** means, in respect of a Share or an ADR, the date upon which holders of the necessary number of the relevant Shares or ADRs (other than, in the case of a takeover offer, Shares or ADRs owned or controlled by the offeror) to constitute a Merger Event have agreed or have irrevocably become obliged to transfer their Shares.

**Merger Event** means, in respect of any Share:

- (i) any reclassification or change of such Share (including the change of currency reference of the Share) that results in a transfer of or an irrevocable commitment to transfer all of such Share outstanding to another entity or person;
- (ii) any consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity (other than a consolidation, amalgamation or merger in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);
- (iii) other take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares that results in a transfer of or an irrevocable commitment to transfer all or part of such Shares (other than any of such Shares owned or controlled by the offeror);
- (iv) any consolidation, amalgamation, merger or binding share exchange of the relevant Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event; or
- (v) take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Calculation Agent based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

In the event that the Underlying is in the form of an ADR issued pursuant to a Deposit Agreement references to **Share** in this definition refer to the Deposited Securities underlying such ADR.

**Method of Substitution** means that in the case of a Merger Event, De-merger Event, De-listing Event, Nationalisation, Insolvency or Participation Event (regardless of the consideration to be received), in respect of an Affected Share or an Affected ADR, the Calculation Agent may consider that the Affected Share, the Affected ADR, the New Shares and/or, all or part of the Other Consideration (as the case may be) is/are converted into cash and that the proceeds will be reinvested either (a) into a new share or ADR of the same economic sector or into a share or ADR issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share or Affected ADR (a **Substitute Share** or a **Substitute ADR**, as the case may be) or (b) in the case of Combined Consideration into New Shares. In the event of Other Consideration to be received in cash, in the future, the Calculation Agent may consider that the cash to be received in the future is discounted in order to immediately re-invest the proceeds then procured in accordance with (a) and (b) above.

The sale of the Affected Share, Affected ADRs, the New Shares and/or the Other Consideration shall be deemed to take place during the Fixing Period. The Substitute Share (or Substitute ADR, as the case may be) and the company issuing such Substituted Share (or, in the case of an ADR, the company issuing the Deposited Securities related to such ADR) will be deemed a **Share** and the **Company** respectively, and the Calculation Agent will adjust any relevant terms of the Notes.

*For information purposes*, it is understood that in all cases described herein where a Share or ADR is substituted, on any date "t", with a Substitute Share or Substitute ADR, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Final Terms, shall not be affected by the substitution on such date "t" in respect of the Substitute Share or Substitute ADR and would mean the closing price of such Substitute Share or Substitute ADR on the relevant Exchange on the date "t" is weighted by an appropriate linking coefficient so that it is equal to the closing price of the Affected Share or Affected ADR on such date "t".

**Nationalisation** means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**New Shares** means shares or ADRs (whether of the offeror or a third party) that are listed or quoted on a recognised exchange involved in the application of Method of Substitution or Alternative Obligation as determined by the Calculation Agent.

**Offering Period** means the period from and including the date on which the Merger Event, the De-listing Event, De-merger Event, Insolvency, Nationalisation or Participation Event is publicly and officially announced to but excluding the Merger Date or De-merger Date or the effective date of the De-listing Event, Insolvency, Nationalisation or Participation Event.

**Other Consideration** means cash and/or any securities (other than New Shares) or assets (whether of the offeror or a third party).

**Participation Event** means that a Company (whose Shares or ADRs form part of a Basket) takes a stake exceeding 20 per cent. of another Company whose Shares or ADRs (which shall be the Affected Share or ADR in respect of such Participation Event) also form part of the Basket.

**Share-for-Combined** Merger Event means, in respect of a Merger Event, that the consideration for the relevant Shares or ADRs consists of Combined Consideration.

**Share-for-Other** Merger Event means, in respect of a Merger Event, that the consideration for the relevant Shares or ADRs consists solely of Other Consideration.

**Share-for-Share** Merger Event means, in respect of a Merger Event, that the consideration for the relevant Shares or ADRs consists (or, at the option of the holder of such Shares or ADRs, may consist) solely of New Shares.

#### **C. Stop-Loss Event relating to a Share or an ADR**

If on any Exchange Business Day between the initial Valuation Date (excluded) and the last Valuation Date (included), the Closing Price of a Share or ADR is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **Affected Share** or **Affected ADR**), then

- (i) the Calculation Agent may decide to substitute the Affected Share or Affected ADR by a new share or ADR issued by a company of a similar international standing or creditworthiness as the Company (the **Substitute Share** or **Substitute ADR** ) related to the Affected Share or Affected ADR and will adjust any relevant terms of the Notes accordingly; or
- (ii) the Calculation Agent may decide to continue with the Affected Share or Affected ADR; or
- (iii) if the Calculation Agent has not retained any Substitute Share or Substitute ADR neither decided to continue with the Affected Share or the Affected ADR, the Issuer may terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

*For information purposes*, it is understood that in all cases described herein where a Share or ADR is substituted, on any date “t”, with a Substitute Share or Substitute ADR, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Final Terms, shall not be affected by the substitution on such date “t” in respect of the Substitute Share or Substitute ADR and would mean that the closing price of such Substitute Share or Substitute ADR on the relevant Exchange on the date “t” is weighted by an appropriate linking coefficient so that it is equal to the closing price of the Affected Share or Affected ADR on such date “t”.

#### **D. Correction of the Closing Price of a Share**

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published and made available to the public by the Exchange after the original publication but no later than four Business Days prior to the Maturity

Date (or any payment date(s) determined in the applicable Final Terms), the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of the Notes to account for such correction.

## **II. Adjustments and Events relating to Indices**

### **A. Adjustments**

- (i) If an Index is:
  - (A) not calculated and announced by the relevant Index Sponsor or the **Index Calculation Agent** as the case may be, but is calculated and announced by a relevant successor sponsor (the **Successor Sponsor**) or a successor calculation agent (the **Successor Calculation Agent**) acceptable to the Calculation Agent; or
  - (B) replaced by a successor index (the **Successor Index**) using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index;

then the Index will be deemed to be the index so calculated and announced by the relevant Successor Sponsor or Successor Calculation Agent or that successor index (as the case may be).

- (ii) If, in the determination of the Calculation Agent:
  - (A) on or prior to a Valuation Date or an Averaging Date, the relevant Index Sponsor (or if applicable the Successor Sponsor) makes a material change in the formula for, or the method of calculating, that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent securities and capitalisation and other routine events);
  - (B) on any Valuation Date or Averaging Date, the relevant Index Sponsor (or, if applicable, the relevant Successor Sponsor) or the Index Calculation Agent (or the Successor Index Calculation Agent) as the case may be, fails to calculate and publish the level of the Index and such failure is likely to have a material impact on the hedge of Société Générale in connection with the Notes; or
  - (C) the Index Sponsor (or, if applicable, the Successor Sponsor) permanently cancels the Index and no successor Sponsor exists;

then the Calculation Agent shall either:

- (x) calculate the relevant formula used to determine an amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms using, *in lieu* of a published level for the Index, the level of that Index as at the Valuation Time on the relevant Valuation Date or Averaging Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised that Index



immediately prior to that change, failure or cancellation (other than those securities that have since ceased to be listed on any relevant Exchange);

- (y) replace the Index by a new index [*In case of Certificates [to be listed] [for which application will be made for listing] on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on others regulated or unregulated markets with similar listing requirements, insert:* multiplied, if needed, by a linking coefficient allowing to ensure continuity in the evolution of the underlying asset of the Instruments], provided that such index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries; or
- (z) if the Calculation Agent has not retained (x) and if in (y) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of any of the events described in (A), (B) or (C) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

*[In case of Certificates [to be listed] [for which application will be made for listing] on the Italian Stock Exchange on the market for securitised derivatives ("SeDex") and/or on others regulated or unregulated markets with similar listing requirements, insert: The Calculation Agent will adjust any relevant terms of the Instruments as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Instruments.]*

- (iii) If an Index merges with another index or if an Index which forms part of the Basket merges with another index which does not form part of the Basket (the **Event**), the Calculation Agent will either:
  - (A) continue using the index resulting from the merger; or
  - (B) replace the Index with another index (the New Index); as long as the New Index is (a) representative of the same economic or geographic sector (as the case may be) and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries.

If the Calculation Agent has not retained (A) and if in (B) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in paragraph (iii) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

- (iv) In the case of a merger affecting two Indices comprised in a Basket (the **Event**), the Calculation Agent will either:
  - (A) continue using the index resulting from the merger and, in order to maintain the same number of indices within the Basket, the Calculation Agent will select a further index (a **New Index**) to be included in the Basket, as long as such New Index is (a) representative of the same economic or geographic sector (as the case may be) and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries; or

- (B) replace both Indices with two other indices (each a **New Index**); as long as each New Index is (a) representative of the same economic or geographic sector (as the case may be) and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries.

If the Calculation Agent has not retained (A) and if in (B) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in paragraph (iv) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

- (v) If an Index is split into two or more new indices (the **Event**), the Calculation Agent will, either:
  - (A) use the indices resulting from the split to determine an index equivalent to the one existing prior to the split (provided that the indices resulting from the split will be deemed to form together the **New Index**); or
  - (B) replace the split Index with a new index (a **New Index**) as long as such New Index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible representative of shares listed on one or more Exchanges of one or more OECD countries.

If the Calculation Agent has not retained (A) and if in (B) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in paragraph (v) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

- (vi) In the case of a Basket of Indices, in the event that shares forming part of one Index comprising the Basket represent at least 20 per cent. of the capitalisation of another Index forming part of the Basket (the **Affected Index**) (the **Event**), the Calculation Agent may, but is not obliged to, replace such Affected Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries. If no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described above in this paragraph, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.
- (vii) In the event that an Index ceases to be the underlying of a futures and/or option contract (as the case may be) (the **Event**), the Calculation Agent may, but is not obliged to, replace such Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries. If no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described above in this paragraph, an Early Redemption

Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

**B. Stop-Loss Event relating to an Index and/or Opening Price of an Index**

If on any Exchange Business Day after the initial Valuation Date (excluded) before the last Valuation Date (included), the Closing Price of an Index is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **Affected Index**), then

- (i) the Calculation Agent may decide to substitute the Affected Index by a new index representative of the same economic or geographic sector (as the case may be), and to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries (the **Substitute Index**) and will adjust any relevant terms of the Notes accordingly; or
- (ii) the Calculation Agent may decide to continue with the Affected Index; or
- (iii) if the Calculation Agent has not retained any Substitute Index neither decided to continue with the Affected Index, the Issuer may terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

**C. Correction of the Closing Price of an Index**

In the event that any price or level published on the Exchange or by the Index Sponsor and which is used for any calculation or determination made under the Notes is subsequently corrected and the correction is published and made available to the public by the Exchange or the Index Sponsor after the original publication but no later than four Business Days prior to the Maturity Date (or final Payment Date or any payment date(s) determined in the applicable Final Terms), the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of the Notes to account for such correction.

**III. Adjustments and events relating to Dividends**

**A. Adjustments**

*Adjustments in relation to an Index the components of which are used to determine the amounts due under Notes indexed on Dividends*

If an event occurs affecting the Index the components of which are used to determine the amounts due under Notes indexed on Dividends, which in the determination of the Calculation Agent has a material effect on the amounts due under the Notes, then the Calculation Agent shall either:

- (i) adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
- (ii) replace the Index by a new index provided that such index is (a) representative of the same economic or geographic sector (as the case may

be), and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries; or

- (iii) consider such event as an event triggering an early redemption of the Notes and then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

*Adjustments in relation to a Share the dividend of which is used to determine the amounts due under Notes indexed on Dividends*

If an Extraordinary Event (as defined in Part 2 - I above) occurs affecting the Share (the **Affected Share**) the dividend of which is used to determine the amounts due under Notes indexed on Dividends, then the Calculation Agent shall either:

- (iv) adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
- (v) replace the Affected Share by the resulting share or by a new share issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share; or
- (vi) apply Early Redemption as defined in Part 2-I –B above on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

If a Potential Adjustment Event (as defined in Part 2 - I above) occurs affecting the Share (the **Affected Share**) the dividend of which is used to determine the amounts due under Notes indexed on Dividends, then the Calculation Agent will, subject to the provisions of the last paragraph of the definition “Dividend” above, adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event.

## **B. Extraordinary Events**

### *Failure to Publish*

If during the Dividend Period, the Index Sponsor fails (for whatever reason including without limitation, a Market Disruption Event as defined in the Common definitions and provisions for Shares, American Depositary Receipts, Indices and Dividends in Part 1 above) to calculate and publish the number of free-float shares in respect of any Share or the Official Index Divisor, then the Calculation Agent shall determine the number of free-float shares in respect of such Share or the Official Index Divisor (as the case may be).

In making any such determination, the Calculation Agent may (but shall not be obliged to) make reference to the formula for and method of calculating the number of free-float shares or the Official Index Divisor (as the case may be) last in effect prior to the failure by the Index Sponsor to make the relevant calculation or publication.

### *Dividend Recovery*

If (i) the amount actually paid or delivered by an issuer to holders of record of the relevant Share in respect of any Dividend declared by such issuer (a **Declared**

**Dividend**) to holders of record of such Share is not equal to such Declared Dividend (a **Dividend Mismatch Event**); or (ii) such issuer fails to make any payment or delivery in respect of such Declared Dividend by the third Business Day following the relevant due date, then the Calculation Agent may (but shall not be obliged to) determine any appropriate adjustment to be made to account for such correction or subsequent publication, together with interest, on any amount subsequently due under the Notes.

#### **C. Corrections**

In the event that an Official Index Divisor or number of free floating shares calculated and published by the Index Sponsor (or determined by the Calculation Agent pursuant to the provisions above relating to “Failure to Publish”) and utilised for any calculation or determination made in respect of the Notes is subsequently corrected (or, where there has been a Failure to Publish, published by the Index Sponsor) and the correction is published (or, where there has been a Failure to Publish, publication is made) by the Index Sponsor within five Scheduled Trading Days (as defined in the Definitions specific to Indices in Part 1 above) after the original publication, the Calculation Agent will adjust the Dividend, as required, to take into account such correction *provided that* such correction or subsequent publication occurs no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Final Terms).

#### **IV. Hedging Disruption, Insolvency Filing and consequences - Change in Law and consequences**

##### **A. Hedging Disruption and Insolvency Filing**

**Hedging Disruption** means, in respect of Notes that have one or more Share(s), Index(ices), ADR(s), Dividend(s) as Underlying(s), that Société Générale or one of its affiliates is unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Notes or the agreement entered into with Société Générale by the Issuer of the Notes, or (b) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions as the case may be between accounts within the jurisdiction of the Hedge Positions (the “Affected Jurisdiction”) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

**Insolvency Filing** means, in respect of Notes that have one or more Share(s), ADR(s) or Dividend(s) as Underlying(s) that the Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor’s rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Company shall not be deemed an Insolvency Filing.

In case of the occurrence of a Hedging Disruption relating to a Share, an Index, an ADR or Dividend(s) or of the occurrence of an Insolvency Filing relating to a Share, an ADR or Dividend(s) (the **Affected Underlying**), the Calculation Agent may:

- (a) consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 6(f) of the Terms and Conditions; or
- (b) replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector.

For the purpose of this provision

**Hedge Positions** means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by Société Générale or one of its affiliates, in order to hedge, individually or on a portfolio basis, the Notes.

## **B. Change in Law**

**Change in Law** means in respect of Notes that have one or more Share(s), Index(ices), ADR(s), or Dividend(s) as Underlying(s) that, on or after the first to occur of (i) the Issue Date and (ii) the first Valuation Date of the Notes (A) due to the adoption of any change in any applicable law or regulation (including without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Société Générale or one of its affiliates to hold, acquire or dispose of Hedge Positions (as defined in A. above) or to maintain the agreement entered into with Société Générale or one of its affiliates by the Issuer of the Notes, relating to the Underlying of the Notes (the **Affected Underlying**).

Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date or the last Averaging Date of a Change in Law, then the Calculation Agent will decide with regard to the Affected Underlying by such Change in Law, either:

- (a) consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 6(f) of the Terms and Conditions; or
- (b) replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector.

**PART 3 – DEFINITIONS, POSTPONEMENT OF A VALUATION DATE,  
ADJUSTMENTS, EXTRAORDINARY EVENTS, LIQUIDITY DISRUPTION EVENTS  
AND MATURITY DISRUPTION EVENTS**

**1. Definitions specific to Funds**

**Adjusted Intermediate Payment Date** means the date which is the earlier of (x) the 20<sup>th</sup> Business Day following the occurrence of the Intermediate Full Liquidation Date and (y) the Maturity Date.

**Adjusted Maturity Date** means the date which is the earlier of (x) the 20<sup>th</sup> Business Day following the occurrence of the Full Liquidation Date and (y) the Postponed Scheduled Maturity Date.

**Adjusted Optional Redemption Date** means the date which the earlier of (x) the 20<sup>th</sup> Business Day following the occurrence of the Optional Full Liquidation Date and (y) the Maturity Date.

**Applicable Method** means in respect of a Valuation Date, either Calculation Method, Execution Method/Subscription, Execution Method/Redemption, Order Method/Subscription or Order Method/Redemption. If in respect of the first Valuation Date to occur on or immediately following the Issue Date of the Notes (the “**First Valuation Date**”), no Applicable Method is specified in the applicable Final Terms, Order Method/Subscription shall be deemed the Applicable Method. If in respect of any Valuation Date which is not the First Valuation Date, no Applicable Method is specified in the applicable Final Terms, Order Method/Redemption shall be deemed the Applicable Method.

**Associated Costs** means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by a Hypothetical Investor in connection with the termination, liquidation or re-establishment of the Hypothetical Hedge Positions, such amount to be apportioned pro rata amongst the Specified Denomination of each outstanding Note.

**Business Day** means a “Business Day” as defined in Condition 4(a) of the Terms and Conditions of the relevant Notes, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** means in respect of a Fund (and in each case as determined by the Calculation Agent):

(A) Where “**Calculation Method**” is specified as applicable to a Valuation Date in the applicable Final Terms, the official net asset value per Unit determined by the Fund (or the Fund Service Provider that generally determines such value) dated as of such Valuation Date;

(B) Where “**Execution Method/Subscription**” is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit including all costs or fees (if any) that would be paid (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the subscription of Unit(s) scheduled to be executed on the official net asset value per Unit determined by

the Fund (or the Fund Service Provider that generally determines such value) dated as of such Valuation Date;

(C) Where “**Execution Method/Redemption**” is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit net of all costs or fees (if any) that would be received in cash (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the redemption of Unit(s), scheduled to be executed on the official net asset value per Unit determined by the Fund (or the Fund Service Provider that generally determines such value) dated as of Valuation Date;

(D) Where “**Order Method/Subscription**” is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit including all costs or fees (if any) that would be paid (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the subscription of Unit(s) submitted to and accepted by the Fund on such Valuation Date; or

(E) Where “**Order Method/Redemption**” is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit net of all costs or fees (if any), that would be received in cash (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the redemption of Unit(s) submitted to and accepted by the Fund on such Valuation Date.

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

where

“**Adjusted Calculation Amount**” means (i) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (ii) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

“**Compounding Date**” means, in respect of a Compounding Period, each Business Day of such Compounding Period;

“**Compounding Period**” means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

“**Compounding Period Amount**” means, in respect of a Compounding Period, the product of (i) the Adjusted Calculation Amount, (ii) the Compounding Rate and (iii) the Day Count Fraction;

“**Compounding Rate**” means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and



**“Day Count Fraction”** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360.

**Full Liquidation Date** means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hypothetical Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Fund** means, the fund or the pooled investment vehicle as specified in the applicable Final Terms.

**Fund Documents** means, in respect of a Fund, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund.

**Fund Service Provider** means, in respect of a Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents, including any fund investment adviser, fund administrator, manager, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary manager or another non-discretionary investment adviser) for such Fund (the **Fund Adviser**), trustee or similar person with the primary administrative responsibilities for such Fund, operator, management company, depository, custodian, sub-custodian, prime broker, registrar and transfer agent or domiciliary agent.

**Fund Unit** or **Unit** means, in respect of a Fund, a share of such Fund or, if interests in such Fund are not denominated as shares, a unit of account of ownership in such Fund.

**Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (i) positions or contracts in Fund Units, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (ii) securities lending/borrowing transactions, (iii) cash deposits or cash borrowings and/or (iv) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer’s obligations under the Notes linked to or indexed to the relevant Fund Unit due on the Maturity Date apportioned pro rata to each outstanding Note provided that, if the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hypothetical Hedge Positions will include the Intermediate Hypothetical Hedge Positions and/or the Optional Hypothetical Hedge Positions.

**Hypothetical Investor** means, with respect to the Hypothetical Hedge Positions, a hypothetical investor in such Hypothetical Hedge Positions (including the Fund Units), located in France (which for the avoidance of doubt may be Société Générale or one of its affiliates), and deemed, in respect of the Hypothetical Hedge Positions constituted by the Fund Units, to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding Fund Units; (b) in the case of any deemed redemption of such Fund, to have submitted a Valid Order requesting redemption of Fund Units; and (c) in the case of any deemed investment in such Fund, to have submitted a Valid Order requesting subscription of Fund Units.

**Intermediate Amount** means either an Interest Amount or an Instalment Amount.

**Intermediate Full Liquidation Date** means, in respect of any Intermediate Payment Date, the date on which the liquidation proceeds of the Intermediate Hypothetical Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Intermediate Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Intermediate Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (i) positions or contracts in Fund Units, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (ii) securities lending/borrowing transactions, (iii) cash deposits or cash borrowings and/or (iv) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Fund Unit due on an Intermediate Payment Date, apportioned pro rata to each outstanding Note.

**Intermediate Payment Date** means either an Interest Payment Date or an Instalment Date specified as such in the Final Terms of the relevant Notes.

**Maturity Date** means the date specified as such in the Final Terms of the relevant Notes.

**Maturity Disruption Event** means that an Intermediate Full Liquidation Date and/or an Optional Full Liquidation Date and/or the Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date.

**Optional Redemption Date** means the date specified as such in the Final Terms of the relevant Notes.

**Optional Full Liquidation Date** means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hypothetical Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Optional Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (i) positions or contracts in Fund Units, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (ii) securities lending/borrowing transactions, (iii) cash deposits or cash borrowings and/or (iv) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Fund Unit due on an Optional Redemption Date, apportioned pro rata to each outstanding Note.

**Optional Redemption Cut-Off Date** means, with respect to an Optional Redemption Date, the Business Day preceding such Optional Redemption Date by a number of Business Days or calendar days equal to the number of Business Days or calendar days of the notice period (as specified in the applicable Final Terms).

**Postponed Scheduled Maturity Date** means, if a Maturity Disruption Event occurs, the date that falls on the two anniversary date of the Maturity Date or if such day is not a Business Day, the immediately following Business Day.

**Relevant Spot Exchange Rate** means in respect of a date and an amount to be converted in the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency as determined by the Calculation Agent used to convert such amount on such date into the Specified Currency.

**Valid Order** means a valid and timely subscription or redemption order sent to the Fund or the Fund Service Provider that generally accepts such order, in accordance with the subscription or redemption notice period and the relevant cut off time as set forth in the Fund Documents.

**Valuation Date** means, in respect of a Fund, each date specified as such in the applicable Final Terms.

## **2. Postponement of a Valuation Date, Adjustments, Extraordinary Events, Liquidity Disruption Events and Maturity Disruption Events**

### **2.1 Postponement of a Valuation Date**

If “Calculation Method” is applicable in respect of a Valuation Date, and in case of occurrence of an event, beyond the control of Société Générale (including in case of any gating, deferral, suspension or other provisions of the Fund Documents permitting the Fund to delay or refuse subscription and/or redemption orders) which precludes the calculation and/or publication of the official net asset value per Unit of the Fund by the Fund (or the Fund Service Provider generally in charge of calculating such official net asset value) and consequently the Closing Price in relation to such Valuation Date (a “**Calculation Disruption Event**”), the Valuation Date shall be postponed to the next day on which the official net asset value per Unit of the Fund is calculated and published by the Fund (or the Fund Service Provider that generally determines such value) *provided however* that if the official net asset value per Unit of the Fund has not been calculated by the Fund (or the Fund Service Provider that generally determines such value) at the latest on the tenth calendar day following the initially scheduled Valuation Date, then the Calculation Agent shall determine its good faith estimate of the net asset value per Unit of such Fund which shall be deemed to be the Closing Price in respect of such Valuation Date ; notwithstanding the foregoing, such determination made by the Calculation Agent shall occur not later than four Business Days before the date of any payment to be made under the Notes on the basis of such determination.

### **2.2 Adjustments**

In the case of the occurrence at any time on or after the Issue Date of any event affecting a Fund or the value of the relevant Units including, without limitation:

2.2.1 a subdivision, consolidation or reclassification of the relevant number of Fund Units, or a free distribution or dividend of any such Fund Units to existing holders by way of bonus, capitalisation or similar issue;

2.2.2 a distribution, issue or dividend to existing holders of the relevant Fund Units of (A) an additional quantity of such Fund Unit, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Units, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or

warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

2.2.3 an extraordinary dividend;

2.2.4 a repurchase by the Fund of relevant Fund Units whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Units initiated by an investor in such Fund Units that is consistent with the Fund Documents ; or

2.2.5 any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Units or quantity of Fund Units;

the Calculation Agent may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

### **2.3 Extraordinary Events relating to any Fund and/or any Fund Unit**

2.3.1 Upon the occurrence or likely occurrence of any of the following events (each an “Extraordinary Event”) on or after the Issue Date:

2.3.1.1 **Change in Law** means that (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (A) it has become illegal for a Hypothetical Investor to hold, acquire or dispose of the Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions (including the relevant Fund Units) or it has become illegal to maintain the agreement entered into by Société Générale and/or one of its affiliates with the Fund or a Fund Service Provider mentioned in “Breach or Termination of Agreement” below, or (B) Société Générale and/or one of its affiliates will incur a materially increased cost in performing its obligations under such Notes or the agreement entered into by Société Générale or the Issuer of the Notes with the Fund or the Fund Service Provider mentioned in “Breach or Termination of Agreement” below (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

2.3.1.2 **Breach or Termination of Agreement** means any failure by the Fund or a Fund Service Provider, as the case may be, to comply with or perform any agreement entered into by the Fund or a Fund Service Provider with Société Générale and/or one of its affiliates, defining the terms and conditions at which Société Générale and/or one of its affiliates may make subscriptions and/or redemptions in the Fund Units (as the case may be, different from the subscriptions and redemptions terms then prevailing pursuant to the Fund Documents), including as the case may be the rebates of management fees to be paid to Société Générale and/or one of its affiliates, the termination of such agreement by the Fund or a Fund Service Provider for reasons beyond the control of Société Générale or its affiliates or the failing or ceasing of such agreement to be in full force and effect or the Fund or the Fund Service Provider disaffirms, disclaims, repudiates or rejects in whole or in part or challenges the validity of such Agreement;

2.3.1.3 **Closure of the Fund** means liquidation, winding up or dissolution of the Fund for any reason other than those mentioned in (f) or (k) below;

2.3.1.4 **Fund Adviser Event** means that the Calculation Agent determines that over a period of twelve months, the total value of the assets managed by the Fund Adviser (including the Fund) has decreased by fifty percent (50%) (either due to redemptions or decrease in value of such assets);

2.3.1.5 **Fund Hedging Disruption** means that a Hypothetical Investor is unable or it is impractical for a Hypothetical Investor, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions or (b) realise, recover or remit the proceeds of any such Hypothetical Hedge Positions, without limitation, where such inability or impracticability has arisen by reason of (A) the transfer of all illiquid assets of the Fund being all or part of the Intermediate or Optional Hypothetical Hedge Positions to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units (side pocket), (B) the restriction on the amount or number of redemptions or subscriptions that the Fund (or the Fund Service Provider generally in charge of accepting the redemption or subscriptions orders) will accept in relation to a single date on which the Fund normally accepts redemption orders (a gate), (C) the suspension for any reason of the subscription or redemption orders by the Fund (or the Fund Service Provider generally in charge of accepting the subscription and redemption orders), or (D) the postponement of the payment of the balance of redemption proceeds to a date occurring after the financial statements of the Fund have been reviewed by the Fund's statutory auditors (holdback), or increase in charges or fees imposed by the relevant Fund or (E) any mandatory redemption, in whole or in part, of such Fund Unit imposed by the relevant Fund, in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Notes or are already envisaged by the Fund Documents on the Issue Date of the Notes and are solely implemented by the Fund after such date;

2.3.1.6 **Fund Insolvency Event** means, in respect of any Fund Unit, that the related Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors, (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (v) through (vi) above;

2.3.1.7 **Fund Modification** means any change or modification of the related Fund Documents prevailing on the Issue Date of the Notes, that could reasonably be expected to affect the value of such Fund Unit or the rights or remedies of any holders thereof (including but not limited to an open-end fund that becomes a closed-end fund), as determined by the Calculation Agent;

2.3.1.8 **Fund Service Provider Event** means (i) a change, resignation, termination or replacement of any Fund Service Provider, (ii) a change of control or indirect control of any Fund Service Provider, (iii) any of the Fund Service Provider is subject to a Fund Service Provider Insolvency Event, where “Fund Service Provider Insolvency Event” has the same meaning as Fund Insolvency Event described above, except that Fund is replaced by Fund Service Provider or (iv) in the reasonable opinion of the Calculation Agent, any of the Fund Service Providers is no longer deemed able to carry out its business with the standard of care which was prevailing on the Issue Date, the resignation, termination, replacement, or death of any person deemed to be key in the management of the Fund by the Calculation Agent has occurred;

2.3.1.9 **Holding Ratio** means the reduction of the Fund’s aggregate net asset value under an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the Fund and/or its operating expenses or would increase the proportion of Fund Units held, or likely to be held, by a Hypothetical Investor, or any funds managed by Société Générale and/or one of its affiliates, to such extent that the full redemption in one single Valid Order of the Fund Units held by a Hypothetical Investor or funds managed by the same, is likely to be impaired;

2.3.1.10 **Increased Cost of Hedging** means that a Hypothetical Investor would incur a materially increased (as compared with circumstances existing on the Issue Date of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions or (ii) realise, recover or remit the proceeds of any such Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions, provided that, assuming the Hypothetical Investor is Société Générale, any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Société Générale or one of its affiliates shall not be deemed an Increased Cost of Hedging;

2.3.1.11 **Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (i) all the Fund Units of that Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Units of that Fund become legally prohibited from transferring or redeeming them;

2.3.1.12 **Liquidity Modification** means that the Fund modifies the terms and conditions at which subscription and/or redemption orders can be submitted or are settled by the Fund as provided in the Fund Documents as of the Issue Date of the Notes or implements a modification of the conditions at which subscription and/or redemption orders can be submitted or are settled by the Fund regardless as to whether the principle of such modification was already envisaged in the Fund Documents as of the Issue Date of the Notes;

2.3.1.13 **Merger Event** means the conversion of the Fund Unit into another class of fund units or securities, or the split of the Fund, its consolidation or its merger

with, or its sale or its conveyance of all or substantially all its assets to, a third party;

2.3.1.14 **Nationalisation** means that all the Fund Units or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

2.3.1.15 **Regulatory Action** means, with respect to any Fund Unit, (i) cancellation, suspension or revocation of the registration or approval of such Fund Unit or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Unit or Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Service Provider that is reasonably likely to have an adverse impact on the value of such Fund Unit or on any investor therein (as determined by the Calculation Agent), or (iii) the related Fund or any of its Fund Service Provider becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund or Fund Service Provider;

2.3.1.16 **Reporting Disruption** means, in respect of any Fund Unit, any failure of the related Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to a Hypothetical Investor or (B) information that has been previously delivered to a Hypothetical Investor in accordance with such Fund, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Units;

2.3.1.17 **Strategy Breach** means (i) any breach or violation of any strategy or investment guidelines stated in the related Fund Documents, that is reasonably likely to affect the value of the Fund Units or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent or (ii) any material modification, as determined by the Calculation Agent, of the risk profile of the Fund from its risk profile prevailing on the Issue Date of the Notes by reason of, but not limited to, the modification of the proportions, or reduction of diversification, of the type of assets in which the Fund invests or a reduction of the average liquidity of the assets of the Fund;

2.3.2 then the Calculation Agent may:

2.3.2.1 consider such Extraordinary Event as an event triggering an early redemption of the Notes (hereafter, an "**Early Redemption Event**"). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions;

2.3.2.2 in the case of subparagraph 2.3.1.13 above only, replace the Fund Unit by the kind and number of units or other securities and property receivable on such conversion, split, consolidation, merger, sale or conveyance by a holder of Fund Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Fund Unit and make any adjustment (if necessary) to the value of such Fund Unit; or

2.3.2.3 determine that the Issuer will apply one of the following method:

2.3.2.3.1 "**Monetisation to the Maturity Date**"

2.3.2.3.1.1 in respect of the Intermediate Amounts, and the Issuer shall no longer be liable for the payment, on any Intermediate Payment Date following the occurrence of the Extraordinary Event, of the Intermediate Amounts initially scheduled to be paid on such Intermediate Payment Date(s), but instead will, in full and final satisfaction of its obligations:

(1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the “**Minimum Intermediate Amount**”), pay (α) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (β) on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded) and (Y) an amount equal to the Minimum Intermediate Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by



such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

and/or,

2.3.2.3.1.2 in respect of the Final Redemption Amount and the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:

(1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method ) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the “**Minimum Redemption Amount**”), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (α) the Minimum Redemption Amount and (β) an amount, equal to the positive difference, if any, between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded) and (Y) an amount equal to the Minimum Redemption Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any,

incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

2.3.2.3.1.3 “**Postponement to the Adjusted Intermediate Payment Date**” and the Issuer shall no longer be liable for the payment, on the Intermediate Payment Date following the occurrence of the Extraordinary Event, of the Intermediate Amount initially scheduled to be paid on such Intermediate Payment Date, but instead will, in full and final satisfaction of its obligations:

(1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the “**Minimum Intermediate Amount**”), pay (α) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (β) on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision) and (Y) an amount equal to the Minimum Intermediate Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero

or,

#### 2.3.2.3.1.4 “Substitution” and

the Calculation Agent shall (i) identify a Fund (the “**New Fund**”) having an investment strategy similar to the investment strategy of the Fund affected by the Extraordinary Event (the “**Affected Fund**”) and the Calculation Agent may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

### 2.4 Liquidity Disruption Events relating to any Fund and/or any Fund Unit

#### 2.4.1 Upon the occurrence or the likely occurrence, as determined by the Calculation Agent, of any of the following events (each a “Liquidity Disruption Event”) in respect of a Valuation Date (the “Affected Valuation Date”):

2.4.1.1 **NAV Determination Disruption Event** means, in respect of any Fund Unit, the occurrence of any event (beyond the control of the Calculation Agent) affecting such Fund that, in the determination of the Calculation Agent, makes it impossible or impracticable for the Calculation Agent to determine the Closing Price;

2.4.1.2 **Fund Settlement Disruption** means a failure by the Fund to pay in cash, on the date by which the Fund was scheduled to have paid such amount, the full amount of the redemption proceeds and that, in the determination of the Calculation Agent, makes it impossible or impracticable for the Calculation Agent to determine the Closing Price, including without limitation due to (i) the transfer of all illiquid assets of such Fund to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units (side pocket), (ii) the restriction on the amount or number of redemptions that the Fund (or the Fund Service Provider generally in charge of accepting the redemption orders) will accept in relation to a single date on which the Fund normally accepts redemption orders (a gate), (iii) the suspension for any reason of the subscription or redemption orders by the Fund (or the Fund Service Provider generally in charge of accepting the subscription and redemption orders), or (iv) the postponement of the payment of the balance of redemption proceeds to a date occurring after the financial statements of the Fund have been reviewed by the Fund’s statutory auditors (holdback), in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Notes or are already envisaged by the Fund Documents on the Issue Date of the Notes and are solely implemented by the Fund after such date;

2.4.2 then the Calculation Agent may:

2.4.2.1 consider such Liquidity Disruption Event as an event triggering an early redemption of the Notes (hereafter, an “**Early Redemption Event**”). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions;

2.4.2.2. determine that the Issuer will apply one of the following method :

2.4.2.2.1 In respect of the Intermediate Amount :

2.4.2.2.1.1 the “**Monetisation to the Maturity Date**” and the Issuer shall no longer be liable for the payment, on the Intermediate

Payment Date related to the Affected Valuation Date, of the Intermediate Amount initially scheduled to be paid on such Intermediate Payment Date, but instead will, in full and final satisfaction of its obligations:

(1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Affected Valuation Date, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the “**Minimum Intermediate Amount**”), pay ( $\alpha$ ) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and ( $\beta$ ) on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Affected Valuation Date, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the

Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded) and (Y) an amount equal to the Minimum Intermediate Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

2.4.2.2.1.2 the “**Postponement to the Adjusted Intermediate Payment Date**” and the Issuer shall no longer be liable for the payment, on such Intermediate Payment Date, of the Intermediate Amount initially scheduled to be paid on such Intermediate Payment Date, but instead will, in full and final satisfaction of its obligations:

(1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Affected Valuation Date, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the “**Minimum Intermediate Amount**”), pay (α) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (β) on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Affected Valuation Date, the Intermediate Hypothetical Hedge Positions (*inter alia*

by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision) and (Y) an amount equal to the Minimum Intermediate Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

and/or,

2.4.2.2.2 in respect of the Final Redemption Amount, “**Monetisation to the Maturity Date**” and the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:

(1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Affected Valuation Date, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method )together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the “**Minimum Redemption Amount**”), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (α) the Minimum Redemption Amount and (β) an amount, equal to the positive difference, if any, between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Affected Valuation Date, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical

Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **“Calculation Amount”** for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **“Calculation Period”**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded) and (Y) an amount equal to the Minimum Redemption Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

#### 2.4.2.2.3 **“Substitution”** and

the Calculation Agent shall (i) identify a Fund (the **“New Fund”**) having an investment strategy similar to the investment strategy of the Fund affected by the Extraordinary Event (the **“Affected Fund”**) and the Calculation Agent may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

## 2.5 Occurrence of an Extraordinary Event or a Liquidity Disruption Event in relation to an optional redemption

2.5.1 If “Redemption at the option of the Noteholders” or “Issuer’s optional redemption” is specified as being applicable in the Final Terms of the relevant Notes:

2.5.1.1 upon the occurrence or likely occurrence of an Extraordinary Event or a Liquidity Disruption Event, the Put Notices or the exercise by the Issuer of its right of optional redemption relating to an Optional Redemption Date with an Optional Redemption Cut-Off Date falling after the date of such occurrence shall be null and void.

2.5.1.2 Upon the occurrence or likely occurrence of an Extraordinary Event or a Liquidity Disruption Event, with respect to Put Notices or the exercise by the Issuer of its right of optional redemption relating to an Optional Redemption Date with an Optional Redemption Cut-Off Date falling on or before the date of such occurrence, the Calculation Agent will determine which one of the following method the Issuer will apply:

2.5.1.2.1 **“Monetisation to the Maturity Date”** and the Issuer shall no longer be liable for the payment, on the Optional Redemption Date, of the Optional Redemption Amount, but instead will, in full and final satisfaction of its obligations:

(1) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would

be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in case of a Liquidity Disruption Event), the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method )together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the “**Optional Minimum Redemption Amount**”), pay (α) on the Optional Redemption Date an amount per Note equal to the Optional Minimum Redemption Amount and (β) on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in case of a Liquidity Disruption Event), the whole Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded) and (Y) an amount equal to the Optional Minimum Redemption Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

or,



2.5.1.2.2“**Postponement to the Adjusted Optional Redemption Date**” and the Issuer shall no longer be liable for the payment, on the Optional Redemption Date, of the Optional Redemption Amount, but instead will, in full and final satisfaction of its obligations:

(1) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Optional Redemption Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in case of a Liquidity Disruption Event) the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a “**Calculation Amount**” for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the “**Optional Minimum Redemption Amount**”), pay (α) on the Optional Redemption Date an amount per Note equal to the Minimum Optional Redemption Amount and (β) on the Adjusted Optional Redemption Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in case of a Liquidity Disruption Event) the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a “**Calculation Amount**” for the purposes of this provision) and (Y) an amount equal to the Optional Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

## 2.6 Maturity Disruption Event relating to any Fund and/or any Fund Unit

2.6.1 Upon the occurrence or the likely occurrence, as determined by the Calculation Agent, of a Maturity Disruption Event:

2.6.1.1 the Maturity Date of the Notes shall be postponed to the Adjusted Maturity Date, and

2.6.1.2 the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Intermediate Amount and/or Optional Redemption Amount and/or Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:

2.6.1.2.1 in respect of the Intermediate Amount and/or Optional Redemption Amount

(1) in respect of the redemption of Notes whose Intermediate Amount and/or Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event that gives rise to the Maturity Disruption Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Intermediate Payment Date and/or the Optional Redemption Date in case of a Liquidity Disruption Event giving rise to the Maturity Disruption Event) the Intermediate and/or Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate or Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate and/or Optional Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate and/or Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate and/or Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the redemption of Notes whose Intermediate Amount and/or Optional Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the “**Minimum Payment Amount**”), pay ( $\alpha$ ) on the Maturity Date an amount per Note equal to the Minimum Payment Amount and ( $\beta$ ) on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (X) (i) the net positive cash amount that a Hypothetical

Investor would be left with on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event that gives rise to the Maturity Disruption Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to Intermediate Payment Date and/or the Optional Redemption Date in case of a Liquidity Disruption Event giving rise to the Maturity Disruption Event) the Intermediate and/or Optional Hypothetical Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Intermediate or Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate and/or Optional Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded) and (Y) an amount equal to the Minimum Redemption Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate and/or Optional or Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate and/or Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero,

or/and,

#### 2.6.1.2.2 In respect of the Final Redemption Amount :

(1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, based on (i) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating (pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the last Valuation Date) the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an

amount strictly positive (the “**Minimum Redemption Amount**”), pay ( $\alpha$ ) on the Maturity Date an amount per Note equal to the Minimum Redemption Amount and ( $\beta$ ) on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (X) (i) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating (pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the last Valuation Date) the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a “**Calculation Amount**” for the purposes of this provision and of the Compounding Method) together with (iii) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a “**Calculation Period**”) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded) and (Y) an amount equal to the Minimum Redemption Amount ; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

2.6.1.3 If the Full Liquidation Date has not occurred, at the latest on the fourth Business Day preceding the Postponed Scheduled Maturity Date, as determined by the Calculation Agent, the amount paid by the Issuer on the Postponed Scheduled Maturity Date pursuant to paragraphs (A) or (B) above, shall be determined by the Calculation Agent on the basis of the net positive cash amount that a Hypothetical Investor would be left with on such fourth Business Day preceding the Postponed Scheduled Maturity Date as a result of liquidating (pursuant to the provisions above) the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such the Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (ii) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the fourth Business Day preceding the Postponed Scheduled Maturity Date, is a “**Calculation Amount**” for the purposes of this provision), for the avoidance of doubt, the liquidation proceeds of any assets held by the Hypothetical Investor under its Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

## PART 4 – CALCULATIONS - PHYSICAL DELIVERY

### I. Calculations - Calculation Agent

- (i) Unless otherwise specified in the applicable Final Terms, and in respect of Notes to which this Equity Technical Annex applies, the Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Physical Delivery Amount and/or the Early Redemption Amount shall be Société Générale, 17 cours Valmy, 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
- (ii) Following the occurrence of an event giving rise to an Adjustment which is substantial in the opinion of the Calculation Agent or of an Extraordinary Event affecting an Underlying, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 13 of the Terms and Conditions of the relevant adjustment made or decision taken by the Calculation Agent. Details on such adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

### II. Physical Delivery Notes

- (i) Unless otherwise specified in the applicable Final Terms, the Underlying used to determine the Physical Delivery Amount will be the Underlying(s) specified in the applicable Final Terms.
- (ii) When the settlement of a Physical Delivery Note is by way of physical delivery, the delivery will be made through Clearstream, Luxembourg or Euroclear or other relevant clearance institution (a **Clearing System**). The Transfer Notice will be delivered using the transfer procedures currently utilised by the relevant Clearing System. A Noteholder's entitlement to any Physical Delivery Amount will be evidenced by the Noteholder's account balance appearing on the records of the relevant Clearing System.
- (iii) Additional terms applicable to the settlement of the Physical Delivery Amount:
  - (A) The Physical Delivery Amount will be determined subject to the provisions in Part 1 and Part 2 (above) of this Equity Technical Annex, relating to Adjustments and Market Disruption Event. If as a result of an adjustment or otherwise, the number of Underlyings to be delivered is not a whole number, any fraction thereof will be payable in cash, on the basis of the value of such Underlying, converted, as the case may be, into the Specified Currency at the current exchange rate.
  - (B) In addition, if a Settlement Disruption Event does prevent delivery of the Physical Delivery Amount on the Maturity Date, then, such delivery shall occur on the first succeeding day on which delivery of the Physical Delivery Amount can take place through the relevant Clearing System (the **Settlement Date**) unless a Settlement Disruption Event prevents delivery for

a period of 20 Clearing System Days immediately following the original date that would have been the Settlement Date (the **Delivery Period**). In that latter case, the Issuer shall, in lieu of delivering the Physical Delivery Amount, pay, in respect of each Note, the fair market value of the number of Underlying(s) to be delivered (the **Fair Market Value**) converted into the Specified Currency at the current exchange rate, if applicable. The Fair Market Value will be determined by the Calculation Agent on the basis of the market conditions on the first Business Day following the Delivery Period.

(C) If a dividend is paid in respect of the Underlying from and including the Valuation Date to and, as the case may be, (a) excluding the Delivery Date or (b) including, in the event of a Settlement Disruption Event, the date on which the Fair Market Value is calculated, then, the net dividend amount relating to the number of Underlying(s) to be delivered per Note (excluding any related tax credit) converted into the Specified Currency at the current exchange rate, if applicable, will be paid in cash to the Noteholders as soon as practicable, unless otherwise specified in the applicable Final Terms.

(D) All stamp duties, or other similar taxes and/or duties, in respect of physical delivery of Underlyings shall be borne by the Noteholders.

(iv) As used in this paragraph:

**Clearing System Day** means, in respect of a Clearing System, any day on which such Clearing System is open for the acceptance and execution of settlement instructions.

**Delivery Date** means, as the case may be, (a) the Maturity Date or (b) in the event of a Settlement Disruption Event, the Settlement Date (as defined above).

**Settlement Disruption Event** means any event beyond the control of the Issuer as a result of which the relevant Clearing System cannot clear the transfer of the Physical Delivery Amount.

## B) COMMODITIES TECHNICAL ANNEX

### PART 1 – DEFINITIONS

#### I. Commodity Reference Prices

**Commodity Reference Price** means any of (i) the prices specified for the relevant Commodity below, (ii) the Closing Price for the relevant Index specified in the applicable Final Terms or (iii) any other price specified in the applicable Final Terms:

**AL** for a date means the settlement price per tonne of high grade Primary Aluminium at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page “MTLE” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**BL** for a date means the settlement price per barrel of the Brent blend crude oil on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the ICE for that date (available on page “SETT” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CC** for a date means the settlement price per metric tonne of Cocoa Bean on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S dollars, as determined and made public by the ICE for that date (available on page “CCc1” for a First Nearby Month Futures Contract and “CCc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CL** for a date means the settlement price per barrel of the West Texas Intermediate light sweet crude oil on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms) stated in USD, as determined and made public by the NYMEX for that date (available on page “SETT” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CO** for a date means the settlement price per bushel of No.2 Yellow Corn on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the CBOT for that date (available on page “Cc1” for a First Nearby Month Futures Contract and “Cc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CT** for a date means the settlement price per pound of Cotton No.2 on the ICE of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page “CTc1” for a First Nearby Month Futures Contract and “CTc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CU** for a date means the settlement price per tonne of copper Grade A at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page “MTLE” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**DA** for a date means the settlement price per 100 pounds of Class III Milk on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in U.S dollars, as determined and made public by the CME for that date (available on page “DAc1” for a First Nearby Month Futures Contract and “DAc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**EU2** for a date means the settlement price per emissions allowance (such emissions allowance being an entitlement to emit one tonne of carbon dioxide equivalent gas) on the ICE of the ICE ECX CFI December Futures Contract which first expires on or following that date (unless otherwise provided for in the applicable Final Terms), stated in EUR, as determined and made public by the ICE for that date (available on page “0#CFI:” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**FC** for a date means the settlement price per pound of Feeder Cattle on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page “FCc1” for a First Nearby Month Futures Contract and “FCc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**GL** for a date means the settlement price per metric ton of the gas oil on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the ICE for that date (available on page “SETT” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**GO** for a date, means the afternoon (unless otherwise provided for in the applicable Final Terms) Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in USD, as determined and made public by the London Gold Market for that date (available on page “GOFO” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**HO** for a date means the settlement price per U.S. Gallon of the heating oil on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page “SETT GOFO” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**KC** for a date means the settlement price per pound of Arabica Coffee on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page “KCc1” for a First Nearby Month Futures Contract and “KCc2” for a Second Nearby Month Futures



Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**KW** for a date means the settlement price per bushel of Hard Red Winter Wheat on the KBOT of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the KBOT for that date (available on page “KWc1” for a First Nearby Month Futures Contract and “KWc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**LC** for a date means the settlement price per pound of Live Cattle on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page “LCc1” for a First Nearby Month Futures Contract and “LCc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**LH** for a date means the settlement price per pound of Lean Hogs on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page “LHc1” for a First Nearby Month Futures Contract and “LHc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**NG** for a date means the settlement price per MMBTU of natural gas on the NYMEX of the Henry Hub Natural Gas of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page “SETNGS” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**NI** for a date means the settlement price per tonne of Primary Nickel at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page “MTLE” of the Reuters Monitor Rates and on the relevant page of the Bloomberg terminal).

**OJ** for a date means the settlement price per pound of Frozen Concentrated Orange Juice on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page “OJc1” for a First Nearby Month Futures Contract and “OJc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**PB** for a date means the settlement price per tonne of the Standard Lead at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page “MTLE” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**PD** for a date, means the afternoon (unless otherwise provided for in the applicable Final Terms) Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in USD, as determined and made public by the LPPM for that date (available on page “STBL” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**PT** for a date means the afternoon (unless otherwise provided for in the applicable Final Terms) Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in USD, as determined and made public by the LPPM for that date (available on page “STBL” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**RB** for a date means the settlement price per U.S. Gallon of the reformulated gasoline blendstock for oxygen blending on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page “SETT” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SB** for a date means the settlement price per pound of Sugar #11 on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page “SBc1” for a First Nearby Month Futures Contract and “SBc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SI** for a date means the Silver fixing price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. cents, as determined and made public by the London Silver Market for that date (available on page “SIFO” of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SM** for a date means the settlement price per metric ton of Soybean Meal on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the CBOT for that date (available on page “SMc1” for a First Nearby Month Futures Contract and “SMc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SO** for a date means the settlement price per bushel of Soybean on the CBOT of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the CBOT for that date (available on page “Sc1” for a First Nearby Month Futures Contract and “Sc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**WH** for a date means the settlement price per bushel of deliverable grade wheat on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as

determined and made public by the CBOT for that date (available on page “Wc1” for a First Nearby Month Futures Contract and “Wc2” for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**ZN** for a date means the settlement price per tonne of Special High Grade Zinc at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page “MTLE” of the Reuters Monitor Rates Service and on the relevant page of the Bloomberg terminal).

## **II. Price Sources**

**Price Source** means, with respect to a Commodity Reference Price, the Exchange, Index Sponsor or other entity, as specified in the definition of that Commodity Reference Price as the entity which determines and makes public the relevant price.

**APX** means the Amsterdam Power Exchange N.V. or its successor.

**CBOT** means the Chicago Board of Trade or its successor.

**CME** means the Chicago Mercantile Exchange or its successor.

**COMEX** means the Commodity Exchange Inc., New York or its successor.

**ICE or Futures ICE** means the Intercontinental Exchange, Inc. or its successor.

**KBOT** means the Kansas City Board of Trade or its successor.

**LBMA** means the London Bullion Market Association or its successor.

**LME** means the London Metal Exchange Limited or its successor.

**London Gold Market** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Gold.

**London Silver Market** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Silver.

**LPPM** means the London Platinum and Palladium Market or its successor.

**NORDPOOL** means the Nord Pool ASA (The Nordic Power Exchange) or its successor.

**NYMEX** means the New York Mercantile Exchange or its successor.

**OMLX** means the OM London Exchange Ltd. or its successor.

**SIMEX** means the Singapore International Monetary Exchange, Inc. or its successor.

## **III. Other Definitions**

**Barrier Level** means the level specified as such in the applicable Final Terms.

**Barrier Date** means a date with respect to which the Calculation Agent determines whether a Barrier Level is reached or other condition has occurred and which

includes each date specified as such in the applicable Final Terms. If a date is specified in the applicable Final Terms as both a Barrier Date and a Valuation Date, it will be considered as a Valuation Date.

With respect to a Commodity other than an Index, Barrier Date is subject to Commodity Business Day Adjustment. With respect to an Index, Barrier Date is subject to Index Business Day Adjustment. Unless otherwise specified in the applicable Final Terms, Common Commodity Business Day or Common Index Business Day, as relevant, is applicable to Barrier Dates.

**Basket** means a basket of Commodities specified in the applicable Final Terms.

**Business Day** means a “Business Day” as defined in Condition 4(a) of the Terms and Conditions of the relevant Notes, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** for a date means, with respect to an Index, the closing level of the Index determined and made public by the Index Sponsor for that date.

**Commodity** means any of the commodities referenced to under the relevant Commodity Reference Price or otherwise specified in the applicable Final Terms; for the avoidance of doubt, it includes Indices on commodities and commodities comprised in the Index.

**Commodity Business Day** means (a) with respect to a Commodity Reference Price being a price determined and made public by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on that Exchange and (b) with respect to a Commodity Reference Price not being a price determined and made public by an Exchange, a day with respect to which the relevant Price Source is scheduled to make public a price.

**Common Commodity Business Day** means a day which is a Commodity Business Day with respect to all Commodity Reference Prices specified in the applicable Final Terms.

**Common Index Business Day** means a day which is an Index Business Day with respect to all Indices specified in the applicable Final Terms.

**Commodity Intraday Price** means, with respect to a Commodity and a day, any price at which such Commodity has been traded on the relevant Exchange at any time during that day, as determined by the Calculation Agent, such price to include the Commodity Reference Price.

**Disrupted Day** means, with respect to an Index, any Index Business Day (a) on which a Market Disruption Event has occurred and/or is continuing in relation to a commodity comprised in the Index, (b) in respect to which the Index Sponsor fails to make public the Closing Price of the Index on the relevant Index Sponsor’s website or (c) which is not a trading day on the relevant Exchange for a commodity comprised in the Index.

**Exchange** means the exchange or principal trading market specified in the applicable Final Terms, provided that with respect to an Index, **Exchange** means the corresponding exchange or quotation system on which the commodities comprised in the Index are traded, or any successor exchange or quotation system or any

substitute exchange or quotation system acceptable to the Calculation Agent, in particular by reason of comparable liquidity relative to the relevant commodities.

**Final Valuation Date** means the date specified as such in the applicable Final Terms.

**Futures Contract** means, with respect to a Commodity Reference Price and a Valuation Date or a Barrier Date, a standardised contract, traded on the Exchange referenced in that Commodity Reference Price, for future delivery of a contract size of the Commodity referenced in that Commodity Reference Price, as specified in the applicable Final Terms, provided that:

- (a) if a particular date or month is specified in the applicable Final Terms, the relevant Futures Contract will be the Futures Contract providing for delivery on that date or month;
- (b) if First Nearby Month, Second Nearby Month etc. is specified in the applicable Final Terms, the relevant Futures Contract will be accordingly the first Futures Contract, the second Futures Contract etc. to expire on or following the relevant Valuation Date or Barrier Date.

**Index** means the index on commodities specified in the applicable Final Terms.

**Index Business Day** means, with respect to an Index, any day for which the Index Sponsor is scheduled to make public the Closing Price of the Index on the relevant Index Sponsor's website.

**Index Sponsor** means the corporation or other entity (as specified in the applicable Final Terms) that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) makes public (directly or through an agent) the level of the relevant Index on a regular basis.

**Initial Valuation Date** means the date specified as such in the applicable Final Terms.

**Market Disruption Event** means, with respect to a Commodity, any event that, in the reasonable opinion of the Calculation Agent, disrupts or impairs the determination of the price of such Commodity for a Valuation Date or a Barrier Date, as relevant, and includes, without limitation:

- (i) the failure by the relevant Exchange or other relevant Price Source to make public the relevant price for a Valuation Date or a Barrier Date, or the temporary or permanent discontinuance or unavailability of the Price Source and
- (ii) the material suspension of trading or the material limitation imposed on trading (whether by reason of movements in price reaching limits permitted by the relevant Exchange or otherwise) in the relevant Futures Contract or the relevant Commodity on the relevant Exchange

provided however that, with respect to Barrier Dates only, the settlement price reaching the upper or lower limit between which the relevant Exchange allows the

fluctuation of the price of the relevant Futures Contract will not be considered as a Market Disruption Event.

The occurrence of a Market Disruption Event is determined by the Calculation Agent in good faith.

**MMBTU** means one million British thermal units.

**Observation Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks are open for business either in London or in New York.

**Observation Barrier Period** means, unless otherwise specified in the applicable Final Terms, the period from and including the first Valuation Date to and including the last Valuation Date.

**Roll Adjustment** means any of the following roll rules:

**Roll Adjustment 1:** For a Valuation Date or a Barrier Date falling on or after a day which is the last trade date of the First Nearby Month Futures Contract, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

**Roll Adjustment 2:** For a Valuation Date or a Barrier Date falling after a day which is the standard (last) expiration date of the First Nearby Month Futures option contract, traded on the Exchange referred to in the relevant Commodity Reference Price, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

**Strike Price** means the price specified as such in the applicable Final Terms.

**Valuation Date** means a date with respect to which a Commodity Reference Price is determined and includes the Initial Valuation Date and the Final Valuation Date, as the case may be, and/or each date specified as such in the applicable Final Terms.

With respect to a Commodity other than Index, Valuation Date is subject to Commodity Business Day Adjustment. With respect to an Index, Valuation Date is subject to Index Business Day Adjustment. Unless otherwise specified in the applicable Final Terms, Common Commodity Business Day or Common Index Business Day, as relevant, is not applicable to Valuation Dates.

## **PART 2 – PROVISIONS APPLICABLE TO COMMODITIES OTHER THAN INDICES**

### **I. Commodity Business Day Adjustment**

- (1) If a Valuation Date is not a Commodity Business Day with respect to a Commodity Reference Price, then the Valuation Date for such Commodity Reference Price shall be postponed to the next day which is a Commodity Business Day with respect to such Commodity Reference Price, subject to valuation deadline provisions in (3) and (4) below
- (2) If a Barrier Date is not a Common Commodity Business Day, then such Barrier Date shall be postponed to the next day which is a Common Commodity Business Day, subject to determination deadline provisions in (3) and (4) below.
- (3) If there is no Commodity Business Day or Common Commodity Business Day, as relevant, within a five Observation Business Days period following the date originally

stated as Valuation Date or Barrier Date, as relevant, then the last day of such period shall be deemed to be the Valuation Date or the Barrier Date, as relevant, and the Calculation Agent shall determine for such day, in good faith, the fair market value of the Commodity or Commodities for which such day is not a Commodity Business Day.

- (4) Notwithstanding the foregoing, a Valuation Date or a Barrier Date shall occur not later than the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date or Barrier Date; as the case may be, such fourth Business Day shall be deemed to be the Valuation Date or Barrier Date, as relevant, and the Calculation Agent shall determine in good faith the fair market value of the Commodity or Commodities for which that fourth Business Day is not a Commodity Business Day.

## II. Consequences of Market Disruption Events

- (1) If a Market Disruption Event occurs or is continuing with respect to a Commodity Reference Price on a Valuation Date, then the price of such Commodity with respect to such Valuation Date will be the Commodity Reference Price for the next Commodity Business Day on which there is no Market Disruption Event (the **Determination Day**), subject to determination deadline provisions in (3) and (4) below.
- (2) If a Market Disruption Event occurs or is continuing with respect to a Commodity Reference Price on a Barrier Date, then the prices of all Commodities specified in the applicable Final Terms with respect to such Barrier Date will be the Commodity Reference Prices for the next Common Commodity Business Day on which there is no Market Disruption Event (the **Common Determination Day**), subject to determination deadline provisions in (3) and (4) below.
- (3) If there is no Determination Day or Common Determination Day, as relevant, within a period of five Observation Business Days following the Valuation Date or the Barrier Date, as relevant, then the prices for such Valuation Date or Barrier Date, as relevant, shall be determined in good faith by the Calculation Agent on such fifth Observation Business Day, using:
  - (i) with respect to the Commodity or Commodities which are not affected by a Market Disruption Event on the fifth Observation Business Day, the relevant Commodity Reference Price for that fifth Observation Business Day and
  - (ii) with respect to the Commodity or Commodities which are affected by a Market Disruption Event on the fifth Observation Business Day, the fair market value of such Commodity or Commodities as determined by the Calculation Agent.
- (4) Notwithstanding the foregoing, the prices for a Valuation Date or Barrier Date, as relevant, shall be determined by the Calculation Agent at the latest on the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date.
- (5) If a date is specified in the applicable Final Terms as both a Valuation Date and a Barrier Date, it will be considered as a Valuation Date for the purposes of consequences provided for in this section II.

### **III. Consequences of extraordinary events affecting the Commodities or Commodity Reference Prices**

If, in the determination of the Calculation Agent:

- (A) the trading in the relevant Futures Contract or the relevant Commodity on the relevant Exchange fails to commence or permanently discontinues, or
- (B) the relevant Commodity Reference Price disappears or permanently discontinues or otherwise becomes unavailable, or
- (C) at any time following the first Valuation Date, a material change in the formula or calculation method for the relevant Commodity Reference Price occurs, or
- (D) at any time following the first Valuation Date, a material change in the content, composition or constitution of the relevant Commodity occurs;

then the Calculation Agent shall either:

- (A) determine in good faith the fair market value of the relevant Commodity for the relevant Valuation Date or Barrier Date, or
- (B) replace, to the extent possible, the affected Commodity Reference Price with a similar price, or
- (C) if the Calculation Agent does not make a determination in accordance with paragraph (A) and if in the determination of the Calculation Agent, no price meeting the criteria exists which is appropriate as replacement price in accordance with paragraph (B), then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

## **PART 3 – PROVISIONS APPLICABLE TO INDICES ON COMMODITIES**

### **I. Index Business Day Adjustment**

- (1) If a Valuation Date is not an Index Business Day with respect to an Index, then the Valuation Date for such Index shall be postponed to the next day which is an Index Business Day with respect to such Index, subject to valuation deadline provisions in (3) and (4) below.
- (2) If a Barrier Date is not a Common Index Business Day, then such Barrier Date shall be postponed to the next day which is a Common Index Business Day, subject to determination deadline provisions in (3) and (4) below.
- (3) If there is no Index Business Day or Common Index Business Day, as relevant, within a five Observation Business Days period following the date originally stated as Valuation Date or Barrier Date, as relevant, then the last day of such period shall be deemed to be the Valuation Date or the Barrier Date, as relevant, and the Calculation Agent shall determine for such day, in good faith, the fair market level of the Index or Indices for which such day is not an Index Business Day.



- (4) Notwithstanding the foregoing, a Valuation Date or a Barrier Date shall occur not later than the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date or Barrier Date; as the case may be, such fourth Business Day shall be deemed to be the Valuation Date or Barrier Date, as relevant, and the Calculation Agent shall determine in good faith the fair market level of the Index or Indices for which that fourth Business Day is not an Index Business Day.

## **II. Consequences of Disrupted Days**

- (1) If a Valuation Date specified in the applicable Final Terms is a Disrupted Day for an Index, the level of such Index shall be determined by the Calculation Agent in good faith in accordance with the formula and calculation method for that Index last in effect prior to the occurrence of the first Disrupted Day (subject to determination deadline provisions in (4) below, using:
- (i) with respect to each commodity comprised in the Index, which is not affected by a Market Disruption Event, its settlement price as determined and made public by the relevant Exchange for the Valuation Date and
  - (ii) with respect to each commodity comprised in the Index which is affected by a Market Disruption Event, its settlement price as determined and made public by the relevant Exchange for the next day which is a Commodity Business Day with respect to such commodity and on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the Valuation Date) for five consecutive Observation Business Days, in which case the Calculation Agent shall determine the fair market value of the relevant commodity comprised in the Index on that fifth Observation Business Day.
  - (iii) If the Index Sponsor fails to make public the Closing Price of an Index on the relevant Index Sponsor's website for a Barrier Date, the level of each of the Indices specified in the applicable Final Terms for that Barrier Date shall be its Closing Price for the next Common Index Business Day, subject to determination deadline provisions in (3) and (4) below.
  - (iv) If there is no Common Index Business Day for which the relevant Index Sponsor(s) makes public the Closing Price(s) for all Indices specified in the applicable Final Terms within a period of five Observation Business Days following the Barrier Date, then the level of the Indices will be determined by the Calculation Agent on such fifth Observation Business Day (subject to determination deadline provisions in (4) below, using:
- (2) with respect to each Index for which there is a Closing Price made public by the relevant Index Sponsor, such Closing Price and
- (3) with respect to each Index for which there is no Closing Price made public by the relevant Index Sponsor, the fair market level of that Index.
- (4) Notwithstanding the foregoing, the date on which the value of a commodity comprised in the Index and the level of Index are determined shall occur not later than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such date.

### III. Consequences of extraordinary events and adjustments to Indices

(i) If an Index is:

- (A) not calculated and made public by the relevant Index Sponsor but is calculated and made public by a relevant successor sponsor (the **Successor Sponsor**) acceptable to the Calculation Agent, or
- (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index;

then the Index will be deemed to be the index so calculated and made public by the relevant Successor Sponsor or that successor index (as the case may be).

(ii) If, in the determination of the Calculation Agent:

- (A) the relevant Index Sponsor (or if applicable the Successor Sponsor) makes a material change in the formula or calculation method for an Index or in any other way materially modifies an Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in commodities comprised in the Index and capitalisation and other routine events), or
- (B) the Index Sponsor (or, if applicable, the Successor Sponsor) permanently cancels an Index and no successor Sponsor exists;

then the Calculation Agent shall either:

- (A) determine the level of that Index for the relevant Valuation Date or Barrier Date in accordance with the formula and calculation method for that Index last in effect prior to that change, failure or cancellation. The Index so calculated will be used *in lieu* of the Closing Price made public by the Index Sponsor for the determination of an amount to be paid under the Notes or to determine whether a condition, if any, has occurred or not, or
- (B) replace the Index with a new index to the extent possible, representative of the similar type of commodities comprised in the Index and traded on one or more Exchanges, or
- (C) if the Calculation Agent does not make a calculation in accordance with paragraph (A), and if, in the determination of the Calculation Agent, no index meeting the criteria exists which is appropriate as replacement index in accordance with paragraph (B), then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions.

#### **PART 4 HEDGING DISRUPTION, CHANGE IN LAW AND CONSEQUENCES THEREOF**

**Change in Law** means, with respect to Notes that have one or more Commodity(ies) as Underlying(s) that, on or after the first to occur of (i) the Issue Date and (ii) the first Valuation Date of the Notes, due to:

- (A) the adoption of, or any change in, any applicable law (including without limitation, any Commodity Futures Trading Commission or tax law) or any regulation, rule or procedure of any exchange or principal trading market on which a Commodity or any component thereof is traded (together the “Applicable Regulation”); or
- (B) the promulgation of, or any change in the published interpretation by any court, tribunal or regulatory authority with competent jurisdiction or supervisory duty, of any Applicable Regulation (including any action taken by a taxing authority),

the Calculation Agent determines in good faith that:

- (i) it has become illegal or contrary to any Applicable Regulation for Société Générale or one of its affiliates to (x) hold, acquire or dispose of any Hedge Position (as defined below) or (y) maintain the agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes or to perform its obligations or exercise its rights thereunder; or
- (ii) Société Générale or one of its affiliates incurs or there is a substantial likelihood that Société Générale or one of its affiliates will incur increased costs, fees or charges in (x) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any Hedge Position or (y) maintaining any agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes or performing its obligations thereunder.

**Hedging Disruption** means, with respect to Notes that have one or more Commodity(ies) as Underlying(s), that, as determined in good faith by the Calculation Agent, Société Générale or one of its affiliates is unable, after using commercially reasonable efforts, to either:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Position; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Position or any agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes.

For the purpose hereof, **Hedge Position** means one or more positions in or contracts related to commodities, over-the-counter or exchange-traded commodity derivative transactions, foreign exchange transactions or other instruments or arrangements (howsoever described) necessary to hedge, individually or on a portfolio basis or otherwise, the risks of Société Générale or one of its affiliates of (a) issuing and performing any of the obligations with respect to the Notes or (b) entering into and performing the obligations under the agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes.

Upon the occurrence, as determined by the Calculation Agent in good faith, of a Hedging Disruption or a Change in Law (the **Affected Underlying**), the Calculation Agent may:

- (1) consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). In that case, where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount based on the Market Value as defined in Condition 6(f) of the Terms and Conditions; or
- (2) replace the Affected Underlying by a new underlying which is representative of the

same economic or geographic sector.

## **PART 5 – CALCULATIONS BY THE CALCULATION AGENT**

- (i) Unless otherwise specified in the applicable Final Terms, and with respect to Notes to which this Commodities Technical Annex applies, the Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Early Redemption Amount shall be Société Générale, 17 cours Valmy, 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
  
- (ii) Following the occurrence of an event giving rise to an adjustment which is substantial in the opinion of the Calculation Agent or of an extraordinary event affecting an Underlying in respect of this Commodities Technical Annex, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders, pursuant to the provisions of Condition 13 in respect of the Terms and Conditions, of the relevant adjustment made or decision taken by the Calculation Agent; details on such adjustment made or decision taken can be obtained by the Noteholders upon request at the relevant address specified in the applicable Final Terms.

## **C) CREDIT TECHNICAL ANNEX**

Capitalised terms used but not defined in this Part 1 shall have the meanings given to them in Part 2 of this Credit Technical Annex save to the extent it is supplemented or modified in the applicable Final Terms.

### **PART 1 – CREDIT EVENT PROVISIONS**

#### **I. If the Settlement Method specified in the applicable Final Terms is Physical Settlement:**

##### **(a) Physical Settlement**

**1.1** If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the Launch Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders' information, then the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, Deliver or procure Delivery of the Physical Delivery Amount to the Noteholders during the Physical Settlement Period, subject to the next following paragraph and the cash settlement provisions hereafter.

The Delivery of the Specified Deliverable Obligations (or the payment of the Cash Settlement Amount as the case may be) is subject to the prior delivery by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders' information, of a Notice of Physical Settlement between the Credit Event Determination Date and the Latest Notification Date (both dates inclusive).

**1.2** Following the occurrence of a Credit Event with respect to a Reference Entity, the Issuer has sole and absolute discretion to select the Specified Deliverable Obligations.

**1.3** The Issuer will not necessarily Deliver all the Specified Deliverable Obligations on the same date, and may Deliver Specified Deliverable Obligations to different Noteholders on different dates or to the same Noteholder on different dates.

**1.4** The Issuer is not obliged to Deliver the same type and proportion of Deliverable Obligations to each Noteholder and a Noteholder may receive various types of Deliverable Obligations.

**1.5** If any or all of the Specified Deliverable Obligations are not eligible for clearance by the Relevant Clearing System, then the Issuer may, at its discretion but upon prior notice to the Noteholders, arrange:

- (i) Delivery of those Specified Deliverable Obligations, if any, that are eligible for clearance by the Relevant Clearing System in the Relevant Clearing System and Delivery of those Specified Deliverable Obligations that are not eligible for clearance by the Relevant Clearing System outside the Relevant Clearing System; or

- (ii) Delivery of all the Specified Deliverable Obligations (whether or not those Specified Deliverable Obligations are eligible for clearance) outside the Relevant Clearing System.

The Relevant Clearing System will then be instructed to block and, upon confirmation by the Issuer that delivery has taken place, cancel the Noteholders' positions in its books and the Fiscal Agent in turn will cancel the outstanding Notes. If Delivery is to take place outside the Relevant Clearing System, the Issuer must receive the relevant Noteholders' transfer instructions in terms that are satisfactory to the Issuer sufficiently before the Latest Permissible Physical Settlement Date to allow for physical settlement, otherwise the cash settlement provisions set out below will apply.

*If American Settlement is specified in the applicable Final Terms and clause 1.1 of this Part 1.1 applies, the following clause 1.6 shall apply:*

- 1.6** Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1 .

*If Accrual of Interest is specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date and the last Interest Payment Date will be the Physical Settlement Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Physical Settlement Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Physical Settlement Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date is the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Physical Settlement Date. In the event the Maturity Date

falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event occurring before the first Interest Payment Date) to the Physical Settlement Date.

*If (i) Accrual of Interest is specified as Not Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (a) the Interest Payment Date immediately preceding the Credit Event Determination Date and (b) the Scheduled Maturity Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event occurring before the first Interest Payment Date) to the Physical Settlement Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date, the Interest Payment Date will be the Physical Settlement Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Physical Settlement Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Physical Settlement Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date is the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Physical Settlement Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms and there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.



For the avoidance of doubt, should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer shall be authorised to deduct from the Physical Delivery Amount the amount of overpaid interest, such deduction being determined by the Calculation Agent in its sole and absolute discretion acting in a commercially reasonable manner.

*If European Settlement is specified in the applicable Final Terms and clause 1.1 of this Part 1.1 applies, the following clause 1.7 shall apply:*

- 1.7** Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1 .

*If Accrual of Interest is specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date and the last Interest Payment Date will be the earlier of the Interest Payment Date following the 4th Business Day falling after the Credit Event Determination Date and the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the earlier of the Interest Payment Date following the 4th Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Day and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date.

*If (i) Accrual of Interest is specified as Not Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date, the Interest Payment Date will be the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms and there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.

For the avoidance of doubt, should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer shall be authorised to deduct from the Physical Delivery Amount the amount of overpaid

interest, such deduction being determined by the Calculation Agent in its sole and absolute discretion acting in a commercially reasonable manner.

## **2. Cash Settlement**

**2.1** If, on the Latest Permissible Physical Settlement Date, the Calculation Agent (acting on behalf of the Issuer) determines that it is Illegal or Impossible for the Issuer to Deliver all or part of the Specified Deliverable Obligations to all or some of the Noteholders or if the Issuer does not receive transfer instructions as described in the last sentence of clause 1.5 above, then the Calculation Agent will calculate in respect of such part of the Specified Deliverable Obligations which are Undeliverable Obligations a Cash Settlement Amount and the Issuer will, on the Cash Settlement Date, pay or procure payment of a Cash Settlement Amount to the relevant Noteholders in final and full satisfaction of its obligations in respect of the Undeliverable Obligations.

**2.2** The Issuer must notify the relevant Noteholders through the Relevant Clearing System that there are Undeliverable Obligations and the reasons why it is Illegal or Impossible to Deliver such Specified Deliverable Obligations.

**2.3** If, before the Latest Permissible Physical Settlement Date, the Calculation Agent determines that the Delivery of all of the Specified Deliverable Obligations is Illegal or Impossible; and it deems in good faith that such Delivery is to remain Illegal or Impossible until the Latest Permissible Physical Settlement Date,

then the Calculation Agent may give notice thereof to the Relevant Clearing System for the attention of the Noteholders. The Credit Valuation Date will then be the date that is two Business Days after the date on which the Calculation Agent delivers such notice to the Relevant Clearing System, and the Issuer will pay the Noteholders a Cash Settlement Amount on the Cash Settlement Date in full and final satisfaction of its obligations in respect of the Undeliverable Obligations.

**2.4** If Delivery is partially Illegal or Impossible, the Issuer may, for each Noteholder, Deliver Specified Deliverable Obligations and pay a Cash Settlement Amount. The Issuer is not obliged to ensure that each Noteholder receives the same type and proportion of Deliverable Obligations and the same proportion of Deliverable Obligations and Cash Settlement Amount as each other Noteholder.

**2.5** If clause 2.1 or clause 2.3 of this Part 1.1 applies, the Issuer may arrange that all settlements hereunder be made outside the Relevant Clearing System in the manner described in clause 1.5 above provided that the Issuer receives transfer instructions in terms that are satisfactory to the Issuer to allow for such settlements.

**2.6** The Calculation Agent will inform the Noteholders via the Relevant Clearing System of the Cash Settlement Amount by sending a Final Valuation Notice.

*If American Settlement is specified in the applicable Final Terms and clause 2.1 or clause 2.3 of this Part 1.1 applies, the following clause 2.7 shall apply:*

**2.7** Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1.

*If Accrual of Interest is specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date and the last Interest Payment Date will be the Cash Settlement Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Cash Settlement Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date. In such event, the last Interest Payment Date will be the Cash Settlement Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date is the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Cash Settlement Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event occurring before the first Interest Payment Date) to the Cash Settlement Date.

*If (i) Accrual of Interest is specified as Not Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (a) the Interest Payment Date immediately preceding the Credit Event Determination Date and (b) the Scheduled Maturity Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event occurring before the first Interest Payment Date) to the Cash Settlement Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date and the Interest Payment Date will be the Cash Settlement Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Cash Settlement Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Cash Settlement Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date is the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Cash Settlement Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms and there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.

For the avoidance of doubt, should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer shall be authorised to deduct from the Cash Settlement Amount the amount of overpaid interest, such deduction being determined by the Calculation Agent in its sole and absolute discretion acting in a commercially reasonable manner.

*If European Settlement is specified in the applicable Final Terms and clause 2.1 or clause 2.3 of this Part 1.1 applies, the following clause 2.7 shall apply:*

Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1.

*If Accrual of Interest is specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date and the last Interest Payment Date will be the earlier of the Interest Payment Date following the 4th Business Day falling after the Credit Event Determination Date and

the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the earlier of the Interest Payment Date following the 4th Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Day and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date.

*If (i) Accrual of Interest is specified as Not Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date,

the Interest Payment Date will be the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms and there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.

For the avoidance of doubt, should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer shall be authorised to deduct from the Cash Settlement Amount the amount of overpaid interest, such deduction being determined by the Calculation Agent in its sole and absolute discretion acting in a commercially reasonable manner.

**II. If the Settlement Method specified in the applicable Final Terms is Cash Settlement:**

If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the Launch Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Noteholders, then the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, pay or procure payment of the Cash Settlement Amount on the Cash Settlement Date. Such Cash Settlement Amount will be based on the Final Value resulting from either (i) a Settlement Protocol or (ii) valuation of the Selected Obligations, each as provided for in this Credit Technical Annex. The Selected Obligations, the Cash Settlement Amount and the Cash Settlement Date shall be notified to the Noteholders in the Final Valuation Notice on the Final Valuation Notice Receipt Date.

For the avoidance of doubt, under no circumstances will the Final Value be determined later than the 120th Business Day following the corresponding Credit Event Determination Date.

*If American Settlement is specified in the applicable Final Terms:*

Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1.

*If Accrual of Interest is specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date, and the last Interest Payment Date will be the Cash Settlement Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Cash Settlement Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Cash Settlement Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date is the Scheduled



Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Cash Settlement Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event occurring before the first Interest Payment Date) to the Cash Settlement Date.

*If (i) Accrual of Interest is specified as Not Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (a) the Interest Payment Date immediately preceding the Credit Event Determination Date and (b) the Scheduled Maturity Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event occurring before the first Interest Payment Date) to the Cash Settlement Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date, and the Interest Payment Date will be the Cash Settlement Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Cash Settlement Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Cash Settlement Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date is the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Cash Settlement Date. In the event the Maturity Date falls

after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms and there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.

For the avoidance of doubt, should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer shall be authorised to deduct from the Cash Settlement Amount the amount of overpaid interest, such deduction being determined by the Calculation Agent in its sole and absolute discretion acting in a commercially reasonable manner.

*If European Settlement is specified in the applicable Final Terms:*

Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1.

*If Accrual of Interest is specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date and the last Interest Payment Date will be the earlier of the Interest Payment Date following the 4th Business Day falling after the Credit Event Determination Date and the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the earlier of the Interest Payment Date following the 4th Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Day and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date.

*If (i) Accrual of Interest is specified as Not Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the Interest Payment Date immediately preceding the Credit Event Determination Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date, the Interest Payment Date will be the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.

*If (i) Accrual of Interest is specified as Applicable and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms and there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

*If Accrual of Interest is specified as Not Applicable in the related Final Terms and there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.

For the avoidance of doubt, should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer shall be authorised to deduct from the Cash Settlement Amount the amount of overpaid interest, such deduction being determined by the Calculation Agent in its sole and absolute discretion acting in a commercially reasonable manner.

### III. Credit Event Notice after Restructuring

Upon the occurrence of a Restructuring in the period from and including the Launch Date to and including the Last Credit Event Occurrence Date:

- If American Settlement is specified in the applicable Final Terms:
  - (a) the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the **Partial Redemption Amount**) that is less than the Nominal Amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of clause I or clause II to this Part 1 shall be deemed to apply to the Partial Redemption Amount only and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount);
  - (b) for the avoidance of doubt (i) the Nominal Amount of each such Note not so redeemed in part shall remain outstanding and, if applicable, interest shall accrue on the Nominal Amount outstanding of such Note as provided in the applicable Final Terms (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of clause I or clause II to this Part 1 shall apply to such Nominal Amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity; and
  - (c) on redemption of part of each Note the relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption.

For the avoidance of doubt, the outstanding Nominal Amount of each Note in respect of which no Credit Event Notice has been delivered during the Notice Delivery Period (and, if applicable, no Potential Repudiation/Moratorium or Potential Failure to Pay has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date), will be redeemed on the Scheduled Maturity Date.

- If European Settlement is specified in the applicable Final Terms:
  - (a) the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the **Partial Redemption Amount**) that is less than the Nominal Amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of clause I or clause II to this Part 1 shall be deemed to apply to the Partial Redemption Amount; and

- (b) for the avoidance of doubt the provisions of clause I or clause II to this Part 1 shall apply to such Nominal Amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity.

#### IV. Multiple Successors

*If Multiple Successor is specified as Applicable in the related Final Terms the following clause shall apply:*

Where, pursuant to the definition of **Successor** (see attached Part 2 of this Credit Technical Annex), more than one Successor has been identified, each such Successor (a **Multiple Successor**) shall be a Reference Entity for the purposes of the Conditions, but only in respect of a principal amount of each Note equal to the Nominal Amount divided by the number of Multiple Successors to such Reference Entity (the **Multiple Successor Notional Amount**) as determined by the Calculation Agent. Where Multiple Successors to such Reference Entity (each, a **Sub-Multiple Successor**) have been identified in respect of a Reference Entity (an **Original Multiple Successor**) that is itself a Multiple Successor, each such Sub-Multiple Successor shall be a Reference Entity for the purposes of the Conditions, but the Multiple Successor Notional Amount in respect of a Sub-Multiple Successor shall be equal to the Multiple Successor Notional Amount in respect of such Original Multiple Successor divided by the number of Sub-Multiple Successors to such Original Multiple Successor. Following the delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information, in respect of a Multiple Successor, the Notes will not be redeemed in whole but an amount shall be deliverable or, as the case may be, payable in respect of each Note (an **Instalment Amount**) which amount shall be determined in the same manner, *mutatis mutandis*, as the Physical Delivery Amount or Cash Settlement Amount that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity, except that it shall be in respect of a principal amount of each Note equal to the relevant Multiple Successor Notional Amount only. The date of delivery or payment, as the case may be, of any such Instalment Amount (an **Instalment Date**) shall be determined in the same manner, *mutatis mutandis*, as the Physical Settlement Date or Cash Settlement Date that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity. More than one Instalment Amount may be delivered or payable on the same day in respect of different Multiple Successors, but not more than one Credit Event Notice may be delivered in relation to a single Multiple Successor unless a Restructuring occurs in relation to a Multiple Successor, in which case the provisions of clause III) of this Part 1 will apply in respect of each such Multiple Successor. Upon the determination by the Calculation Agent of the identity of Multiple Successors, the Calculation Agent shall determine the modifications required to be made to the Conditions and any other related documents, to preserve substantially the economic effect for a Noteholder of a holding of the Notes and the Issuer shall use its reasonable endeavours to effect such modifications.

*If American Settlement is specified as Applicable in the related Final Terms:*

Following delivery or payment of an Instalment Amount in respect of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each Note shall be correspondingly reduced by the proportion of such principal amount so redeemed and, if applicable, interest on each Note shall accrue on the reduced Nominal Amount of each Note from the date on which it would otherwise have ceased to accrue

following delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information in relation to the original Reference Entity.

*If Multiple Successor is specified as Not Applicable in the related Final Terms the following clause shall apply:*

Should more than one Successor succeed to the Reference Entity and a Credit Event occur in respect of any one of them, the Notes will be early redeemed in whole in accordance with the paragraph "Settlement Method" above, as if First-to-Default was specified as Applicable in the related Final Terms.

**V. Notification of Potential Failure to Pay**

In the case of the occurrence of a Potential Failure to Pay, as determined by the Issuer in its sole and absolute discretion, the Issuer, or any entity acting on its behalf, shall use its reasonable endeavours to notify the Noteholders as soon as reasonably practical of such occurrence, pursuant to Condition 13 of the Terms and Conditions.

Legend:

\*: delete if the Settlement Method specified in the applicable Final Terms is Physical Settlement

\*\*: delete if the Settlement Method specified in the applicable Final Terms is Cash Settlement

## PART 2 – DEFINITIONS

**Accreted Amount** means, with respect to an Accreting Obligation, an amount, determined by the Calculation Agent, to be equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in clause (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the [Physical Settlement Date or]\*\* applicable Credit Valuation Date[, as the case may be]\*. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then for purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such Obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the [Physical Settlement Date or]\* applicable Credit Valuation Date [, as the case may be]\*. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Accreting Obligation** means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable. With respect to any Accreting Obligation, **outstanding principal balance** means the Accreted Amount thereof.

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

**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 such Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the applicable Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Loans and shall only

be relevant if Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Auction Settlement** means any market settlement protocol established and published by the Determinations Committee which provides for the valuation of any obligations of a Reference Entity in respect of which a Credit Event has occurred and which is to be used to determine the amounts payable between the parties to a credit derivatives transaction referencing such Reference Entity, all as defined in Section 12.1 of the ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement.

**Bankruptcy** means a Reference Entity:

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

**Best Available Information** means:

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial



information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination of the relevant Successor(s), other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination of the relevant Successor(s).

Information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

**Bond** means any obligation of a type included in the Borrowed Money Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

**Bond or Loan** means any obligation that is either a Bond or a Loan.

**Borrowed Money** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**Business Day** means, the days specified in the applicable Final Terms [and solely for the purposes of physical settlement, if applicable, a day in any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligations being Delivered]\*\*.

**Calculation Agent** means Société Générale. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer and the Noteholders in the absence of manifest error.

**Cash Settlement Amount** means:

*If the Settlement Method specified in the applicable Final Terms is Physical Settlement:* In respect of each Note for which physical settlement is partially or totally Illegal or Impossible, an amount equal to the sum of each Cash Settlement Amount per Undeliverable Obligation; or

*If the Settlement Method specified in the applicable Final Terms is Cash Settlement:* in respect of each Note, an amount equal to the product of the Final Value multiplied by the Nominal Amount of each Note.

**Cash Settlement Amount per Undeliverable Obligation** means, in respect of one Note and an Undeliverable Obligation, the product of (i) the outstanding principal balance of such Undeliverable Obligation and (ii) the Market Value of such Undeliverable Obligation, divided by the number of Notes in respect of which there are such Undeliverable Obligation.

**Cash Settlement Date** means:

- if American Settlement is specified in the applicable Final Terms: the day that is four Business Days following the Final Valuation Notice Receipt Date.
- *if European Settlement is specified in the applicable Final Terms:* (a) the later of the Scheduled Maturity Date and (b) the day that is four Business Days following the Final Valuation Notice Receipt Date.

**Conditionally Transferable Obligation** means:

- *If the Settlement Method specified in the applicable Final Terms is Physical Settlement:* a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this the definition of Conditionally Transferable Obligation.
  - (i) Where Modified Restructuring Maturity Limitation applies and a Deliverable Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date (in which case it shall be deemed to have been refused), the cash settlement provisions described in Part 1 of this Credit Technical Annex shall apply.
  - (ii) For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Physical Settlement Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.
- If the Settlement Method specified in the applicable Final Terms is Cash Settlement:
 

a Selected Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Selected Obligation other than Bonds, provided, however, that a Selected Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Selected Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Selected Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Selected Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Selected Obligation be provided to a trustee, fiscal agent,

administrative agent, clearing agent or paying agent for a Selected Obligation shall not be considered to be a requirement for consent for purposes of this the definition of Conditionally Transferable Obligation.

For purposes of determining whether a Selected Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the day on which the Final Value for the Selected Obligation is determined by the Calculation Agent, taking into account only the terms of the Selected Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

**Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the applicable Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Convertible Obligation** means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**Credit Event** means, with respect to a Reference Entity as determined by the Calculation Agent, the occurrence during the period from and including the Launch Date up to and including the Last Credit Event Occurrence Date of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, as specified in the applicable Final Terms.

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

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

A Credit Event need not be continuing on the Credit Event Determination Date.

**Credit Event Determination Date** means the day on which both the Credit Event Notice and, if applicable, the Notice of Publicly Available Information are delivered to the Relevant Clearing System and/ or the Noteholders.

**Credit Event Notice** means an irrevocable notice that is effective during the Notice Delivery Period delivered by or on behalf of the Issuer to the Noteholders informing the Noteholders that a Credit Event has occurred. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of a Credit Event Notice need not be continuing on the Credit Event Determination Date. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

**Credit Valuation Date** means:

- *If the Settlement Method specified in the applicable Final Terms is Physical Settlement:* the date that is two Business Days after the Latest Permissible Physical Settlement Date, subject, as the case may be, to clause 2.3 of Part 1.I of this Credit Technical Annex. PROVIDED THAT if the Calculation Agent is unable to determine the Market Value on the Credit Valuation Date (the “**Original Credit Valuation Date**”), the Credit Valuation Date will be such later date, within the fifteen (15) Business Days’ period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine the Market Value.
- If the Settlement Method specified in the applicable Final Terms is Cash Settlement:
  - (i) a date that the Calculation Agent will select in its own discretion that is on or before the 120th Business Day following the Credit Event Determination Date. PROVIDED THAT if the Calculation Agent is unable to determine the Final Value on the Credit Valuation Date (the “**Original Credit Valuation Date**”), the Credit Valuation Date will be such later date, within the fifteen (15) Business Days’ period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine the Final Value; or
  - (ii) if the Final Value is to be determined pursuant to a Settlement Protocol, the auction date or any other date specified by such Settlement Protocol.

PROVIDED THAT in the case of both (i) and (ii) above under no circumstances will the Final Value be determined later than the 120<sup>th</sup> Business Day following the corresponding Credit Event Determination Date.

**Default Requirement** means, unless specified otherwise in the applicable Final Terms, USD 10,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event.

**Deliver** means to deliver, novate, transfer (including in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Specified Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Specified Deliverable Obligations to the relevant Noteholder or Noteholders free and clear of any and all liens, charges, claims

and encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set out in paragraph x (a)-(d) of the definition of Deliverable Obligation below) or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that the Deliverable Obligations consist of Qualifying Guarantees, Deliver means to Deliver both the Qualifying Guarantee and the Underlying Obligation. **Delivery** and **Delivered** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

**Deliverable Obligation** means, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or (the provisions contained in the Definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (i) the Reference Obligation (if any);
- (ii) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Deliverable Obligation Category specified in the applicable Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, (ii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement and (iii) that is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:
  - (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Deliverable Obligations;
  - (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Deliverable Obligations, however described;
  - (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
  - (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (iii) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable

Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraph (x)(a)-(d) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(iv) any other obligation of a Reference Entity specified as such in the related Final Terms.

- *If the Notes described in the applicable Final Terms are denominated in Euros:* where a Specified Deliverable Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the MEAN price as displayed on Reuters Page ECB37 as of London 12:00 pm on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

- *If the Notes described in the applicable Final Terms are denominated in United States Dollars:* where a Specified Deliverable Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

- *If the Notes described in the applicable Final Terms are denominated in Hong Kong Dollars:* where a Specified Deliverable Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

**Deliverable Obligation Category** means any one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, as specified in the applicable Final Terms. In case of Reference Obligation Only, no Deliverable Obligation Characteristics shall be applicable.

**Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the applicable Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Deliverable Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. For the purposes of applicable of the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Determinations Committee** means the committee established by ISDA for purposes of reaching certain Determinations Committee Resolutions (including but not limited to the determination of the occurrence of a Credit Event and the establishment of the Auction Settlement) in connection with Credit Derivative Transactions, as more fully described in the Credit Derivatives Determinations Committees Rules as defined in Section 1.22. of the ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement.

**Domestic Currency** means the currency specified as such in the applicable Final Terms and any successor currency. If no currency is specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (or any successor currency to any such currency).

**Downstream Affiliate** means an entity, whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 percent owned, directly or indirectly, by the Reference Entity.

**Due and Payable Amount** means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the [Physical Settlement Date]\*\*[Credit Valuation Date]\*, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts). When used in connection with Qualifying Guarantees, the term Due and Payable Amount is to be interpreted to be the then Due and Payable Amount of the Underlying Obligation which is supported by a Qualifying Guarantee.

**Eligible Transferee** means each of the following:

- 1 (A) any bank or other financial institution; (B) an insurance or reinsurance company; (C) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in clause (iii) (A) below); and (D) a registered or licensed broker or dealer (other than a natural person or proprietorship); provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- 2 an Affiliate of an entity specified in the preceding clause (i);
- 3 each of a corporation, partnership, proprietorship, organisation, trust or other entity: (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group

of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000; (B) that has total assets of at least USD 500,000,000; or (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in clauses (i), (ii), (iii) (B) or (iv) of this definition; and

**4** a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition of Eligible Transferee to USD include equivalent amounts in other currencies.

**Equity Securities** means (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time and (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

**Exchangeable Obligation** means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation). With respect to any Exchangeable Obligation that is not an Accreting Obligation, **outstanding principal balance** shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Failure to Pay** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

**Final Price** means, in respect of a Selected Obligation, a quotation (expressed as a percentage) of such Selected Obligation, obtained from Quotation Dealers in the manner provided below. The Calculation Agent will determine, based on the then current market practice, whether such quotations will include or exclude accrued but unpaid interest and all quotations will be obtained in accordance with this determination. The Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at approximately 11.00 a.m. London time or 11.00 a.m. New York time, as the case may be. To such end:

- (i) If the Calculation Agent obtains more than three Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations, disregarding the Full Quotations with the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (ii) If the Calculation Agent is unable to obtain more than three Full Quotations, but obtains exactly three Full Quotations on the Credit Valuation Date, the Final Price will



be the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).

- (iii) If the Calculation Agent is unable to obtain three Full Quotations, but obtains exactly two Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations.
- (iv) If the Calculation Agent is unable to obtain two Full Quotations, but obtains a Weighted Average Quotation on the Credit Valuation Date, the Final Price will be such Weighted Average Quotation.
- (v) If the Calculation Agent obtains fewer than two Full Quotations and no Weighted Average Quotation on the Credit Valuation Date, then the Final Price will be an amount as determined by the Calculation Agent on the next Business Day on which the Calculation Agent obtains two or more Full Quotations or a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the Credit Valuation Date, the Final Price will be deemed to be zero.

**Final Value** means, in the Calculation Agent's sole and absolute discretion, either:

- (A)
  - (i) the Final Price (expressed as a percentage) if there is only one Selected Obligation; or
  - (ii) the weighted average of the Final Prices of the Selected Obligations if the latter are a portfolio; or
- (B) if a Settlement Protocol is published that provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred but no Cash Settlement Date has occurred, the final price determined, if any, under such protocol shall be used as the Final Value in respect of the relevant Reference Entity.

**Final Valuation Notice** means the notice delivered on the Final Valuation Notice Receipt Date, specifying:

*If the Settlement Method specified in the applicable Final Terms is Cash Settlement:*

- (i) the Selected Obligations (with an outstanding principal balance, excluding accrued interest, equal to the Aggregate Nominal Amount);
- (ii) the Cash Settlement Amount; and
- (iii) the Cash Settlement Date.

*If the Settlement Method specified in the applicable Final Terms is Physical Settlement and provisions of Clause 2 (Cash Settlement) apply: the Cash Settlement Amount per Undeliverable Obligation (if any).*

**Final Valuation Notice Receipt Date** means the day (such day being no later than the 7<sup>th</sup> Business Day following the Credit Valuation Date) on which the Calculation Agent delivers the

Final Valuation Notice on behalf of the Issuer to the Relevant Clearing Systems, for the information of the Noteholders.

**First-to-Default Reference Entity** means the first Reference Entity in respect of which a Credit Event occurs and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, have been sent in accordance with the provisions of Part 1 of this Credit Technical Annex. If First-to-Default is specified as Applicable in the related Final Terms, the definitions of Obligation or [Deliverable Obligation]\*\* [Selected Obligation]\* shall be construed as though such definitions had been specified only with respect to the First-to-Default Reference Entity.

**Full Quotation** means each firm bid quotation obtained from a Quotation Dealer for an amount equal to the Quotation Amount. It is understood that a Full Quotation shall be based, with respect to any Accreting Obligation on the Accreted Amount thereof.

**Fully Transferable Obligation** means a [Deliverable]\*\* [Selected]\* Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any [Deliverable]\*\* [Selected]\* Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a [Deliverable]\*\* [Selected]\* Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a [Deliverable]\*\* [Selected]\* Obligation shall not be considered to be a requirement for consent for purposes of this definition.

For purposes of determining whether a [Deliverable]\*\* [Selected]\* Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the [Physical Settlement Date]\*\* [Credit Valuation Date]\* for the [Deliverable]\*\* [Selected]\* Obligation, taking into account only the terms of the [Deliverable]\*\* [Selected]\* Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

**Governmental Authority** means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**Grace Period** means:

- (i) subject to paragraphs (ii) and (iii), the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Launch Date and the date as of which such Obligation is issued or incurred;
- (ii) if Grace Period Extension is specified as Applicable in the related Final Terms, a Potential Failure to Pay has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days; and
- (iii) if, at the later of the Launch Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the

terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that; unless Grace Period Extension is specified as Applicable in the related Final Terms, such deemed Grace Period shall expire no later than the Last Credit Event Occurrence Date.

**Grace Period Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

**Grace Period Extension Date** means, if (a) Grace Period Extension is specified as Applicable in the related Final Terms and (b) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is specified as Not Applicable in the related Final Terms, Grace Period Extension shall not apply to the Notes. If (i) Grace Period Extension is specified as Applicable in the related Final Terms, (ii) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date and (iii) a Credit Event Determination Date in respect of that Failure to Pay does not occur during the Notice Delivery Period, the Grace Period Extension Date will be the Maturity Date (even if a Failure to Pay occurs after the fourth Business Day immediately preceding the Scheduled Maturity Date).

**Illegal or Impossible** means, in respect of the Delivery of any Specified Deliverable Obligations, that it is illegal or impossible for the Issuer to Deliver or for a Noteholder to take Delivery of all or part of such Specified Deliverable Obligations because of:

- (i) any legal, contractual or other restrictions or constraints affecting the Delivery of the Specified Deliverable Obligations (including, without limitation, any laws, regulations, court orders, other governmental or regulatory constraints, the specific terms or conditions of the Specified Deliverable Obligations or failure to obtain the relevant consents, including but not limited to the consent of the Reference Entity and the guarantor (if any) of the Reference Entity or the consent of the applicable borrower in the case of a Specified Deliverable Obligation guaranteed by the Reference Entity); or
- (ii) any event which is beyond the control of the Issuer (including, without limitation, failure of the Relevant Clearing System or the refusal by a Noteholder to take Delivery of any of the Specified Deliverable Obligations); or
- (iii) any event which is beyond the control of a Noteholder due to its specific situation.

**ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement** means the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published on March 12, 2009, as amended from time to time.

**Last Credit Event Occurrence Date** means the fourth Business Day immediately preceding:

- (i) the Scheduled Maturity Date; or
- (ii) *if Repudiation/Moratorium is specified as Applicable in the related Final Terms*: the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of a Credit Event Notice is a Repudiation/Moratorium, (ii) the Potential

Repudiation/Moratorium with respect to such Repudiation/Moratorium has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied; or

- (iii) *if Grace Period Extension is specified as Applicable in the related Final Terms:* the Grace Period Extension Date if (i) the Credit Event that is the subject of a Credit Event Notice is a Failure to Pay and (ii) the Potential Failure to Pay with respect to such Failure to Pay has occurred on or prior to the to the fourth Business Day immediately preceding the Scheduled Maturity Date.

**Latest Notification Date** means the second Business Day following the day that is 30 calendar days after the Credit Event Determination Date.

**Latest Permissible Physical Settlement Date** means the day that is 60 Business Days after the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System.

**Launch Date** is the date specified in the applicable Final Terms.

**Listed** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange. Unless otherwise specified in the applicable Final Terms:

- (i) if the Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category; and
- (ii) if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Loan** means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

**Market Value** means, in respect of an Undeliverable Obligation, a quotation (expressed as a percentage) of such Undeliverable Obligation, obtained from Quotation Dealers in the manner provided below. The Calculation Agent will determine, based on the then current market practice, whether such quotations will include or exclude accrued but unpaid interest and all quotations will be obtained in accordance with this determination. The Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at approximately 11:00 a.m. London time or 11:00 a.m. New York time, as the case may be.

- (i) If the Calculation Agent obtains more than three Full Quotations on the Credit Valuation Date, the Market Value will be the arithmetic mean of such Full Quotations, disregarding the Full Quotations with the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (ii) If the Calculation Agent is unable to obtain more than three Full Quotations, but obtains exactly three Full Quotations on the Credit Valuation Date, the Market Value

will be the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).

- (iii) If the Calculation Agent is unable to obtain three Full Quotations, but obtains exactly two Full Quotations on the Credit Valuation Date, the Market Value will be the arithmetic mean of such Full Quotations.
- (iv) If the Calculation Agent is unable to obtain two Full Quotations, but obtains a Weighted Average Quotation on the Credit Valuation Date, the Market Value will be such Weighted Average Quotation.
- (v) If the Calculation Agent obtains fewer than two Full Quotations and no Weighted Average Quotation on the Credit Valuation Date, then the Market Value will be an amount as determined by the Calculation Agent on the next Business Day on which the Calculation Agent obtains two or more Full Quotations, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the Credit Valuation Date, the Market Value will be deemed to be zero.

**Maximum Maturity** means an obligation that has a remaining maturity from the [Physical Settlement Date]\*\* [Credit Valuation Date]\* of not greater than the period specified in the applicable Final Terms.

**Modified Eligible Transferee** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation** means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]\*\* [Selected]\* Obligation may be specified in the [Notice of Physical Settlement]\*\* [Final Valuation Notice]\* only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

**Modified Restructuring Maturity Limitation Date** means, with respect to a [Deliverable]\*\* [Selected]\* Obligation, the date that is the later of (x) the Scheduled Maturity Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other [Deliverable]\*\* [Selected]\* Obligations.

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this subparagraph (ii) of this definition of Multiple Holder Obligation.

**Nominal Amount** means the Specified Denomination of one Note as specified in the applicable Final Terms subject, as the case may be, to the provisions of Part 1 of this Credit Technical Annex.

**Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Clearstream, Luxembourg, Euroclear or any other internationally recognised clearing system. Unless otherwise specified in the applicable Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Not Bearer is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Not Contingent** means any obligation having as of the [Physical Settlement Date]\*\*[Credit Valuation Date]\* and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment or, in the case of any Qualifying Guarantee, the beneficiary's giving notice that a payment is due under such Qualifying Guarantee or any other similar procedure requirement). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent [Deliverable]\*\*[Selected]\* Obligating Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the [Physical Settlement Date]\*\* [Credit Valuation Date]\*.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a [Deliverable]\*\*[Selected]\* Obligation only if the rights referred to in clauses (A) and (B) of this definition of Not Contingent have not been exercised (or such exercise has been effectively rescinded) on or before [Physical Settlement Date]\*\*[Credit Valuation Date]\*.

**Not Domestic Currency** means any obligation that is payable in any currency other than the Domestic Currency.

**Not Domestic Issuance** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for primarily in the domestic market of the Reference Entity.

**Not Domestic Law** means any obligation that is not governed by the laws of (A) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (B) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is a Sovereign.

**Not Subordinated** means an obligation that is not Subordinated to (i) the most senior Reference Obligation in priority of payment or (ii) if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference

Entity. For purposes of determining whether a [Deliverable]\*\* [Selected]\* Obligation satisfies the Not Subordinated Obligation Characteristic or [Deliverable Obligation Characteristic]\*\* [Selected Obligation Characteristic]\* the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (a) the Launch Date and (b) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date.

**Notice Delivery Period** means the period from and including the Issue Date to and including:

- (i) the Scheduled Maturity Date; or
- (ii) the Grace Period Extension Date if (i) Grace Period Extension is specified as Applicable in the relevant Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day immediately preceding the Scheduled Maturity Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date; or
- (iii) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day immediately preceding the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

**Notice of Publicly Available Information** means, in relation to a Credit Event Notice or a Repudiation/Moratorium Extension Notice, an irrevocable notice delivered by or on behalf of the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both clauses (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Notice of Physical Settlement** means an irrevocable notice that is effective no later than the Latest Notification Date (included) from or on behalf of the Issuer to the Noteholders specifying the Specified Deliverable Obligations the Issuer reasonably expects to Deliver or procure the Delivery of to the Noteholders. The Issuer is not bound to Deliver the Specified Deliverable Obligations referred to in the Notice of Physical Settlement. However, it will, to the extent possible, give the Noteholders notice of any subsequent change in the Specified Deliverable Obligations referred to in the Notice of Physical Settlement (the term Specified Deliverable Obligation is deemed to include such change).

**Obligation** means:

- (i) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Obligation Category specified in the applicable Final Terms and having each of the Obligation

Characteristics, if any, specified in the applicable Final Terms, in each case, as of the date of the event which constitute the Credit Event which is the subject of the Credit Event Notice;

- (ii) the Reference Obligation (if any); and
- (iii) any other obligation of a Reference Entity specified as such in the related Final Terms.

**Obligation Acceleration** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**Obligation Category** means any one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, as specified in the applicable Final Terms.

**Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, and Not Domestic Issuance, as specified in the applicable Final Terms. For the purposes of applicable of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

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

**Obligation Default** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**outstanding principal balance** when used in connection with Qualifying Guarantees, the term outstanding principal balance is to be interpreted to be the then outstanding principal balance of the Underlying Obligation which is supported by a Qualifying Guarantee.

**Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

**Payment Requirement** means, unless specified otherwise in the applicable Final Terms, USD 1,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Permitted Currency** means (A) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (B) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investor Service, Inc. or any successor to the rating business



thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**Physical Delivery Amount** means, for each Note, Specified Deliverable Obligations with an outstanding principal balance, excluding accrued interest, equal to the Nominal Amount or, if applicable, the Partial Redemption Amount in case of the occurrence of a Restructuring (see clause III of Part 1 of this Credit Technical Annex) or the Multiple Successor Notional Amount (see clause IV of Part 1 of this Credit Technical Annex). If the number of Specified Deliverable Obligations that the Issuer can Deliver is not an integer then, in respect of each Note, the Physical Delivery Amount will include, in addition to the Specified Deliverable Obligations that can be Delivered, the market value in cash, excluding accrued interest, of Specified Deliverable Obligations with an outstanding principal balance equal to the difference between the Nominal Amount or, if applicable, the Partial Redemption Amount in case of the occurrence of a Restructuring (clause III of Part 1 of this Credit Technical Annex) or the Multiple Successor Notional Amount (clause IV of Part 1 of this Credit Technical Annex) and the outstanding principal balance of the Specified Deliverable Obligations that can be Delivered, as determined by the Calculation Agent.

**Physical Settlement Date** means the date on which the Issuer Delivers the Physical Delivery Amount to the Noteholders, or, if the Issuer does not Deliver on the same date all the portfolio of Deliverable Obligations comprised in the Physical Delivery Amount, the date on which the Issuer has completed the Delivery thereof for all the Notes to all the Noteholders.

**Physical Settlement Period** means the period from and including the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System to and including the Latest Permissible Physical Settlement Date.

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

**Potential Repudiation/Moratorium** means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.

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

- (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that if the Calculation Agent or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be a Publicly Available Information unless the Calculation Agent or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; or
- (ii) is information received from or published by:
  - (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign); or

- (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, or
- (iii) is information contained in any petition or filing instituting a proceeding against or by the Reference Entity seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or presented for its winding-up or liquidation, where any such proceeding or petition instituted or presented against the Reference Entity (a) results in a judgement of insolvency or bankruptcy or the entry of an order for relief of the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; or
- (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver a certificate signed by a managing director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to the Reference Entity.

In relation to any information of the type described in (ii), (iii) and (iv) of the definition of Publicly Available Information, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality or such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

Publicly Available Information need not state (i) in relation to a Qualifying Affiliate Guarantee, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (a) has met the Payment Requirement or Default Requirement, (b) is the result of exceeding any applicable Grace Period, or (c) has met the subjective criteria specified in certain Credit Events including without limitation qualifying under clause (i) of Bankruptcy.

**Public Source** means each source of Publicly Available Information specified in the applicable Final Terms (or if a source is not specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**Qualifying Guarantee** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the

payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). [The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.]\*\*

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

**Quotation Amount** means:

- (i) *If Physical Delivery is specified in the applicable Final Terms:* an amount equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, of the Undeliverable Obligation.
- (ii) *If Cash Settlement is specified in the applicable Final Terms:* an amount equal to the outstanding principal balance of the Notes, if there is only one Selected Obligations; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be a weighted amount in respect of each Selected Obligation, the sum of all such Quotation Amounts being equal to the outstanding principal balance of the Notes.

**Quotation Dealers** means at least five leading dealers in obligations of the type of the Undeliverable Obligation(s), which may include Société Générale, as selected by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

**Reference Entity** means:

- (i) *unless (i) First-to-Default is specified as Applicable in the related Final Terms:* the entity specified in the applicable Final Terms or any Successor thereto; or
- (ii) If First-to-Default is specified as Applicable in the related Final Terms:
  - (a) in relation to a Reference Entity that is not a Sovereign: each entity set out in the applicable Final Terms and any direct or indirect successor thereto that assumes all or substantially all of the obligations thereof by way of merger, consolidation, amalgamation, transfer or otherwise, whether by operation of law or pursuant to any agreement, subject to the provisions in (c) below;
  - (b) in relation to a Reference Entity that is a Sovereign the entity specified in the applicable Final Terms or any Successor thereto, subject to the provisions in (c) below, applied *mutatis mutandis*;
  - (c) In the event that a Reference Entity (X), assumes all or substantially all of the obligations of another Reference Entity (Y) by way of merger, consolidation, amalgamation, transfer or otherwise, whether by operation of law or pursuant to any agreement (each, a **Merger Event**), the Calculation Agent acting in good faith and in its sole discretion shall, within three Business Days of such Merger Event, select a new entity having an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available) to Y immediately prior to the occurrence of the Merger Event; such new entity shall be deemed to have replaced Y as Reference Entity effective on and from the date of the Merger Event.

For the purpose of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

In the event a Reference Entity (X) splits into several entities, as a result of a demerger or otherwise, X shall be deemed replaced by the entity that the Calculation Agent shall have selected among the resulting entities in its sole discretion.

**Reference Obligation(s)** the reference obligation(s) specified in the applicable Final Terms, or any Substitute Reference Obligation(s).

**Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

**Relevant Clearing System** means Clearstream Banking, société anonyme, Luxembourg (**Clearstream, Luxembourg**), Euroclear Bank S.A./N.V. (**Euroclear**) or any other clearance system for the Deliverable Obligations as designated by Euroclear or Clearstream, Luxembourg.

**Relevant Obligations** means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of Best Available Information. If the date on which Best available Information becomes available or is filed precedes the legally effective date of the relevant succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

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

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, (i) the Obligations to which such Potential Repudiation/Moratorium relates includes Bonds, the date that is the later of (A) the date that is 60 days plus four Business Days after the date of such Potential Repudiation/Moratorium and (B) the first payment date plus four Business Days under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days plus four Business Days after the date of such Potential Repudiation/Moratorium. If (i) the Repudiation/Moratorium Extension Condition is satisfied and (ii) a Credit Event Determination Date in respect of that Repudiation/Moratorium

does not occur during the Notice Delivery Period, the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Maturity Date).

**Repudiation/Moratorium Extension Condition** means a condition that is satisfied by the delivery of a Repudiation/Moratorium Extension Notice and, if specified as Applicable in the related Final Terms, Notice of Publicly Available Information by or on behalf of the Issuer to the Noteholders that is effective during the period described in clause (a) of the definition of Notice Delivery Period.

**Repudiation/Moratorium Extension Notice** means an irrevocable notice delivered by or on behalf of the Issuer to the Noteholders that describes a Potential Repudiation/Moratorium that occurred on or after the Launch Date and on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Restructured Bond or Loan** means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred.

## SCHEDULE 1

**Restructuring** means that:

- (a) 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 a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Launch Date and the date as of which such Obligation is issued or incurred:
- a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - any change in the currency or composition of any payment of interest or principal to any currency which is not Permitted Currency.
- (b) Notwithstanding the provisions of (a) above none of the following will constitute a Restructuring:
- (i) the payment in euros of interest or principal in relation to any Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union;
  - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) For the purposes of subparagraphs (a) and (b) above and, unless Multiple Holder is specified as Not Applicable in the related Final Terms (d) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as Applicable in the related Final

Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in Section (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in Section (b) above shall continue to refer to a Reference Entity.

- (d) Unless Multiple Holder is specified as Not Applicable in the related Final Terms, then, notwithstanding anything to the contrary in (a), (b) and (c) above, the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**Restructuring Date** means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Restructuring Maturity Limitation and Fully Transferable Obligation** means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]\*\* [Selected]\* Obligation may be specified in the [Notice of Physical Settlement]\*\* [Final Valuation Notice]\* only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

**Restructuring Maturity Limitation Date** means the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Maturity Date or later than thirty months following the Scheduled Maturity Date and if it is, it shall be deemed to be the Scheduled Maturity Date or thirty months following the Scheduled Maturity Date, as the case may be.

**Selected Obligation(s)** means, for the purpose of determining the Final Price, as specified in the Final Valuation Notice, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or the provisions contained in the Definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (i) the Reference Obligation (if any);
- (ii) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Selected Obligation Category specified in the applicable Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the applicable Final Terms that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement and (iii) that is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying

Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Selected Obligations;
  - (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Selected Obligations, however described;
  - (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
  - (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (iii) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Selected Obligation that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraph (x)(a)-(d) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance of the Notes (excluding accrued interest), or Due and Payable Amount, as applicable apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (iv) any other obligation of a Reference Entity specified as such in the related Final Terms.
- *If the Notes described in the applicable Final Terms are denominated in Euros:* where a Selected Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the MEAN price as displayed on Reuters Page ECB37 as of London 12:00 pm on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - *If the Notes described in the applicable Final Terms are denominated in United States Dollars:* where a Selected Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - *If the Notes described in the applicable Final Terms are denominated in Hong Kong Dollars:* where a Selected Obligation is denominated in a currency



other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

**Selected Obligation Category** means any one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, as specified in the applicable Final Terms. In case of Reference Obligation Only, no Selected Obligation Characteristics shall be applicable.

**Selected Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the applicable Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Selected Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Selected Obligation Characteristics, the Selected Obligation may include any Loan that satisfies any one of such Selected Obligation Characteristics specified and need not satisfy all such Selected Obligation Characteristics. For the purposes of applicable of the Selected Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Settlement Method** means either Physical Settlement (see Part 1-I-1) of this Credit Technical Annex) or Cash Settlement (see Part 1-II-2) of this Credit Technical Annex) as specified in the applicable Final Terms.

**Settlement Protocol** means a market protocol, published by ISDA or any other recognised association or organisation selected by the Calculation Agent (including for the avoidance of doubt any Auction Settlement), which provides for the valuation of any obligations of a Reference Entity in respect of which a Credit Event, as defined above, has occurred and which shall be used to determine the amounts payable between the parties to a credit derivatives transaction referencing such Reference Entity.

**Settlement Currency** means the currency specified as such in the applicable Final Terms or, if no currency is specified, the currency of the Specified Denomination of the relevant Notes.

**Specified Number** means the number of Public Sources specified in the applicable Final Terms (of if a number is not specified, two).

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

**Sovereign Agency** means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the applicable Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the

Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics meet the requirements after such Restructuring.

**Sovereign Restructured Selected Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Selected Obligation Category specified in the applicable Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Selected Obligation Category or Selected Obligation Characteristics meet the requirements after such Restructuring.

**Specified Deliverable Obligation(s)** means Deliverable Obligations of the Reference Entity as specified in the Notice of Physical Settlement (subject to the definition of such term).

**Specified Currency** means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Specified Currency is specified in the applicable Final Terms and no currency is specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (and any successor currency to any of the aforementioned currencies), which currencies shall be referred to collectively as the **Standard Specified Currencies** ).

**Subordination** means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

**Substitute Reference Obligation(s)** means one or more obligations of the Reference Entity (either directly or as a provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) in the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of the Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of the Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation

is no longer an obligation of the Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* (or, if no such Obligation exists, then an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Launch Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the Issuer's obligations under the Notes and (3) is an obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee). Upon notice to the Noteholders, the Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

The Calculation Agent will (in its absolute discretion) make such adjustments to the terms of the Notes that it determines are necessary in order to preserve the economic equivalent of the Issuer's obligations under the Notes.

**succeed** means, for the purposes of determining a Successor, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to the definition of Successor shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

**Succession Event** means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, Succession Event shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event.

**Successor** means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any determined as set forth below:
- (i) If one entity directly or indirectly succeeds to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor.
  - (ii) If only one entity directly or indirectly succeeds to more than twenty-five per cent. (but less than seventy five per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-

five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor.

- (iii) If more than one entity each directly or indirectly succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the terms of the Notes will be amended in accordance with the provisions set out in the definition of Multiple Successor in Part 1-IV of this Credit Technical Annex.
- (iv) If one or more entities each directly or indirectly succeed to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the terms of the Notes will be amended in accordance with the provisions set out in the definition of Multiple Successor in Part 1-IV of this Credit Technical Annex.
- (v) If one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the terms of the Notes will not be changed in any way as a result of the Succession Event.
- (vi) If one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (vi) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (vi) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such relevant Obligation listed in the Best Available Information.

A notice will be sent by or on behalf of the Issuer to the Noteholders evidencing the Succession Event and giving all necessary relevant indications as to the Successor(s), the Multiple Successor Notional Amount (if applicable) and the change in Reference Obligation(s).

- (b) in relation to a Sovereign Reference Entity, **Successor** means any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

**Supranational Organisation** means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

**Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following will be considered contractual, statutory or regulatory restrictions:

- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

Unless otherwise specified in the applicable Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Transferable is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to [Deliverable]\*\*[Selected]\* Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Undeliverable Obligation(s)** means that part of the Specified Deliverable Obligations for which Delivery is Illegal or Impossible.

**Voting Shares** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Weighted Average Quotation** means, if there are no Full Quotations available, the weighted average of firm bid quotations obtained from the Quotation Dealers, to the extent reasonably practicable, each for an amount as large a size as available, that in aggregate are equal to or greater than the Quotation Amount.

## D) MANAGED ASSETS PORTFOLIO TECHNICAL ANNEX

For Indexed Notes payments (whether in respect of principal and/or interest and whether at maturity or otherwise) calculated by reference to a portfolio of assets (basket of funds, single fund or financial instruments underlying an index), the following technical annex (the **Managed Assets Portfolio Technical Annex**) supplements the Debt Issuance Programme Prospectus.

The specific risks involved in an investment in such Notes are outlined under item “Risk Factors” in the Debt Issuance Programme Prospectus.

The Managed Assets Portfolio Technical Annex will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

*“The provisions of the Managed Assets Portfolio Technical Annex apply to these Final Terms and such documents shall be read together. In the event of inconsistency between the Managed Assets Portfolio Technical Annex and these Final Terms, these Final Terms will prevail.”*

Terms used in this Annex, unless specifically defined in this Annex, shall have the same meanings as those elsewhere in the Debt Issuance Programme Prospectus.

### I. GENERAL DEFINITIONS

**Basket** means a synthetic portfolio of assets whose composition is identical to those described below under the definition of Portfolio, provided however that its valuation may be expressed in terms of bare figures or bare percentage rather than by reference to a currency amount; this applies to  $Basket_i$ ,  $Basket_t$ , and  $Basket_{t'}$ , which shall mean:

**$Basket_i$**  = 100 or 100 per cent. or any other figure or percentage specified in the applicable Final Terms;

**$Basket_t$**  =  $Basket_i \times (\text{Basket Value per Note on the Final Valuation Date} / \text{Basket Value per Note on the Initial Determination Date})$ ;

**$Basket_{t'}$**  =  $Basket_i \times (\text{Basket Value per Note on the Valuation Date “t”} / \text{Basket Value per Note on the Initial Determination Date})$ ;

otherwise, all references herein to Portfolio, Portfolio Value and Portfolio Value per Note shall be deemed to be references to Basket, Basket Value and Basket Value per Note respectively; for the avoidance of doubt, all references herein to  $Portfolio_i$ ,  $Portfolio_t$  and  $Portfolio_{t'}$  shall also be deemed to be references to  $Basket_i$ ,  $Basket_t$  and  $Basket_{t'}$  except for aforementioned.

**Borrowed Capital** means the aggregate principal amount of the borrowings entered into in respect of the leverage feature of the Portfolio, reflected by the fact that the Risky Asset Exposure exceeds 100 per cent.

**Business Day** means the days specified as such in the applicable Final Terms.

**Calculation Agent** means the agent specified in the applicable Final Terms responsible for calculating the Final Redemption Amount and/or interest payable

and/or the Early Redemption Amount, as applicable, and making any other determinations it is designated as responsible for herein. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent, the Portfolio Manager and the Noteholders, in absence of manifest error or proven error.

**Cash** means any cash, short term deposits, zero coupon bonds, synthetic zero coupon bonds, commercial paper, murabaha contracts and/or any other negotiable money market instruments.

**Disruption Event** means any event beyond the Calculation Agent's control, preventing the Calculation Agent from determining the Portfolio Value, including but not limited to, a breakdown in the means of communication employed in determining the Portfolio Value, the non publication or suspension of the calculation of the Net Asset Value per Unit of any Fund or any event whatsoever, including the liquidation of any Fund, which prevents the communication of such Net Asset Value as such calculation or communication is deemed to be made in accordance with the relevant Fund Prospectus.

**Final Valuation Date** means, unless otherwise specified in the applicable Final Terms, the tenth Business Day before the Maturity Date, provided that if such Business Day is not a Valuation Date, the Final Valuation Date will be the immediately following Valuation Date, provided further that, if none of the Business Days which follow up to and including the fifth Business Day before the Maturity Date is a Valuation Date, the fifth Business Day before the Maturity Date will be deemed to be the Final Valuation Date and the relevant valuation shall be made on this date by the Calculation Agent acting in good faith, on the basis of estimated value of each relevant Risky Asset and or Non Risky Asset and or Cash components when an official value is not disclosed.

**Fund** means any Risky Fund or Non Risky Fund.

**Fund Prospectus** means, in respect of a Fund, the document describing such Fund and providing, *inter alia*, for the subscription and redemption process in respect of Units of such Fund and rights attached to such Units, as such document may be supplemented and amended from time to time and available, free of charge, at the office of the Agent in Luxembourg.

**Hedging Counterparty:** means any entity which holds the Units of the Fund(s) for the purpose of any hedging arrangement entered into in respect of the Notes and, if any, in relation with the portfolio management of the underlying Assets of the Notes.

**Initial Determination Date** means the date on which the initial composition / structure of the Portfolio is determined; unless otherwise specified in the applicable Final Terms, such date shall be the Issue Date of the Notes.

**Maximum Exposure** means as specified in the applicable Final Terms and expressed as a percentage of the Portfolio Value the maximum allocation of the Portfolio into Risky Asset.

**Minimum Exposure** means as specified in the applicable Final Terms and expressed as a percentage of the Portfolio Value the minimum allocation of the Portfolio into Risky Asset.

**Net Asset Value** means, in respect of any Fund, the net asset value of such Fund as calculated from time to time by the manager of such Fund or entity appointed by such Fund to that effect or as otherwise estimated by the Calculation Agent in good faith as provided in the definitions of Asset 1 or Asset 2.

**Nominal Amount** means the Specified Denomination of each Note set out in the applicable Final Terms.

**Non Risky Asset** means the Non Risky Fund(s), the Cash and the Other Instruments (if any) related to them.

**Non Risky Fund** means any entity, trust or other form of collective investment scheme having a majority of its assets invested in, or exposed to, money market instruments and/or bonds, as selected by the Portfolio Manager.

**Notes Outstanding** means, on any date, the Notes outstanding held on such date by all Noteholders, or, for the purpose of the definition of Portfolio Value per Note, by all Noteholders other than the Hedging Counterparty or any other entity specified in the applicable Final Terms, if any.

**Other Instruments** means any future, swap, cap, floor and/or option transactions or other derivative transactions entered into in relation to either the Risky Asset or the Non Risky Asset.

**Performance Objective** means the periodic and/or final performance which is targeted on a best efforts basis by the Portfolio Manager, expressed as a percentage or as a rate plus a spread, provided that in no event is any assurance or guarantee given that the Performance Objective will be achieved at any time including at the Maturity Date.

**Portfolio** means a portfolio of assets comprising (i) a selection of Risky Funds, a single Risky Fund or such other type of risky asset(s) specified in the applicable Final Terms constituting, together with the Other Instruments (if any) related to them, the **Risky Asset** and, if any, (ii) the Non Risky Fund(s) and the Cash constituting, together with the Other Instruments (if any) related to them, the **Non Risky Asset**. Where applicable, any Borrowed Capital shall form part of the Portfolio provided that, as liabilities, it shall come in deduction from the aforementioned assets. The Portfolio allocation amongst the components of the Risky Asset applicable on the Initial Determination Date shall be specified in the applicable Final Terms; such specification may be only indicative.

The Portfolio may be managed and allocated by the Portfolio Manager in different manners as detailed below (unless otherwise specified in the applicable Final Terms):

- (a) Portfolio Management
  - a. If **Dynamic Selection** is specified in the applicable Final Terms the Portfolio Manager will manage the Risky Asset in its absolute discretion without limitation to the number and/or the weighting of the components in the Risky Asset; it may, in particular, remove any component from the Risky Asset or add one or more new components therein. Specific rules, guidelines or constraints on or in relation to the Portfolio Management's authority or discretion to



manage the Risky Asset may be provided for in the applicable Final Terms.

- b. If **Permanent Selection** is specified in the applicable Final Terms, the Portfolio Manager is not authorised to remove or add components from or to the Risky Asset provided however that (i) the respective weightings of the components of the Risky Asset may be modified by the Portfolio Manager and (ii) the Portfolio Manager and/or the Calculation Agent, acting in good faith, may make adjustments to the Risky Asset following the occurrence of an Extraordinary Event.

(b) Portfolio Allocation

In allocating the Portfolio amongst the relevant components the Portfolio Manager will take into account (i) variations in the performance of the Risky Asset and (ii) the specific market conditions. The Portfolio Manager may permit the exposure of the Portfolio to the Risky Asset (the **Risky Asset Exposure** being Risky Asset Value / Portfolio Value) to vary from the Minimum Exposure (0 per cent. means that the Portfolio is exclusively invested in the Non Risky Asset) to the Maximum Exposure (100 per cent. or more means that the Portfolio is exclusively invested in the Risky Asset). For the avoidance of doubt, a Risky Asset Exposure exceeding 100 per cent. reflects the leverage feature of the investment in the Portfolio (Risky Asset in the Portfolio partly financed by borrowings).

- a) If **Portfolio Allocation** is specified in the applicable Final Terms, the Portfolio Manager will allocate the Portfolio amongst the relevant components on a dynamic basis in accordance with the methodology known as the DPI (“Dynamic Portfolio Insurance”) methodology or the CPPI (“Constant Portfolio Proportion Insurance”) methodology or the ODPI (“Objective Driven Portfolio Insurance”) methodology (or any other similar methodology as specified and described in the applicable Final Terms) with a view to achieving (i) a capital protection feature for the Notes and/or (ii) a participation in the growth of the value of the assets comprised in the Portfolio and/or (iii) a Performance Objective in the case of the ODPI methodology.
- b) If **DPI Basket Allocation** is specified in the applicable Final Terms, it shall mean that allocation amongst the relevant components of the Basket will be managed on a dynamic basis in accordance with the methodology known as the DPI or the CPPI methodology but making use of some arbitrary parameters that will not allow any capital protection, as follows:
- the Portfolio Manager will periodically make observation of the difference (such difference being the **Cushion**) between (i) the Basket Value per Note on a given date t and (ii) the Reference Level (expressed as a percentage) on the same date multiplied by the Basket Value per Note on the Initial Determination Date
  - the Portfolio Manager may determine, at its absolute discretion, a range within which the ratio of the Risky Asset Value per Note to the Cushion (such ratio being the

**Multiplier**) should remain. If the Portfolio Manager observes that the Multiplier has deviated from such targeted range it may adjust the allocation of components within the Basket by increasing or decreasing (as appropriate) the allocation of the Risky Asset in the Basket such that the Multiplier falls within the targeted range, subject to the Maximum Exposure and Minimum Exposure. Alternatively the Multiplier may be a pre-determined fixed factor which generates a norm of Risky Asset Value (or Risky Asset Exposure) on the basis of current level of the Cushion. Adjustment of the Basket allocation is made only if the actual figures diverge from the norm by more than a specified percentage; where such alternative applies a Fixed Multiplier and a Specified Percentage in respect of the Risky Asset Exposure shall be specified in the applicable Final Terms.

- c) If **Volatility Cap Basket Allocation** is specified in the applicable Final Terms, the Portfolio Manager will dynamically manage the allocation of the Basket according to the Volatility Cap methodology as set below.

**Volatility Re-Balancing:** the Portfolio Manager will determine the level of the Basket Volatility on each Business Day  $t$  (the **Basket Volatility( $t$ )**) in accordance with the formula below. If the Basket Volatility<sub>( $t$ )</sub> exceeds the Volatility Cap Level or is below the Volatility Floor Level, then the Portfolio Manager will proceed with a re-balancing of the Basket by increasing/decreasing the exposure to the Non Risky Asset and by decreasing/increasing the exposure to the Risky Asset in order to reach the Volatility Reset Level.

The target weights of the 2 components within the Basket on a Business Day  $t$  are defined as follows:

**Risky Asset Target Weight ( $t$ ) =**

Max[Minimum Exposure; Min (Maximum Exposure; Risky Asset Target Weight ( $t-1$ )  $\times$  Volatility Reset Level / Basket Volatility( $t$ ))]

**Non Risky Asset Target Weight( $t$ ) = 1 - Risky Asset Target Weight( $t$ )**

where  $t-1$  is the first Business Day before the date  $t$

On the Initial Determination Date ( $t=0$ ) Risky Asset Target Weight ( $t-1$ ) = Maximum Exposure.

The re-balancing of the Basket will be made within 3 (or 5) Business Days of such date  $t$ , on a best efforts basis, and subject to valuation delay, liquidity and execution condition of the constituents of the Risky Asset.

Once a new allocation between the Risky Asset and the Non Risky Asset is determined, it will remain constant unless the Basket Volatility leads to a re-balancing in accordance with these allocation rules.

Each of the **Volatility Cap Level**, the **Volatility Floor Level** and the **Volatility Reset Level** is the relevant percentage as specified in the applicable Final Terms.

**Basket Volatility (t)** means, on each Business Day t, the Annualised Standard Deviation of the Daily Return of the Risky Asset multiplied by the Risky Asset Target Weight (t-1). The Basket Volatility will be determined for the first time on the Initial Determination Date, subject to valuation delay, liquidity and execution condition of the constituents of the Risky Asset.

**Annualised Standard Deviation:** 
$$\sigma = \sqrt{260 \times \frac{1}{n-1} \sum_{i=0}^{19} R_{t-i}^2}$$

where:

**n** is the number of Business Days in the Rolling Period.

**R<sub>t-i</sub>** is the Daily Return of the Risky Asset on Business Day *t-i* of the Rolling Period.

**i** designates the numerical order (from 0 to 19) of the Business Days within a Rolling Period.

**Rolling Period** means a 20 Business Days period starting on each Business Day occurring from and including the twenty first Business Day preceding the Initial Determination Date or any other period as may be specified in the applicable Final Terms.

**Daily Return of the Risky Asset** means, on each Business Day t, the difference between the Risky Asset Value on such Business Day and the Risky Asset Value on the preceding Business Day, divided by the Risky Asset Value on such preceding Business Day.

PROVIDED THAT (i) if “**One to One**” is specified in the applicable Final Terms, the Notes will simply be indexed on the constituent(s) of the Risky Asset without any management or allocation strategy being implemented (unless otherwise specified in the applicable Final Terms), (ii) if “**Leverage Strategy**” is specified in the applicable Final Terms, the Portfolio will consist exclusively in the Risky Asset and **Borrowed Capital** and will remain permanently exposed to such Risky Asset with generally no other management or allocation strategy than the periodical resetting of the Risky Asset Exposure at a specified level (the “**Target Exposure Level**”) and (iii) if “**Specific Strategy**” is specified in the applicable Final Terms, the Portfolio shall be managed and allocated in accordance with the specific rules detailed in such Final Terms.

PROVIDED FURTHER THAT in all cases the Risky Asset remains subject to the adjustment provisions set out in section 4 below.

**Portfolio<sub>i</sub>** means the Portfolio Value per Note on the Initial Determination Date being an amount in the Specified Currency equal to a fixed percentage of the Nominal Amount as specified in the applicable Final Terms. Portfolio<sub>i</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to

certain events affecting any Fund and / or any Unit and /or any other underlying Risky Asset.

**Portfolio<sub>f</sub>** means the Portfolio Value per Note on the Final Valuation Date as determined by the Calculation Agent. Portfolio<sub>f</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and /or any other underlying Risky Asset.

**Portfolio<sub>t</sub>** means the Portfolio Value per Note on any Valuation Date “t” as determined by the Calculation Agent. Portfolio<sub>t</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and /or any other underlying Risky Asset.

**Portfolio Manager** means the entity specified as such in the applicable Final Terms, being the agent responsible for managing and allocating the Portfolio amongst the relevant components; in such capacity, the Portfolio Manager will act in the best interest of the Noteholders pursuant to a Portfolio Management Deed. Should there be no Portfolio Manager specified in any applicable Final Terms, then the Calculation Agent shall assume and carry out the tasks and functions of a Portfolio Manager described herein, which tasks and functions would not imply any active management in that particular case.

**Portfolio Value** means, on any Valuation Date, the difference between (i) the sum of Asset 1, Asset 2, Asset 3 and Asset 4 and (ii) the sum of the Borrowed Capital, the Accrued Management Fees, the Accrued Borrowing Costs, the Structuring Fees and the Other Fees and Other Cost (if specified as “Applicable” in the applicable Final Terms), applied to the Aggregate Nominal Amount of the Notes.

**Portfolio Value per Note** means, on any Valuation Date, the Portfolio Value on such date divided by the number of Notes Outstanding on such date.

**Reference Level** means, in the context of the Basket Allocation and as specified in the applicable Final Terms, a percentage increasing from an initial level on the Initial Determination Date to a final level on the Final Valuation Date. The Reference Level is intended to be used as a management tool by the Portfolio Manager.

**Risky Asset** means a selection of Risky Funds or a single Risky Fund or any other risky asset specified in the applicable Final Terms and the Other Instruments (if any) related to them.

**Risky Asset Exposure** means the ratio (expressed as a percentage) between the Risky Asset Value and the Portfolio Value.

**Risky Asset Value** means, on any Valuation Date, the sum of Asset 1 and the market value of the related Other Instruments on such Valuation Date, provided that for consistency reason such value may be calculated per Note.

**Risky Fund** means any entity, trust or other form of collective investment scheme having a majority of its assets invested in, or exposed to, diversified assets containing a risky feature, as selected by the Portfolio Manager.

**Unit** means a unit or share of the relevant Fund (collectively the **Units**).

**Valuation Date** means a day on which the Portfolio Value is calculated by the Calculation Agent and shall include the Final Valuation Date and any other dates specified as such in the applicable Final Terms.

## II. DEFINITIONS OF ASSETS

**Asset 1** means, in respect of any Valuation Date “t”, depending on the underlying Risky Asset:

- If the underlying Risky Asset is in whole or in part composed of a selection of “n” Risky Funds, the sum of the products, in respect of each Risky Fund “i” in the Portfolio, of (i) the relevant Net Asset Value per Unit and (ii) the relevant number of Units of such Risky Fund “i” in the Portfolio on such Valuation Date “t”, as calculated in accordance with the following formula:

$$\sum_{i=1}^n (Nr_{(i)t} \times NAV_{r(i)t})$$

where:

**Nr<sub>(i)t</sub>** means, in relation to a Risky Fund “i”, the number of Units of such Fund currently allocated in the Portfolio on such Valuation Date “t”;

**NAV<sub>r(i)t</sub>** means, in relation to a Risky Fund “i”, the Net Asset Value per Unit of such Fund prevailing on the Valuation Date “t” after deduction of any redemption fees or subscription fees or other costs otherwise payable to the such Risky Fund “i” PROVIDED THAT if the Net Asset Value per Unit of the Fund is not available, or if the Units redemption orders are not executed at the official Net Asset Value, the Calculation Agent may determine its good faith estimate of NAV<sub>r(i)t</sub>;

and/or

- If the underlying Risky Asset is in whole or in part composed of a single Risky Fund, the product of the Net Asset Value per Unit and the number of Units of the Risky Fund in the Portfolio on such Valuation Date “t” calculated in accordance with the following formula:  $Nrt \times NAVt$  (see definitions immediately above);

and/or

- If the underlying Risky Asset is in whole or in part composed of an official equity index or any other type of index or composite risky asset, the market value on such Valuation Date “t” of the financial instruments (such as but not limited to, futures, trackers, swaps and treasury instruments) representing the investment value in the relevant underlying as calculated by the Calculation Agent on the basis of an appropriate valuation method it shall select in good faith.

**Asset 2** means, in respect of any Valuation Date “t”, the aggregate Net Asset Value of the Units of the Non Risky Funds in the Portfolio calculated in accordance with the following formula:

$$\sum_i (Nm_{(i)t} \times NAV_{m(i)t})$$

where:

**Nm<sub>(i)t</sub>** means, in relation to a Non Risky Fund “i”, the number of Units of such Fund currently allocated in the Portfolio at such Valuation Date “t”;

**NAVm<sub>(i)t</sub>** means, in relation to a Non Risky Fund “i”, the Net Asset Value per Unit of such Fund prevailing on the Valuation Date “t” after deduction of any redemption fees or subscription fees or other costs otherwise payable in relation to such Non Risky Fund “i” PROVIDED THAT if the Net Asset Value per Unit of the Fund is not available, the Calculation Agent shall determine its good faith estimate of NAVm<sub>(i)t</sub>.

**Asset 3** means, in respect of any Valuation Date, the sum of the market values of the Other Instruments allocated in the Portfolio, determined by the Calculation Agent on the basis of a customary relevant marked to market revaluation method on such Valuation Date.

**Asset 4** means, in respect of any Valuation Date, the sum of the market values of the components of the Cash allocated in the Portfolio as part of the Non Risky Asset, determined by the Calculation Agent on the basis of a customary relevant marked to market revaluation method on this Valuation Date.

### III. DEFINITIONS OF THE FEES AND COSTS

**Accrued Management Fees** means, in respect of any Valuation Date “t”, the sum of the fees linked to the management of the Portfolio underlying the Notes (“Fees(i)” accrued - between two successive Valuation Dates (designated as “i-1” and “i” - from And including the Issue Date (or the latest “payment date”, if any) to but excluding such Valuation Date “t”, determined by the Calculation Agent, in accordance with the following formula:

$$\text{Accrued Management Fees}_t = \sum_{i=t-n}^t \text{Fees}_{(i)}$$

With:

$$\text{Fees}_{(i)} = F \times \text{Portfolio Value}_{(i-1)} \times \frac{N(i-1; i)}{365}$$

where:

“F” means the percentage specified as such in the applicable Final Terms.

“Portfolio Value<sub>(i-1)</sub>” is the Portfolio Value on the Valuation Date “i-1”.

“N<sub>(i-1; i)</sub>” means the actual number of calendar days between the two successive Valuation Dates “i-1” and “i”, the first one included and the second one excluded.

“n” and “payment date”: refer to footnote (1) below.

**Accrued Borrowing Costs** means, on any Valuation Date “t”, the sum of the borrowing costs borne by the Portfolio accrued - between two successive Valuation Dates (designated as “i-1” and “i” - from and including the Issue Date (or the latest “payment date”, if any) to but excluding such Valuation Date “t”; it shall be calculated as follows:

$$\text{Accrued Borrowing Costs}_t = \sum_{i=t-n}^t \text{BC}_{(i)}$$

where:

$$\text{BC}_{(i)} = \left[ (\text{Rate} + \text{Margin}) \times \text{Portfolio Value}_{(i-1)} \times \frac{N(i-1;i)}{360} \right] \times \text{Max}(\text{RAE}_{(i-1)} - 100\%; 0)$$

where:

“Rate” means, as specified in the applicable Final Terms, IBOR (1M,i-1) determined according to the Specified Currency mentioned in such Final Terms; for instance:

- “USD-LIBOR(1M,i-1)” means the rate of deposits in USD for a period of 1 month starting on the Valuation Date “i-1” based on the Reuters screen page LIBOR01 (or any successor page), or any rate which would replace such rate, or otherwise any rate selected by the Calculation Agent; and
- “EURIBOR(1M,i-1)” means the rate of deposits in EUR for a period of 1 month starting on the Valuation Date “i-1” based on the Reuters screen page EURIBOR01 (or any successor page), or any rate which would replace such rate, or otherwise any rate selected by the Calculation Agent.

“Margin” means the margin specified in the applicable Final Terms. Margin may change from time to time according to market conditions.

“RAE<sub>(i-1)</sub>” means the Risky Asset Exposure on Valuation Date “i-1”

“n” and “payment date”: refer to footnote (1) below.

**Structuring Fees** means the structuring fees borne by the Portfolio on the Initial Determination Date and determined by the Calculation Agent in accordance with the following formula:

$$\text{Aggregate Nominal Amount} \times \text{SF}$$

where:

**SF** means the percentage specified as such in the applicable Final Terms.

**Other Fees** and **Other Cost** means any other fees or other cost as may be specified in the applicable Final Terms.

- (1) “n” means the number of Valuation Dates between the latest “payment date” (inclusive) and the Valuation Date “t” (exclusive).

“**payment date**” means, in respect of any accrued management fees or borrowing costs, the date of payment of such management fees or such borrowing costs.

#### IV. ADJUSTMENTS AND EXTRAORDINARY EVENTS

In taking any action pursuant to the provisions below the Calculation Agent and the Portfolio Manager shall act in good faith and in the best interests of the Noteholders.



## V. In relation to any Risky Fund / Unit

*The events listed from (a) to (n) below apply where "Permanent Selection" is specified in the Final Terms, the same applies except paragraphs (a), (c), (f) and (k) where "One to One" is specified in the Final Terms and only paragraphs (b), (d), (e) and (l) apply where "Dynamic Selection" is specified in the Final Terms; in addition in such later case (Dynamic Selection specified) the consequences listed under (i) and (ii) do not apply.*

In the event of the occurrence of any of the following events (each an Extraordinary Event):

- (a) a closure, for any reason, of any subscriptions in the Fund;
- (b) a material or substantial modification of the conditions of the Fund (including, without limitation, a change in the currency, strategies, objectives, guidelines and/or investment policies of the Fund), a modification of the Fund Prospectus or any event or any change affecting the Fund and/or the Units (including, without limitation, interruption, breakdown, suspension or deferral of the calculation or of the publication of the net asset value of the Units, or the disappearance of the net asset value of the Units resulting more particularly from, but not limited to, the winding-up or the termination of the Fund or the cancellation of the registration or of the approval by any relevant authority of the Fund) and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, is likely to have a significant effect on the value of the Units;
- (c) a substantial modification in the proportion of the type of assets in which the Fund may invest, as determined in good faith by the Calculation Agent and/or the Portfolio Manager, which would not necessarily lead to a modification of the Fund Prospectus, and that, in the reasonable opinion of the Calculation Agent, has or is likely to have a significant effect on any hedging arrangement to be entered in respect of the Notes;
- (d) a reduction for any reason (including but not limited to the reduction of the Aggregate Nominal Amount of the Outstanding Notes to an amount below €1,000,000 or its equivalent in the Specified Currency) of the number of Units held or likely to be held by the Hedging Counterparty or any of its affiliates, as holder of Units of the Fund for hedging or management purposes;
- (e) a non execution or partial execution, or a suspension by the Fund for any reason of a subscription or redemption order given by the Hedging Counterparty or any of its affiliates, for hedging or management purposes;
- (f) an increase after the Issue Date of the commissions or any taxes in respect of a purchase or redemption of Units or any change in the taxation adversely affecting any payment made by the Fund to the holder of the Units of the Fund, and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on any hedging arrangement entered into in respect of the Notes;
- (g) an increase in the holding by the Hedging Counterparty or any of its affiliates of up to 20 per cent. (unless otherwise specified in the applicable Final Terms) in the underlying Fund or a reduction of the Fund's total net assets

below €25,000,000 (unless otherwise specified in the applicable Final Terms) and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the management conditions of the Fund and/or its operating expenses;

- (h) a conversion of the Units into another class of Units or securities or the subdivision, consolidation, merger, sale or other conveyance of all or substantially all the assets of the Fund, to a third party;
- (i) a capital or extraordinary distribution in cash which does not constitute the normal dividend policy of the Fund;
- (j) a reduction of the Fund's total net assets by an amount which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the management conditions of the Fund and/or its operating expenses;
- (k) the existence, as determined by the Calculation Agent, of any irregularity in the calculation of the Net Asset Value per Unit where the value resulting from such calculation differs from the level at which Units may be purchased or redeemed;
- (l) any other similar event, which in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the conditions of any hedging arrangements entered into in respect of the Notes;
- (m) the liquidation, dissolution, resignation, consolidation, amalgamation or removal of the manager and/or the trustee/custodian of the Fund, or any of the same becomes subject to bankruptcy or regulatory proceedings;
- (n) a cancellation, suspension, or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund;
- (o) the liquidation, dissolution, resignation, consolidation, amalgamation or removal of the Portfolio Manager
- (p) the Calculation Agent, after the consultation of the Portfolio Manager (if any), may:
  - (i) make adjustments to the definition of Portfolio<sub>i</sub>, Portfolio<sub>t</sub> and/or Portfolio<sub>f</sub> as the Portfolio Manager considers appropriate and for the purpose of subparagraph (h) only, replace the Units by the kind and number of units or other securities and property receivable on such conversion, subdivision, consolidation, merger, sale or conveyance by a holder of Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Units and make any adjustment (if necessary) to the value of the Units and/or to the terms of the Notes; or
  - (ii) substitute the Fund, in whole or in part, with a new underlying asset with similar economic characteristics, or incorporate an additional underlying risky asset in the Portfolio, and make adjustments to the

definition of Portfolio<sub>i</sub>, Portfolio<sub>t</sub> and/or Portfolio<sub>r</sub>, and to the terms of the Notes if necessary; provided that any partial substitution and any incorporation of additional risky asset may only be made by the entity appointed as Portfolio Manager as specified in the applicable Final Terms and not by the Calculation Agent; or

- (iii) consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). If an Early Redemption Event occurs, the Notes shall no longer be linked to the performance of the Risky Asset and the Issuer's obligations under the Notes shall be terminated and the Issuer shall pay or cause to be paid an Early Redemption Amount as if it were a redemption for taxation reasons or an Event of Default on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions provided that the Early Redemption Amount will, as the case may be, wholly or partly depend on the amounts received as the result of the unwinding of hedging arrangements entered into in respect of the Notes.

Should the event cease on or after the decision of the Calculation Agent and/or the Portfolio Manager to early redeem the Notes, no Noteholder will be entitled to any payment whether of interest or otherwise in respect of the Notes other than the Early Redemption Amount and none of the Issuer, the Dealer, the Portfolio Manager and the Calculation Agent shall have any liability in respect of such early redemption.

## **VI. In relation to an underlying equity index**

Upon the occurrence of any event affecting an underlying equity index as detailed in Part 1 of the Equity Technical Annex, the Calculation Agent may in its sole discretion decide to make any adjustment to the underlying equity index or the Notes as set in Part 2 of the Equity Technical Annex to the Prospectus; however in the event that the underlying equity index ceases to be quoted or calculated, the Calculation Agent may decide in its sole discretion either, to substitute the underlying equity index for another index having similar characteristics or to redeem the Notes at their market value as calculated on the basis of the last published quotation of the underlying equity index and in accordance with provision "Early Redemption" set below.

The Early Redemption Amount payable upon the occurrence of an event affecting the underlying equity index as mentioned above will be paid or caused to be paid to the Noteholders as if it were a redemption for taxation reason or an Event of Default on the basis of Market Value as defined in Condition 6(f) of the Terms and Conditions, provided that the Early Redemption Amount will, as the case may be, wholly or partly depend on the amounts received as the result of the unwinding of hedging arrangements entered into in respect of the Notes.

Should the event cease on or after the decision of the Calculation Agent and the Portfolio Manager to early redeem the Notes, no Noteholder will be entitled to any payment whether of interest or otherwise in respect of the Notes other than the Early Redemption Amount and none of the Issuer, the Dealer, the Portfolio Manager and the Calculation Agent shall have any liability in respect of such early redemption.

## **VII. Calculations – Calculation Agent**

The Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 13 of the Terms and Conditions, of (a) of any adjustments which are substantial in the opinion of the Calculation Agent, and (b) upon the occurrence of an extraordinary event listed in this Managed Assets Portfolio Technical Annex, of any modification of the composition of the Underlying and/or of Market Value of the Notes payable in respect thereof together with the calculation details if necessary.

The Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Early Redemption Amount and in respect of Notes to which this Managed Assets Portfolio Technical Annex applies shall be specified in the applicable Final Terms. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.

## E) NON EQUITY SECURITY TECHNICAL ANNEX

### PART 1 – DEFINITIONS

**Non Equity Security** means a note or a certificate or a bond or a warrant or any other security other than a share, an index, a share or a fund unit, or a share of an investment company or an American depositary receipt or a credit risk, the name of which appears in the applicable Final Terms and subject to adjustments pursuant to the provisions of Part 2 “Events and adjustments” below.

**Valuation Date** means any date specified as such in the applicable Final Terms.

### PART 2 – EVENTS AND ADJUSTMENTS

- (a) In case of the occurrence at any time on or prior to the last Valuation Date of the material or substantial modifications of the conditions of the Non Equity Security (such as but not limited to modification of the legal documentation related thereto) or any event or any change affecting the Non Equity Security (such as but not limited to definitive interruption of quotation of the Non Equity Security or termination of the obligations of the Issuer of the Non Equity Security under the Non Equity Security for any reason) and that, in the reasonable opinion of the Calculation Agent, is likely to have a significant effect on the value of the Non Equity Security, then, the Calculation Agent may:
- (i) adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
  - (ii) substitute the Non Equity Security with a new underlying asset; or
  - (iii) consider such event as an event triggering the termination of the Notes (a **Termination Event**).
- (b) If a Termination Event occurs in respect of the Non Equity Security on or before the Maturity Date, then, the Calculation Agent shall determine, in good faith, the fair market value of the Notes and the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Termination Event, the amount determined by the Calculation Agent in respect of each Note.

### PART 3 – CALCULATIONS – CALCULATION AGENT - PHYSICAL DELIVERY

The provisions of Part 3 of the Equity Technical Annex shall apply *mutatis mutandis* to Notes to which this Non Equity Security Technical Annex applies as specified in the applicable Final Terms.

## F) DEFINITIONS RELATING TO FORMULAS

1. + means that the item preceding this sign is added to the item following this sign.
2. – means that the item following this sign is deducted from the item preceding this sign.
3. / means that the item preceding this sign is divided by the item following this sign.
4. **x** or \* means that the item preceding this sign will be multiplied by the item following this sign.
5. > means that the item preceding this sign is strictly greater than the item following this sign. When used in a condition, it means that the item preceding this sign must be strictly higher than the item following this sign for the condition to be met. E.g. “If  $X > Y$  then,…” means that X must be strictly greater than Y for the condition to be met.
6. < means that the item preceding this sign is strictly lower than the item following this sign. When used in a condition, it means that the item preceding this sign must be strictly lower than the item following this sign for the condition to be met. E.g. “If  $X < Y$  then,…” means that X must be strictly lower than Y for the condition to be met.
7.  $\geq$  means that the item preceding this sign is equal to or higher than the item following this sign. When used in a condition, it means that the item preceding this sign must be equal to or greater than the item following this sign for the condition to be met. E.g. “If  $X \geq Y$  then,…” means that X must be equal to or greater than Y for the condition to be met.
8.  $\leq$  means that the item preceding this sign is equal to or lower than the item following this sign. When used in a condition, it means that the item preceding this sign must be equal to or lower than the item following this sign for the condition to be met. E.g. “If  $X \leq Y$  then,…” means that X must be equal to or lower than Y for the condition to be met.
9. **i, j** or **k** means in respect of the item to which it applies which can be without limitation a date (e.g. “Valuation Date (i)”), an underlying (e.g. “Share (i)”) or a combination of underlyings (e.g. “Basket (i)”) or a figure obtained pursuant to a formula (e.g. “Coupon (i)”), the designation of such item within a countable list, with the use of the variable i, j or k.
10. **i from X to Y** means that within the countable list of the designated item to which i applies (as defined above), only the items with a rank between X and Y both included (X and Y are numbers) are considered.
11. **i from X to Y and  $\neq i_0$**  by extension the item ranked  $i_0$  is excluded from the above list.
12.  $i^k$  means, when an item is designated in a list by 2 variables, the designation of such item in the list. e.g. “Share  $i^k$ ” with Valuation Date (k) means Share(i) on the Valuation Date(k).
13. **Min [X;Y]** means that the considered value is the lowest value between the values of the two numbers X and Y. If the two values X and Y are positive, the value that will be

retained by application of this formula, will be the value that is the lowest of these two positive values (e.g. Min [3;2] 2 will be retained). If X is positive and Y negative, Y will be the value retained by application of this formula (e.g. Min [3; -2], -2 will be retained) . If X is negative and Y positive, X will be the value retained by application of this formula (e.g. Min [-3;2], -3 will be retained). If both X and Y are negative values, the value retained by application of this formula will be the greatest negative value (e.g. Min [-3; -2], -3 will be retained). If X is positive and Y equal to 0 (e.g. Min [3; 0], Y = 0 will be retained) and if X is negative and Y equal to 0 (e.g. Min [-3; 0], X =-3 will be retained). The same rule applies, if more than two values are considered.

14. **Max [X;Y]** means that the considered value is the highest value between the values of the two numbers X and Y. If the two values X and Y are positive, the value that will be retained by application of this formula, will be the value that is the highest of these two positive values (e.g. Max [3;2], 3 will be retained). If X is positive and Y negative, X will be the value retained by application of this formula (e.g. Max [3; -2], 3 will be retained). If X is negative and Y positive, Y will be the value retained by application of this formula (e.g. Max [-3;2], 2 will be retained). If both X and Y are negative values, the value retained by application of this formula will be the least negative value (e.g. Max [-3; -2], -2 will be retained). If X is positive and Y equal to 0 (e.g. Max [3; 0], X = 3 will be retained) and if X is negative and Y equal to 0 (e.g. Max [-3;0], Y = 0 will be retained). The same rule applies, if more than two values are considered.

15. **Min<sub>i from X to Y</sub>** means that the considered value of the item to which it applies, will be the lowest of the different values that such item can take determined pursuant to the rules of Min above, when its rank in the list varies from X to Y. e.g. Min<sub>i from 1 to 5</sub> Share(i) means that the relevant value to be considered is the lowest value amongst the 5 values that Share(i) takes.

16. **Max<sub>i from X to Y</sub>** means that the considered value of the item to which it applies, will be the greatest of the different values that such item can take determined pursuant to the rules of Max above when its rank in the list varies from X to Y. e.g. Max<sub>i from 1 to 5</sub> Share(i) means that the relevant value to be considered is the greatest value amongst the 5 values that Share(i) takes.

17.  $\sum_{n=1}^X$  or Sum<sub>n from 1 to X</sub> means, for the item to which it applies, the sum of the X values that the item will take. e.g.  $\sum_{n=1}^{10}$  Basket (n) means the sum of the 10 values that Basket (n) takes when n varies from 1 to 10.

18.  $\frac{1}{X} \times \sum_{n=1}^X$  means for the item to which it applies, the arithmetic average of the values that the item will take. E.g.  $\frac{1}{10} \times \sum_{n=1}^{10}$  Basket (n) means the arithmetic average of the 10 values that Basket (n) takes.

19. **|X|** or **Abs (X)** or **absolute value of X** means that even if X has a negative value this negative value will be disregarded. E.g. **| -10 |** means that the value to be retained is 10.

20.  $X^n$  means that the value to be considered is the result of X multiplied by itself “n-1” times. E.g.  $2^5$  means  $2*2*2*2*2$  (i.e. 2 multiplied by itself 4 times) = 32.
21.  $\sqrt{X}$  or **the square root of X** means that the value to be considered is the number which when multiplied by itself gives X. E.g.  $\sqrt{9} = 3$  since  $3*3 = 9$ .
22.  $\prod_{n=1}^x$  means, for the item to which it applies, the product of the x values that the item will take. E.g.  $\prod_{n=1}^3 (n + 1)$  means  $(1 + 1)(2 + 1)(3 + 1) = 2 \times 3 \times 4 = 24$
23. **“a power b”** means the exponential function of b with base a.
24. **LN(x) = ln(x) = Ln(x)** means logarithm to the base e of x, for example LN(2) = 0.69315.
- **INT(x)** means the function which gives the integer part of the number x (rounded down to the closest integer number), for example INT(2.3) = 2, INT(1.6) = 1, INT(-1.4) = -2, INT(-4.6) = -5.
  - **IND(condition)** means the characteristic function of the condition which is equal to 1 if the condition is satisfied and which is equal to 0 if the condition is not satisfied, for example  
S(0): closing value of the Underlying on Valuation Date(0)  
S(1): closing value of the Underlying on Valuation Date(1)  
if  $S(0) > S(1)$ , then  $IND(S(0)>S(1)) = 1$   
if  $S(0) = S(1)$ , then  $IND(S(0)>S(1)) = 0$   
if  $S(0) < S(1)$ , then  $IND(S(0)>S(1)) = 0$



## **G) OTHER DEFINITIONS**

The applicable Final Terms may contain other definitions not specifically referred to in this Technical Annex. The meanings and/or functions of such definitions will be set out in full in the Schedule to the applicable Final Terms.

## **FORMS OF FINAL TERMS AND TERMS AND CONDITIONS OF THE 2006, 2007, 2008, 2009 DEBT ISSUANCE PROGRAMME PROSPECTUSES**

### **THE 2006 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the "Comparative table of documents incorporated by reference" in the section "Documents Incorporated by Reference" for the Form of Final Terms and the Terms and Conditions of the Notes (pages 46 to 110) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5th May 2006 (the "**2006 Debt Issuance Programme Prospectus**") which are incorporated by reference into, and form part of, this Prospectus.

### **THE 2007 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the "Comparative table of documents incorporated by reference" in the section "Documents Incorporated by Reference" for the Form of Final Terms and the Terms and Conditions of the Notes (pages 55 to 186) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 7th May 2007 (the "**2007 Debt Issuance Programme Prospectus**") which are incorporated by reference into, and form part of, this Prospectus.

### **THE 2008 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the "Comparative table of documents incorporated by reference" in the section "Documents Incorporated by Reference" for the Form of Final Terms and the Terms and Conditions of the Notes (pages 62 to 203) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5th May 2008 (the "**2008 Debt Issuance Programme Prospectus**") which are incorporated by reference into, and form part of, this Prospectus.

### **THE 2009 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the "Comparative table of documents incorporated by reference" in the section "Documents Incorporated by Reference" for the Form of Final Terms and the Terms and Conditions of the Notes (pages 79 to 239) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 6th May 2009 (the "**2009 Debt Issuance Programme Prospectus**") which are incorporated by reference into, and form part of, this Prospectus.

## GUARANTEE

Société Générale Effekten  
GmbH  
Neue Mainzer Straße 46 – 50  
60311 Frankfurt am Main

### Guarantee on first demand

Société Générale Effekten GmbH (the “Issuer”) has taken and will take the necessary corporate actions for the issue of notes governed by the Debt Issuance Programme Prospectus for the Issue of Notes and Certificates dated May 4<sup>th</sup> 2010, which is in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) implementing the Directive 2003/71/EC of the European Parliament and the Council of November 4<sup>th</sup>, 2003, which explicitly refer to this Guarantee (the “Notes”) up to a maximum amount of EUR 6,000,000,000.00 (six Billion Euros) or its equivalent in another currency.

Société Générale (the “Guarantor”) hereby unconditionally and irrevocably guarantees, for the benefit of the holders of Notes, the due and punctual payment of any amounts due and payable and/or the due and punctual physical delivery of securities deliverable, under the respective terms and conditions of Notes as named above issued by the Issuer (the “Indebtedness”).

In the event of any default by the Issuer in the punctual payment and/or physical delivery of securities in respect of all or any part of the Indebtedness, the Guarantor will make any payments and/or physical deliveries of securities, on first demand, provided that:

- the request is made by registered mail with acknowledgment of receipt to the Guarantor attesting (i) that the payment of the claimed amounts and/or the physical delivery of securities is guaranteed hereunder and (ii) the conditions of payment and/or delivery are fulfilled, and (iii) the payment of such claimed amounts and/or physical delivery of such securities has not been made by the Issuer,
- the Guarantor is obliged to pay the claimed amounts and/or to physically deliver the claimed securities, in respect of all or any part of the Indebtedness, without having the right to raise any objection notably from present or future relationship between the holders of Notes and the Issuer.

This Guarantee is limited to all Notes as named above. The Guarantee will come into force retroactively on May 4<sup>th</sup> 2010 and shall expire only after payment/and or delivery in full of any Indebtedness due under the Notes issued by the Issuer.

This Guarantee constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks and will rank *pari passu* with all other existing and future direct, unconditional, unsecured and unsubordinated obligations of the Guarantor, but excluding any debts for the time being preferred by law.

In the event of a substitution of the Issuer by a subsidiary of the Guarantor (the “New Issuer”) pursuant to the terms and conditions of Notes as named above, this Guarantee shall extend to any and all amounts payable by the New Issuer pursuant to the terms and conditions of such Notes.

This Guarantee and any non-contractual obligations arising out of or in connection with the Guarantee are governed by, and shall be construed in accordance with, the laws of France. Any dispute arising out or in connection with its validity, interpretation or performance shall be submitted to the exclusive jurisdiction of Tribunal de Commerce de Paris, France.

Paris, the 6<sup>th</sup> of May 2010

### **SOCIETE GENERALE**

Hervé de Kerdrel

Chief Financial Officer  
SG Corporate & Investment Banking

## DESCRIPTION OF THE TRUST AGREEMENT AND THE LIMITATION OF RECOURSE

### A. Trust Agreement

On 28th February, 2006 the Issuer and the Guarantor have entered into the following trust agreement:

#### "TRUST AGREEMENT

#### BETWEEN THE UNDERSIGNED

SOCIETE GENERALE S.A., a French *société anonyme* which is located at 17, cours Valmy, 92972 LA DEFENSE CEDEX, FRANCE, represented by Mr Christophe MIANNE, representing the Equity Derivatives business line in the Capital Markets department and hereinafter referred to as "SG"

#### AND

SOCIETE GENERALE Effekten GmbH Frankfurt, a subsidiary of SOCIETE GENERALE S.A., which is located at Mainzer Landstr. 36, 60325 Frankfurt / Main, Germany, represented by Mr Guenter HAPP, its managing director (*Geschäftsführer*), and hereinafter referred to as "SGE".

#### WHEREAS:

SGE is willing to issue or redeem debt instruments (such as, but not limited to, indexed notes, over the counter transactions) linked to shares, baskets of shares, indices, baskets of indices, funds and commodities or futures contracts on the same (the "Securities") on a fiduciary (*treuhänderisch*) basis for the benefit and the account of SG. Now, therefore, SG and SGE (together the Parties) hereby conclude the following Trust Agreement (the "Agreement"):

#### Article 1 – Scope of the Agreement

SG shall have the unilateral right to determine by way of issuing a separate confirmation (the "Confirmation") that the terms of this Agreement shall apply for the issuance of certain Securities. The Securities in relation to which the Confirmation has been issued shall be referred to hereinafter as the "Notes".

#### Article 2 - Duties of SGE

Under this Agreement, SGE commits to:

- issue and to redeem Notes on a fiduciary (*treuhänderisch*) basis in SGE's own name (*im eigenen Namen*) but for the account (*für Rechnung*) of SG;
- collect any proceeds resulting from the issuance of the Notes (*Emissionserlöse*) and to deliver such proceeds forthwith to a bank account to be specified by SG;
- use the funds made available by SG pursuant to Article 3 a) for payments owed under the Notes as and when they fall due and to make such payments on a fiduciary (*treuhänderisch*) basis in SGE's own name (*im eigenen Namen*) but for the account (*für Rechnung*) of SG;
- follow any instructions given by SG in relation to all rights of SGE under the Notes, including but not limited to the right of SGE to be substituted as issuer and principal debtor under the Notes.

For the avoidance of doubt, SGE is not allowed to use, manage or invest funds made available to it by SG in any other way than for the purposes as defined in c) above.

#### Article 3 - Duties of SG

Under this Agreement, SG commits to:

- (a) advance to SGE an amount equal the amount of any payment owed by SGE under the Notes as and when such payment obligation falls due and in a manner that allows SGE to fulfil its payment obligation in a timely manner.
- (b) For the avoidance of doubt, the payment obligations of SGE under the Notes that are relevant for the determination of the advances to be made by SG shall not be limited by the "Limited Recourse" provision as set out in the terms and conditions of such Notes.
- (c) pay to SGE fees as set out in Article 4.

#### Article 4 - Payment of Fees

SGE will be remunerated by a fee, based on the costs incurred by the issuance of Notes as described in the separate "Agreement relating to issuance activity in SG Effekten" dated 1st of July 2005 in its latest version.

#### Article 5 - Term

This Agreement shall come into force with effect from 1st July 2005. It is concluded for an initial term of one year, and thereafter shall be deemed renewed from year to year unless one of the Parties provides notice of termination in writing no later than 15 days prior to the date at which the Agreement is due to be renewed. Shall the Agreement be terminated, the Parties agree to be bound by its terms until all obligations under the Notes have been fully satisfied.

#### Article 6 - Modifications - Prior Agreements

Any modification of this Agreement shall be set forth in a written amendment signed by all the Parties.

#### Article 7 - Applicable law - Jurisdiction

This Agreement shall be governed by the laws of Germany.

All disputes relating to its validity, interpretation or performance shall be submitted to the law courts in Frankfurt with jurisdiction, provided however, that SG and SG alone, in whose favour such attribution of jurisdiction has been granted, shall have the option of bringing such proceedings before any other court with jurisdiction."

### **B. Limitation of Recourse**

Pursuant to Condition 10 of the Terms and Conditions of the Notes, any payment obligations of the Issuer under the Notes are limited to the funds received from the Guarantor under the Trust Agreement. To the extent such funds prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom will be extinguished and no Noteholder has any further claims against the Issuer, regardless of whether the Issuer would be able to fulfil its payment obligations under the Notes out of its own funds, subject, however, to the right of the Noteholders to exercise any termination or early redemption rights.

**C. Impact of the Trust Agreement and the Limitation of Recourse on the Position of the Issuer vis-à-vis the Noteholders**

As a result of the Trust Agreement, the Issuer's ability to satisfy its payment obligations under the Notes in full is dependent upon it receiving in full the amounts payable to it by the Guarantor under the Trust Agreement. Moreover, since the Terms and Conditions of the Notes provide for a limitation of recourse, this applies irrespective of whether the Issuer would be able to make such payments out of other funds available to it.

Thus, from an economic perspective, the Notes are issued by the Guarantor and not the Issuer, whose role is comparable to that of a special purpose vehicle used for the issue of Notes and the Noteholders directly depend on the credit risk of the Guarantor (see "Risk Factors Issue of the Notes by the Issuer on the account of the Guarantor and Creditworthiness of the Guarantor") rather than that of the Issuer."

## **USE OF PROCEEDS**

Pursuant to the Trust Agreement (see "Description of the Trust Agreement and the Limitation of recourse") the Issuer is obliged to collect any proceeds resulting from the issuance of the Notes and to deliver such proceeds forthwith to a bank account to be specified by the Guarantor. The net proceeds from each issue of Notes by the Issuer will be applied by the Guarantor for the general financing purposes of the Société Générale group of companies. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## **DESCRIPTION OF SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**

Please refer to the information incorporated by way of reference as set out in the "Comparative table of documents incorporated by reference" in the section "Documents Incorporated by Reference" for a description of Société Générale Effekten GmbH.



## **DESCRIPTION OF SOCIÉTÉ GÉNÉRALE**

Please refer to the information incorporated by way of reference as set out in the "Comparative table of documents incorporated by reference" in the section "Documents Incorporated by Reference" for a description of Société Générale.

## TAXATION

### A. FEDERAL REPUBLIC OF GERMANY

*The following discussion of certain German tax consequences of buying, holding or disposing of the Notes is based on tax laws, regulations, decisions, judgments and administrative decrees currently in effect, which may be amended or construed differently, potentially with retroactive or retrospective effect. However, this section does not refer to all possible tax considerations which are relevant to the decision of any potential purchaser with respect to buying, holding or disposing of a Note; in particular, it does not refer to specific circumstances which may be relevant to certain purchasers such as church tax (Kirchensteuer) or individual tax privileges. This means that the following text exclusively refers to Notes as an investment as such (unless expressly indicated otherwise) and does not address any persons in their specific tax situation. The information contained in the following section is not intended as and does not purport to be legal or tax advice.*

**Potential investors in the Notes are therefore advised to consult their own tax advisers as to the German and other tax consequences of buying, holding or disposing of the Notes.**

*As each Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Tranche of Notes as set out in the respective Final Terms, the following section only provides some very general information on the possible tax treatment. If necessary, the prospectus regarding the respective Tranche of Notes will contain more specific but also general information on the possible tax treatment of the respective Notes. Potential investors should therefore always review the respective Final Terms also with respect to additional tax information.*

#### **German Taxation of Residents**

*Notes held as a Private Asset*

*Taxation of Interest Income*

Under German tax law, payment of interest on the Notes to persons who are tax residents of Germany (including persons whose residence, habitual abode, statutory seat or place of management is located in Germany, a "German Holder") and who held the Note as a private asset is subject to German income tax as capital income in the meaning of § 20 German Income Tax Act. From the year 2009, a final taxation ("Abgeltungsteuer") is charged on capital income at an amount of 25% plus 5.5% solidarity surcharge ("Solidaritätszuschlag") thereon, resulting in a total final taxation of 26.375%. Taxable base is the received interest without any deduction of expenses actually incurred. The total capital income of the individual will be deducted by a personal annual exemption ("Sparer-Pauschbetrag") of EUR 801 (EUR 1,602 for married couples filing their tax return jointly). The personal income tax liability regarding the capital income is, in principle, settled by the tax withheld. If no withholding tax was charged on the payment of the interest, the German Holder will have to include this interest income in its tax return. The final taxation will then be charged by way of assessment. The German Holder may also apply for assessment of the capital income based on the general rules if the personal income tax rate of the German Holder is lower than the final taxation rate. In such assessment, the withholding tax will be credited.

*Withholding Tax on Interest Income*

If the Notes are held in a custodial account maintained by a German Holder with a German branch of a German or foreign bank or financial services institution (a "German Disbursing Agent"), which pays or credits the interest, a 25% withholding tax ("Kapitalertragsteuer") on interest payments, plus a 5.5% solidarity surcharge

("Solidaritatzuschlag") thereon will be levied, resulting in a total withholding tax charge of 26.375% on the gross amount of interest paid. Accrued Interest paid by a German Holder upon the purchase of the Notes may be set-off against the amount of interest income received by such German Holder and, under certain circumstances, may reduce the amount subject to withholding tax.

If the Noteholder is an individual to whom income from the Notes constitutes income from a capital investment and such Noteholder has filed a certificate of exemption ("Freistellungsauftrag") with the German Disbursing Agent, no tax will be withheld by the German Disbursing Agent to the extent that the interest income derived from the Notes together with other investment income administered by the German Disbursing Agent does not exceed the maximum exemption amount shown on this certificate. Similarly, no tax will be withheld if the Noteholder submits to the German Disbursing Agent a certificate of non-assessment ("Nichtveranlagungsbescheinigung") issued by the competent local tax office.

#### *Disposal or Redemption of the Notes*

Capital gains resulting from the disposal or redemption of Notes (or, as the case may be, from the payment at maturity of the Notes) realised by individual German Holders holding the Notes as private assets are taxable as capital gains. They are also subject to the final taxation ("Abgeltungsteuer") at an amount of 25% plus 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon, resulting in a total final taxation of 26.375%.

Base for this taxation is the capital gain, which is in general the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. The taxable capital gains from Notes issued in a currency other than Euro also include any currency gains (and losses). In case of a physical settlement of certain Notes which grant the Issuer or the individual Noteholder the right to opt for a physical delivery of a predetermined number of underlying securities instead of a (re)payment in cash, generally no taxable capital gain may result, because the acquisition costs of the Notes are regarded as acquisition costs of the underlying securities received by the individual Noteholder upon physical settlement. Therefore, only loss can arise from the deduction of directly related expenses.

Capital losses in respect of the Notes held as a private asset may only be set-off against capital income within the same financial year and in subsequent years. However, if losses result from Notes held in a custodial account maintained by a German Disbursing Agent, initially the German Disbursing Agent will take these losses into account when calculating the withholding tax. In case that the losses can not be compensated in the current year the losses will be set off against the income of the subsequent year. Upon request of the German Holder the German Disbursing Agent will provide a certificate of all losses, which could not be set off during the current year within the custodial account. This certificate enables the German Holder to claim a deduction within the assessment of capital income.

#### *Withholding Tax on Disposal or Redemption of the Notes*

Like the treatment of interest income a withholding tax at an amount of 25%, plus a 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon (in total 26.375%) will be levied on capital gains from disposal or redemption of the Notes, if the Note is held in a custodial account maintained by a German Disbursing Agent. A withholding tax will not be charged if the German Holder has provided a certificate of exemption ("Freistellungsauftrag") or a certificate of non-assessment ("Nichtveranlagungsbescheinigung") to the German Disbursing Agent.

Base for this taxation is again the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. However, in case the Notes have not been kept in a custodial account with the same German Disbursing Agent since the time of acquisition, upon the disposal, redemption or repayment the withholding applies to 30% of the disposal proceeds, unless the current

Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EC Council Directive 2003/48/EC. Furthermore, the special provision for a physical settlement of certain Notes applies for purposes of the withholding. Therefore, in principle, redemption accompanied by physical settlement may not result in a withholding tax.

#### *Notes held as Business Assets or by a Corporate Body*

If the Notes are held as business assets or by a corporate body all income received from the Notes (interest as well as capital gains) is subject to German income tax or German corporate income tax. The income from the Notes will be taxed at the German Noteholder's individual tax rate. The income tax or the corporate income tax is not settled by the tax withheld. Withholding tax and the solidarity surcharge thereon might be credited as prepayments against the German Holder's final tax liability for German personal or corporate income tax purposes and the respective solidarity surcharge, or, if in excess of such final tax liability, refunded upon application.

If the Notes are held in a German business establishment for trade tax purposes, interest income derived from the Notes will also be subject to trade tax on income, which is a municipal tax levied whose effective tax rate depends on the trade tax factor applied by the relevant municipality.

The taxation of the investment in the Notes might be calculated on an accruals basis. The income might therefore be taxed before the German Holder receives a payment from the Notes.

In general, withholding tax will be deducted in accordance to the same provisions like the withholding with respect to Notes held as private assets. The withholding tax on capital gains might not apply under certain circumstances and for certain capital income if the Notes are held by a tax resident corporate or if the Notes are held by an individual or by a partnership as part of the business assets as far as the German Holder provides the German Disbursing Agent with a certificate of the character of the Notes as business assets.

#### **German Taxation of Non-Residents**

Income derived from the Notes by persons who are not tax residents of Germany ("Non-German Holders") is in general exempt from German income or corporate income taxation, and no withholding tax shall be withheld (even if the Notes are held with a German Disbursing Agent), provided (i) the Notes are not held as business assets of a German permanent establishment of the Non-German Holder, including a permanent representative, or fixed base of the Noteholder, (ii) the income derived from the Notes does not otherwise constitute German source income (such as income from the letting and leasing of certain German situs property), (iii) the Notes or coupons are not presented for payment at the offices of a German branch of a German or foreign bank or financial services institution, that do not hold in custody or manage the Notes, in an over-the-counter-transaction ("Tafelgeschäft") by a person who is not a foreign bank or financial service institution and, (iv) in the event that the Notes are held in a custodial account maintained by a German Disbursing Agent, the Noteholder complies with the applicable procedural rules under German law and provides evidence of the fact that the Notes are not subject to taxation in Germany. Unjustified retained withholding tax shall be refunded upon request to the Local Tax Office ("Finanzamt") to whom the withholding tax was paid.

If the interest is subject to German taxation (for example, if the Notes are held as business assets of a German permanent establishment of a Non-German Holder), such holder is subject to a tax treatment similar to that described above under the caption "German Tax Residents". The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

**If the Notes are offered by the Issuer other than in the Federal Republic of Germany, information relating to withholding tax may be disclosed in the Final Terms or, in the event of an offer which is made after completion of the Final Terms, in amended Final Terms.**

### **European Union Directive on the Taxation of Savings Income**

On 3 June 2003 the Council of the European Union ("ECOFIN") approved a directive regarding the taxation of interest income. Accordingly, each EU Member State must provide to the tax authorities of the other Member States details of the payment of interest made by a person in its jurisdiction to any individual resident in the other relevant EU Member State. The directive has to be applied by the member states since 1 July 2005. The directive came into effect in German law on 1 July 2005.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive at a rate of 20% till 30 June 2011 and 35% from 1 July 2011 onwards. However, as of 1 January 2010, Belgium applies the automatic exchange of information under the Savings Directive instead of withholding taxes.

### **Gift or Inheritance Taxation**

No estate, inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of estate and inheritance taxes, both the decedent and the beneficiary, and, in the case of gift taxes, both the donor and the donee, are tax non-residents and are not deemed to be a tax resident of Germany at the time of the transfer and such Notes are not attributable to a permanent establishment in Germany. In the case of a decedent, donor or heir who is a German national, this only applies if such person has been a non-resident of Germany for more than five consecutive years.

### **Stamp Duty**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

## **B. AUSTRIA**

*The following is a brief summary of certain Austrian tax aspects in connection with the Notes. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Notes. In some cases a different tax regime may apply. Further, this summary does not take into account the tax laws of any country other than Austria nor does it take into account the investors' individual circumstances. Prospective investors are advised to consult their own professional advisors to obtain further information about the tax consequences of the acquisition, ownership, disposition or redemption of the Notes. Only personal advisors are in a position to adequately take into account special tax aspects of the particular Notes in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor.*

*This summary is based on Austrian Law as in force when drawing up this Prospectus. The laws and their interpretation by the tax authorities may change and such changes may*

also have retroactive effect. With regard to certain innovative or structured financial instruments there is currently neither case law nor comments of the financial authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be ruled out that the Austrian financial authorities and courts or the Austrian paying agents adopt a view different from that outlined below.

*This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into, shares or other securities or rights or which in other way provide for physical settlement, of the exchange, exercise, physical settlement or redemption of such Notes and/or any tax consequences after the moment of exchange, exercise, physical settlement or redemption.*

### **Austrian Resident Taxpayers**

Income derived by individuals or corporations resident in Austria is taxable pursuant to the Austrian Income Tax Act (*Einkommensteuergesetz*) or the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*).

#### *Risk of re-qualification of Notes as investment fund units*

Certain Notes such as non-capital guaranteed basket or index linked notes, fund linked notes or credit linked notes may be re-qualified by the tax authorities as foreign investment fund units under certain conditions. Pursuant to Sec 42 of the Austrian Investment Fund Act, a portfolio of assets which is subject to the laws of a foreign country and which is invested according to the principle of riskspreading is qualified as non-Austrian investment fund for tax purposes, without regard to its legal form (substance over form approach).

Pursuant to the Investment Fund Guidelines 2008 applying to index linked notes, a requalification of notes into fund units requires (i) that an investment governed by non-Austrian law is effected in line with the principle of risk spreading and (ii) that the issuer (or a trustee mandated by the issuer) factually and predominantly acquires the (underlying) securities or that the investment qualifies as actively managed portfolio. This, inter alia, excludes capital guaranteed notes and notes with no more than six underlyings from requalification. However, "directly held index linked notes will in no case be requalified as foreign investment fund units, irrespective, whether the underlying index is a recognized or individually composed, fixed or flexible index". The latter provision targets to immunize (genuine) index linked notes against requalification.

If a requalification of Notes into non-Austrian fund units takes place, the following will apply:

Investment funds are treated as transparent for income tax purposes. Taxable income from investment funds includes distributions as well as retained earnings of the fund (interests, dividends, capital gains) deemed to be distributed to the investor ("*ausschüttungsgleiche Erträge*"). Such retained earnings are deemed to be distributed to the investor for tax purposes to the extent of the share interest of the investor no later than four months after the end of the business year of the investment fund in which the earnings were derived by the fund. If no Austrian tax representative is appointed for the fund and the retained earnings of the fund deemed to be distributed to the investor are also not reported to the tax authorities by the investors themselves, the non-Austrian fund will be qualified a "black fund" and the retained earnings of the fund deemed to be distributed each calendar year will be determined on a lump-sum-basis which will result in a tax base of 90% of the difference between the first and the last redemption price of the fund units fixed in a calendar year, at least, however, 10 % of the last redemption price (or net asset value (NAV) or stock exchange price) of the fund units fixed in a calendar year. As the applicable tax rate is 25% for corporate investors as well as, in general, for individuals, this minimum lump sum tax base results in a minimum tax of 2,5% per year on the last redemption price (NAV) in any calendar year before maturity. In case of a sale (redemption) of black foreign investment fund units the tax base would be the difference between the redemption price (NAV) upon disposal and at the end of the last calendar year, at least, however, 0,8% of the redemption price (NAV) upon disposal for each

month of the current calendar year. The investors will have to include the pertaining income into their income tax statement. Further, non-Austrian investment fund units, with the exception of funds that are daily reporting relevant figures to the *Oesterreichische Kontrollbank*, which are held in an Austrian bank deposit are subject to an annual 1,5 % compliance tax (calculated on the last redemption price (NAV) in any calendar year) deducted by the bank unless the investor discloses the funds vis-à-vis the Austrian tax authorities and evidences this to the Austrian bank. Moreover, a pro rata compliance tax applies in the calendar year of the sale or redemption of the fund unit. This compliance tax will automatically be deducted by the Austrian bank.

In the following we assume that the Notes do not qualify as foreign investment funds for income tax purposes.

#### *Individuals*

Generally, income arising from the Notes should qualify as income from debt-securities (*Kapitalerträge aus Forderungswertpapieren*). Income from debt-securities includes (i) interest payments as well as (ii) income, if any, realized upon redemption or prior redemption (being the difference between the issue price and the redemption amount, or in case of prior redemption, the repurchase price - a maximum 2 % tax-exempt threshold applies to specified Notes bearing also ongoing coupons with a minimum 5 year maturity; in practice, however, this exemption is not available for index linked notes and other underlying linked notes treated like index linked notes) or (iii) realized upon sale of the Notes (only to the extent of accrued interest and comparable consideration for future fixed redemption or interest payments but excluding capital gains, - in case of index, share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates, however, the whole gain would be treated as income from debt-securities, see also below "Certain aspects of the tax treatment of certain notes").

If income from debt-securities is paid out by a coupon paying agent (*kuponauszahlende Stelle*) located in Austria, it is subject to 25% Austrian withholding tax (*Kapitalertragsteuer-KESt*). The coupon paying agent is the bank, including an Austrian branch of a non-Austrian bank or investment firm, which pays out such income to the holder of the Notes.

Provided that the Notes have been offered to the public within the meaning of Sec 97 of the Austrian Income Tax Act (public placement), the 25% withholding tax constitutes a final taxation (*Endbesteuerung*) for all individuals, no matter whether they act as private investors or hold the Notes as business property. Final taxation means that no further income tax will be assessed and the income is not to be included in the investor's income tax return. Final taxation is only applicable to income from debt-securities. As regards the taxation of capital gains please see below.

Generally, for a public placement within the meaning of Sec 97 of the Austrian Income Tax Act the Notes have to be offered legally and factually to an undetermined number of persons. The Austrian Ministry of Finance requires that the offer is addressed (whether in Austria or abroad) to an undetermined number of addressees or to more than 250 persons in order to qualify as a public placement. This is deemed to be the case if notes are traded at a regulated market (a listing of notes on the Third Market of the Vienna stock exchange (*Dritter Markt*), for example, does not suffice for the qualification as a public placement for income tax purposes) or if they are acquired within six months after the issuance by more than 250 different purchasers (whether in or outside of Austria). Evidence of the acquisition by more than 250 purchasers can be given by a confirmation of the credit institution having arranged the issue or by the purchase of the Notes by an Austrian investment fund. Evidence for a public offer within the meaning of Sec 97 of the Austrian Income Tax Act may also be given by underwriting agreements pursuant to which the Notes are subscribed for, and distributed by, one or more credit institutions or if the Notes are offered via Reuters, Bloomberg or similar widely recognized trading systems, or over other public media (see further Austrian Income Tax Guidelines no 7804 ff).

If the Notes are not offered to the public within the meaning of Sec 97 of the Austrian Income Tax Act (private placement), the income derived from the Notes is taxable at the respective Noteholder's normal progressive personal income tax rate amounting up to 50%. The Austrian withholding tax will be credited against the income tax liability. Where there is no deduction of Austrian withholding tax because the income from the Notes is not received in Austria (not paid out by a coupon paying agent located in Austria) Austrian investors will have to declare the income derived from the Notes in their income tax returns pursuant to the Austrian Income Tax Act. A special 25% income tax rate pursuant to Sec 37 subpara 8 of the Austrian Income Tax Act is applicable provided that the Notes have been offered to the public within the meaning of Sec 37 subpara 8 of the Austrian Income Tax Act.

Individuals whose regular personal income tax rate is lower than 25% may opt for taxation of the income derived from the Notes at such regular personal income tax rate. In this case, the withholding tax will be credited against the income tax liability and the excess amount shall be refunded. Expenses incurred by the investor in connection with income derived from (publicly placed) Notes are not deductible.

Special rules apply in case a noteholder transfers his residence or deposit account outside Austria.

Upon the sale of the Notes accrued interest realised upon such sale is taxed as income from debt-securities being subject to withholding tax as set out above (with regard to index, share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates the whole gain would be treated as income from debt-securities, see below "Certain aspects of the tax treatment of certain notes"). For private investors, any additional capital gain on the disposal of the Notes is taxable if the disposal takes place within one year after the date of the acquisition of the Notes pursuant to Sec 30 Income Tax Act (*Spekulationsgeschäft* – speculative transaction). Such speculative gain is taxed at normal progressive income tax rates amounting up to 50% if the total of such speculative gain exceeds 440 Euro per year. If the Notes qualify as business assets, capital gains on the disposal are taxable irrespective of the date of the disposal at normal progressive income tax rates.

#### *Corporations*

Corporate investors deriving business income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the coupon paying agent. Income including any capital gain derived from the Notes by corporate investors is subject to Austrian corporate income tax at the general rate of 25%. There is, inter alia, a special tax regime for Private Foundations established under Austrian law (*Privatstiftungen*).

#### *Certain aspects of the tax treatment of certain notes*

Upon the sale of Zero Coupon Notes the difference between the issue price and the proceeds from the sale would be taxable as income from debt-securities being subject to withholding tax (where such withholding tax applies) merely to the extent of the positive difference amount between the issue price and the inner value of the notes; any additional capital gain would be taxable for private investors pursuant to Sec 30 Income Tax Act (*Spekulationsgeschäft* – *speculative transaction*) if the sale took place within one year after the date of the acquisition of the Notes.

Relating to index linked Notes, the whole positive difference amount realized upon redemption or sale of the Notes as compared to the issue price is treated as income from debt-securities and therefore also subject to withholding tax (where such withholding tax applies). The taxable gain is calculated as positive difference between issue price and redemption amount/sales price. Positive difference amount (parts) between purchase or redemption price and issue price are taxable for private investors pursuant to Sec. 30 Income Tax Act (*Spekulationsgeschäft* – *speculative transaction*) if the sale or redemption of the notes takes place within one year after the date of the acquisition of the Notes. The same tax



treatment applies to share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates (if no requalification as fund units takes place) – for these, the whole positive difference amount between redemption (sale) price and issue price is treated as income from debt-securities.

The Austrian tax authorities have decided that Notes where only the coupon(s) but not the redemption amount is (are) linked to an index or other underlying must be treated as "index linked Notes". In such case the (whole) positive difference amount between issue price and sale price or redemption price is subject to withholding tax.

If inflation linked Notes bear interest and their redemption amount is linked to the performance of an inflation index, apart from the coupon payments also the difference amount between issue price and redemption price and in cases of sales, also the difference amount between issue price and index linked calculated value (but not the whole capital gain [however the capital gain could be subject to income tax as speculative transaction]) is subject to withholding tax.

Income from leveraged Notes (turbo notes), i.e. certificates or notes which may be subscribed at a lower price than the underlying's current market price, qualifies as income from debt-securities subject to 25% Austrian withholding tax provided that the leverage factor applied upon subscription/issue to the notes' or certificate's subscription price is less than five (the note's subscription price amounts to more than 20 per cent of the underlying's market price). If the leverage factor is at least five, income from the sale or redemption of the notes will not be subject to the 25% withholding tax (but qualify as capital gain potentially subject to taxation as speculative transaction, see above under "individuals") provided that the leverage factor is sufficiently evidenced by the foreign issuer submitting the terms and conditions of the notes to the Oesterreichische Kontrollbank AG before or within 24 hours after the first offering of the notes in the Austrian market. If such evidence is provided later, the Austrian coupon paying agents have to continue to deduct withholding tax. However, the noteholder may claim refund of the withholding tax upon personal income tax assessment or pursuant to Sec 240 subpara 3 of the Austrian Fiscal procedure Code (BAO).

Guidelines issued by the Austrian Ministry of Finance provide further details for the tax treatment of some other structured financial instruments. In case of reverse convertibles (cash or share-notes) bearing high interest the full coupon would be treated as interest; however, pursuant to current practice, losses incurred upon the redemption could with an amount equalling to the interest income of the last coupon payment period be set off upon redemption against the interest income (also) by private investors (Income Tax Guidelines no. 6198). Callable yield notes are treated in the same way as reverse convertibles.

In case of option notes bearing low interest, the issue price is split between the price of the bond and the price for the option which leads to the recalculation of the issue price for tax purposes.

Tax consequences of conversion or of any option exercise or of any other physical settlement of Notes are not discussed in this context.

This entire outline of the taxation of the Notes is based on the assumption that the Notes will be treated as debt-securities (*Forderungswertpapiere*) and will not be qualified as equity instruments for tax purposes such as shares or equity participation rights (*Substanzgenussrechte*). Further, this outline is based on the assumption that the Notes do not qualify as derivative instruments or contracts for differences resulting for private investors in taxation of capital gain pursuant to Sec 30 Income Tax Act (*Spekulationsgeschäft*) at progressive rates rather than being subject to withholding tax. Pursuant to Sec 30 Income Tax Act certain types of transactions such as the sale of securities would be taxable for private investors only if carried out within one year following the acquisition (speculative period) whereas other transactions such as futures, forwards or contracts for differences (*Differenzgeschäfte*) would be taxable irrespective of the one year speculative period.

## **Non-Residents**

Income including any capital gain derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria ("non-residents") is not taxable in Austria provided that the income is not attributable to a permanent establishment or other Austrian source income taxable in Austria (for withholding tax under the EU Savings Directive see below; tax consequences of a requalification into a foreign investment fund are not discussed with regard to non-residents herein).

Income including any capital gain derived from the Notes by corporate investors who do not have their corporate seat or their place of management in Austria ("non-residents") is not taxable in Austria provided that the income is not attributable to a permanent establishment or other Austrian source income taxable in Austria.

Thus, non-resident investors - in case they receive income from the Notes through a coupon paying agent located in Austria - may avoid the application of Austrian withholding tax if they evidence their non resident-status vis-à-vis the coupon paying agent. Non-residents who are Austrian citizens or citizens of a neighbouring country will have to confirm their non-resident status in writing to the coupon paying agent. The provision of evidence that the investor is not subject to Austrian withholding tax is the responsibility of the investor.

If any Austrian withholding tax is deducted by the coupon paying agent, the tax withheld shall be refunded to the non-resident investor upon his application, which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax.

Where non-residents receive income from the Notes as part of business income taxable in Austria (permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

### **EU Council Directive on Taxation of Savings Income**

The EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (Savings Directive) provides for an exchange of information between the authorities of EU member states regarding interest payments made in one member state to beneficial owners who are individuals and resident for tax purposes in another member state of the European Union or certain dependent associated territories. Austria has implemented the Savings Directive by way of the EU Withholding Tax Act (*EU-Quellensteuergesetz*) which provides for a withholding tax rather than for an exchange of information. Such EU Withholding tax will be levied on interest payments within the meaning of the EU Withholding Tax Act made by a paying agent located in Austria to an individual resident for tax purposes in another member state. The EU Withholding Tax amounts to 20% before 1 July 2011 and 35% thereafter.

Withholding tax will be deducted upon actual or deemed interest payments as well as upon sale, refund or redemption of debt claims. Further, withholding tax will be deducted - on a *pro rata temporis* basis - in case of changes of the individual's withholding tax status such as changes of his country of residence or transfer of his securities to a non Austrian account.

Deduction of EU withholding tax can be avoided if the EU-resident investor provides the paying agent with a certificate drawn up in his name by the tax office of his member state of residence. Such certificate has to indicate, inter alia, the name and address of the paying agent as well as the account number of the investor or the identification of the Notes. (Sec. 10 EU Withholding Tax Act)

The scope of the definition of interest payments for EU Withholding Tax purposes may differ from the scope of interest payments for Austrian income and withholding tax purposes. For example, under certain conditions and subject to the guidelines and information issued by the Austrian Ministry of Finance income from share linked notes, index linked notes or fund linked notes may not be considered as interest for EU Withholding Tax purposes while being interest for Austrian tax purposes.

Notes without capital guarantee (the term "capital guarantee" for such tax purposes is deemed to include guaranteed interest payments) are treated as follows: Factually paid interest amounts are subject to EU Withholding Tax. Difference amounts from notes linked to shares, share indices, metals, currencies and the like which are not in advance guaranteed are not subject to EU Withholding Tax. Such difference amounts derived from notes linked to bonds or bond indices are not subject to EU Withholding Tax if the index or basket is comprised of minimum five differing bonds from differing issuers, if the portion of a single bond does not exceed 80% of the index and, with regard to dynamic notes, the 80%-threshold is complied with throughout the entire term of the notes. With regard to notes linked to fund indices, the difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index is composed of minimum five differing funds and a portion of each fund does not exceed 80%; in the case of dynamic notes the 80%-threshold must be complied with during the entire term of the notes. If notes are linked to mixed indices composed of funds as well as of bonds, difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index is composed of minimum five bonds and five funds of differing issuers and a portion of a single bond or a single fund does not exceed 80% of the pertaining index.

Relating to capital guaranteed Notes, factually paid interest amounts, whether guaranteed or not, are subject to EU Withholding Tax. Guaranteed parts of difference amounts (between issue price and redemption price respectively sale price) are subject to EU Withholding Tax on the basis of the yield upon issue. Non-guaranteed income, like (non guaranteed parts of) difference amounts (difference amounts between issue price and redemption price respectively sale price) are treated as follows: If the underlying qualifies as bond, interest rate or inflation rate, then the difference amounts will qualify as interest within the meaning of the EU Withholding Tax Act and be subject to EU Withholding Tax. If shares, share indices, share baskets, metals, currencies and commodities are referred to as underlyings, the difference amounts are not subject to EU Withholding Tax. If funds and fund indices are referred to as underlying, the difference amounts are not subject to EU Withholding Tax, provided that the funds do not generate interest income within the meaning of the EU Withholding Tax Act. Should the underlyings qualify as certificates or other securities the proceeds of which do not qualify as interest subject to EU Withholding Tax, then the difference amounts derived therefrom are not subject to EU Withholding Tax, too.

Provided that Notes are re-qualified as foreign investment fund units and the interest income of the fund deemed to be distributed to the investors is not reported on a daily basis to the Austrian central depository bank (*Oesterreichische Kontrollbank – OeKB*), Austrian paying agents shall deduct EU Withholding Tax on a lump sum tax base of 6 % of the last redemption price (NAV) of the fund units fixed in a calendar year. Moreover, a pro rata EU Withholding Tax applies in the calendar year of the sale or redemption of the fund unit.

### **C. BELGIUM**

*Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the Notes. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisers regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive.*

*This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Debt Issuance Programme Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.*

## **Belgian income tax**

For Belgian tax purposes, interest includes any interest paid on the Notes as well as any amount paid in excess of the initial price upon redemption or purchase by the Issuer.

### ***Belgian resident individuals***

For individuals subject to Belgian personal income tax who are not holding Notes as professional investors, all interest payments (as defined in the Belgian Income Tax Code) will be subject to the tax regime described below.

If interest is paid through a Belgian intermediary, such intermediary must levy withholding tax. The current applicable withholding tax rate is 15 per cent. No other personal income tax will be levied on this income. If no Belgian intermediary is involved in the interest payment, the investor must declare this interest as moveable income in his or her personal income tax return. Such income will, in principle, be taxed separately, currently at a rate of 15 per cent. (plus the applicable local surcharge).

Any capital gain upon a sale of Notes, not allocated to the professional activity of the individual, to a party other than the Issuer, except for that part of the sale price attributable to the pro rata interest component, is in principle tax exempt (unless the tax authorities can prove that the capital gain does not result from the normal management of a non-professional investment). The investor must declare the interest as income in his or her personal income tax return. Such income will in principle be taxed separately, currently at a rate of 15 per cent. (plus the applicable local surcharge), unless it can be demonstrated that such income will be subject to Belgian withholding tax upon maturity.

If a levy has been applied according to the EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the **Savings Directive**), this levy does not free the Belgian individual from the obligation to declare the interest income in the personal income tax return. However, this levy will be credited against personal income tax, and any excess amount will be refunded. The levy can also apply to interest paid through paying agents of certain dependent or associated territories, including, as the case may be, the Netherlands Antilles.

Losses on the Notes held as a non-professional investment cannot usually be deducted.

### ***Belgian companies***

Interest paid through an intermediary established in Belgium to a Belgian company subject to corporate income tax will generally be subject to Belgian withholding tax (the current applicable withholding tax rate is 15 per cent.). However, an exemption may apply provided that certain formalities are complied with. For zero or capitalization bonds, the above exemption will not apply, unless the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° RD/ITC. If Belgian withholding tax is applicable, Belgian companies are, in principle, entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

For any Belgian company subject to Belgian corporate income tax, all interest and any gain on a sale of the Notes will form part of that company's taxable profit. The current normal corporate income tax rate in Belgium is 33.99 per cent.

Losses on the Notes are, in principle, tax deductible.

### ***Other Belgian legal entities subject to the legal entities income tax***

For other Belgian legal entities subject to the legal entities income tax, all interest payments (as defined by the Belgian Income Tax Code) will be subject to withholding tax, currently at a rate of 15 per cent.

If this interest is paid through a Belgian intermediary, such intermediary will have to levy withholding tax, currently at the rate of 15 per cent. No other legal entities income tax will be levied on this income. If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

Any capital gain on a sale of the Notes to a party not being the Issuer will, in principle, be tax exempt, except for that part of the sale price attributable to the pro rata interest component. Such interest is subject to withholding tax, currently at the rate of 15 per cent. This withholding tax must be paid by the legal entity itself, unless it can demonstrate that the withholding tax will be paid at maturity.

### **Tax on stock exchange transactions**

The sale and acquisition of the Notes will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.07 per cent. on each sale and acquisition separately, with a maximum of €500 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are no longer subject to the tax on stock exchange transactions.

### **Savings Directive**

Under the Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State.

However, for a transitional period, Luxembourg and Austria are instead required to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The current rate of the levy applicable to such payments is 20 per cent. (as from 1 July 2008). However, this rate will increase to 35 per cent. after 1 July 2011. In this respect, as from 1 January 2010, Belgium no longer applies the levy on interest payments to beneficial owners who are residents of another Member State of the European Union, but instead applies the automatic exchange of information under the Savings Directive.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

Belgium also entered into an agreement with the Kingdom of the Netherlands in respect of the Netherlands Antilles concerning the automatic exchange of information regarding savings

income in the form of interest payments. Individual investors should seek professional advice to verify what obligation a paying agent in the Netherlands Antilles is under to withhold any tax from the interest payable by the agent on the Notes under the aforementioned agreement.

#### **D. FRANCE**

*This summary is based on the tax legislation, published case law, treaties, regulations and published policy in force as of the date of this Prospectus, although it does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.*

*This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.*

#### **Payments made by the Guarantor**

There is no direct authority under French law on the withholding tax status of payments by the Guarantor under the Guarantee. In accordance with one interpretation of French tax law, payments made by the Guarantor of any amount due by the Issuer to a Noteholder which is a non-French tax resident and which is not acting through a French establishment or branch may be treated as a payment in lieu of payments to be made by the Issuer with respect to the Notes. Accordingly, under this interpretation payments made by the Guarantor, of any amounts due by the Issuer under the Notes, would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax, to the extent that interest payments made or to be made by the Issuer would be exempt from withholding tax by reason of the Issuer not being resident of, or otherwise established in, France.

In accordance with another interpretation, any such payment may be treated as a payment independent from the payments to be made by the Issuer with respect to the Notes. In the absence of any specific provision in the *Code général des impôts*, such payments would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax.

In the improbable case that none of the two above interpretations would prevail and if the payments by the Guarantor under the Guarantee would qualify as interest payments paid by a French debtor within the meaning of article 125 A III of the *Code général des impôts*, such payments would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax, unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of article 238-0 A of the *Code général des impôts*.

#### **Tax treatment of payments received by the Subscriber/Investor**

##### **– Individuals**

For French resident individuals, payments relating to the Notes will be subject in France to personal income tax at a progressive rate from 5.5% to 40%. For Notes issued by an Issuer established in the European Economic Area, the French resident individual is eligible to make an option for a final levy at a rate of 18% instead of personal income tax. In both cases, social security tax will apply at the rate of 12.1%.

Capital gains on the transfer of the Notes will be subject to a final levy at a rate of 18% if the annual sale price for similar transfers by the French resident individual exceeds

EUR 25,830 (for 2010). A social security tax at the rate of 12.1% will also apply whatever the amount of annual sale price for similar transfers.

When French individual investors receive payments relating to a Note into accounts domiciled outside France in another European Union country, one of five non member countries (Switzerland, Andorra, Liechtenstein, Monaco or Saint-Martin) or one of ten UK or Dutch dependant or overseas territories, investors are advised to study the potential impact of the EC Council Directive 2003/48/EC on the taxation of savings income ("EU Saving Tax Directive n°2003/48"), which means that, in these countries or territories, withholding tax (20% until the 30th June 2011, 35% after this date) will either be deducted at source or the tax authorities will be informed of the beneficiary's identity. Withholding tax can be refunded in France through the allowance of a tax credit.

For non-French resident individuals, the EC Council Directive 2003/48/EC on the taxation of savings income was implemented into French law under Article 242 *ter* of the *Code général des impôts* which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest payments made from 1st July 2005.

– **Legal entities**

Redemption premium, capital gains and other revenues with respect to Notes that constitute "*obligation*" under French law, are subject to corporate income tax at the standard rate.

**EC Council Directive 2003/48/EC on taxation of savings income**

The EC Council Directive 2003/48/EC on the taxation of savings income was implemented into French law under Article 242 *ter* of the *Code général des impôts* (French General Tax Code) which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest payments made from 1 July 2005.

**E. ITALY**

*The following is a brief summary of the tax regime relating to the purchase, holding, sale and exercise of the Italian Certificates, pursuant to the Italian applicable laws and regulations and the market practice, by investors who are individuals residing in Italy and not involved in carrying out business enterprises.*

*This summary does not aim at being an exhaustive analysis of all the tax implications deriving from the purchase, holding, sale and exercise of the Certificates and is written taking into account tax laws in force at the date of this Programme; it is, therefore, subject to possible changes that have a retroactive effect and is intended only as an introduction to the relevant issues.*

***Potential investors in the Certificates are therefore advised to consult their own tax advisors as to the Italian and other tax consequences of buying, holding or disposing of the Certificates.***

Pursuant to Italian Legislative Decree 21st November, 1997, No. 461 payments in respect of Certificates qualifying as securitized derivative financial instruments received by Certificateholders as well as capital gains realised by Italian resident individuals (not engaged in entrepreneurial activities to which the Italian Certificates are connected) on any sale or transfer for consideration of the Certificates or redemption or exercise thereof are subject to a 12.5% capital gain tax ("*imposta sostitutiva*").

Under the so called "tax declaration regime", which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities, the 12.5 per cent imposta sostitutiva on capital gains will be chargeable, on a cumulative basis, on all capital gains (and other incomes) net of any relevant incurred capital losses realised by Italian resident individuals not engaged in entrepreneurial activities pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and imposta sostitutiva must be paid on such capital gains by Italian resident individuals together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the tax declaration regime, the holders of the Certificates may elect to pay imposta sostitutiva separately on capital gains realised on each sale or transfer or redemption of the Certificates (*Risparmio Amministrato* tax regime). Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with banks, SIMs (stock brokerage companies – *Società di Intermediazione Mobiliare*) and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the *Risparmio Amministrato* tax regime being timely made in writing by the relevant holder of the Certificates. The intermediary is responsible for accounting for imposta sostitutiva in respect of capital gains realised on each sale or transfer or redemption of the Certificates, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the holder of the Certificates, deducting a corresponding amount from proceeds to be credited to the holder of the Certificates. Where a sale or transfer or redemption of the Certificates results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Certificates within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* tax regime, the realised capital gain is not required to be included in the annual income tax return of the Certificateholder.

Special rules apply if the Certificates are part of a portfolio managed in a regime of Asset Management Option by an Italian asset management company or an authorised intermediary. In such case, the capital gains realised upon sale, transfer or redemption of the Certificates will not be subject to 12.5 per cent imposta sostitutiva on capital gains but will contribute to determine the taxable base of the Asset Management Tax. In particular, under the Asset Management Option, capital gains accrued on the Certificates, even if not realised, will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year-end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Option the realised capital gain is not requested to be included in the annual income tax return of the Certificateholder and the Certificateholder remains anonymous.

It must however be noted that, according to a different interpretation of the applicable provisions in force, the Certificates, in case representing debt instruments implying a "use of capital", could be qualified as "atypical security" and accordingly be subject to a 27 per cent final withholding tax.

## **F. LUXEMBOURG**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

### **Withholding Tax**



**(i) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20 per cent. and will be levied at a rate of 35 per cent. as of 1 July 2011. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

**(ii) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

**G. THE NETHERLANDS**

**General**

*The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.*

*This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Programme, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.*

*This summary does not address the Netherlands tax consequences for:*

- (i) holders of Notes holding a substantial interest (aanmerkelijk belang) or deemed substantial interest (fictief aanmerkelijk belang) in one of the Issuers and holders of Notes of whom a certain related person holds a substantial interest in one of the Issuers. Generally speaking, a substantial interest in one of the Issuers arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of an Issuer or of 5% or more of the issued capital of a certain class of shares of an Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in an Issuer;*
- (ii) investment institutions (fiscale beleggingsinstellingen); and*
- (iii) pension funds, exempt investment institution (vrijgestelde fiscale beleggingsinstellingen) or other entities that are exempt from Netherlands corporate income tax.*

*For the purpose of the Netherlands tax consequences described herein, it is assumed that none of the Issuers is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes.*

### **Netherlands Withholding Tax**

All payments made by an Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

### **Netherlands Corporate and Individual Income Tax**

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25.5%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (iv) the holder is an entrepreneur (ondernemer) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (medegerechtigde), to which enterprise the Notes are attributable; or*

- (v) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

### **Netherlands Gift and Inheritance Tax**

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

### **Netherlands Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

### **Other Netherlands Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the

conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

## SELLING RESTRICTIONS

The Notes are freely transferable. Offers and sales of Notes issued under this Programme are subject to the selling restrictions applicable in the jurisdictions where the Notes are offered or sold. The selling restrictions in respect of Austria, Belgium, France, the Grand Duchy of Luxembourg, Italy and the Netherlands and in general such jurisdictions as are parties to the Agreement on the European Economic Area (EEA), the United States, are set out below. Additional selling restrictions, if any, may be set out in the Final Terms.

### UNITED STATES

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may be subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each Dealer has agreed that it will not offer, sell or deliver any Notes within the United States, except as permitted by the Programme Agreement.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### EEA STATES

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Debt Issuance Programme Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (iv) at any time to fewer than 100 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
- (v) 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 (ii) to (v) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## **AUSTRIA**

**The following selling restriction replaces the general one referring to each Member State of the European Economic Area, as far as offers within or targeted to Austria are concerned.**

No offer of the Notes issued by the Issuer may be made to the public in Austria, except that an offer of the Notes issued by the Issuer may be made to the public in Austria (a) in the case of bearer Notes in the period beginning one bank working day following (i) the date of publication of this Prospectus including any supplements but excluding any Final Terms in relation to those Notes issued by the Issuer which has been approved by the *Finanzmarktaufsichtsbehörde* in Austria (the “FMA”) or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive and (ii) or being the date of publication of the relevant Final Terms for the Notes issued by the Issuer and (iii) the date of filing of a notification with *Oesterreichische Kontrollbank*, all as prescribed by the Capital Market Act 1991 (“CMA”: *Kapitalmarktgesetz 1991*), or (b) in the case of bearer Notes otherwise in compliance with the CMA.

Further, each Dealer represents, warrants and agrees that it has not and will not offer any registered Notes in Austria, either by private placement or to the public in Austria.

For the purposes of this provision, the expression “an offer of the Notes issued by the Issuer to the public” means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes issued by the Issuer to be offered so as to enable an investor to decide to purchase or subscribe the Notes issued by the Issuer.

## **BELGIUM**

The offer, the Debt Issuance Programme Prospectus and related documents are not intended to constitute a public offer in Belgium and may not be communicated to or distributed to investors in a way that would constitute a public offer as defined in the Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market. The offer of the Notes has not been and will not be notified to the Belgian Commission for Banking, Finance and Insurance (**CBFA**) and the CBFA has neither reviewed nor approved this (these) document(s).

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that it will not offer for sale, sell or market in Belgium such Notes by means of a public offer within the meaning of the Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market.

Any offer will only be made in Belgium to qualified investors as defined in article 10 of the Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market.<sup>22</sup>

## FRANCE

Each of the Dealers and the Issuer has represented and agreed that, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree that:

(a) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning: (a) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers (AMF)*, on the date of such publication; or (b) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and ending at the latest on the date which is 12 months after the date of approval of the Debt Issuance Programme Prospectus; or

(b) **Private placement in France:**

[in connection with their initial distribution,]<sup>23</sup> it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Debt Issuance Programme Prospectus, the relevant Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to: (a) providers of investment services relating to portfolio management for the account of third parties; and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

## THE GRAND DUCHY OF LUXEMBOURG

In addition to the cases described in the selling restrictions under the heading “Public Offer Selling Restriction under the Prospectus Directive” in which any Dealer can make an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg), any Dealer can also make an offer of Notes to the public in the Grand Duchy of Luxembourg:

- (h) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;

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<sup>22</sup> This paragraph is only to be used if the Qualified Investor exemption is to be relied upon.

<sup>23</sup> Relevant if admission to trading on Euronext Paris is contemplated.

- (i) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (j) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Directive 2003/71/EC (the **Prospectus Directive**) into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the *Commission de surveillance du secteur financier* as the competent authority in Luxembourg in accordance with the Prospectus Directive.

## ITALY

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Debt Issuance Programme Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and in Articles 34-*ter* and 34-*quater* of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Articles 34-*ter* and 34-*quater* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Debt Issuance Programme Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Italian Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

*Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-bis of the Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Financial Services Act applies.*



## **THE NETHERLANDS**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that any Notes with a maturity of less than 12 months will either have a minimum denomination of €50,000 or be offered in the Netherlands only to professional market parties as defined in the Financial Supervision Act (*Wep op het financieel toezicht*) and the decrees issued pursuant thereto.

### **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Debt Issuance Programme Prospectus or any offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, nor the Guarantor nor any other Dealer shall have any responsibility therefor.

Neither the Issuer, nor the Guarantor, nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Purchaser will be required to comply with such other restrictions as the relevant Issuer and the relevant Purchaser shall agree and as shall be set out in the applicable Final Terms and relevant syndication agreement (if applicable).

## **ADDITIONAL INFORMATION REGARDING THE NOTES OFFERED AND THE OFFER**

### **Yield**

The yield and the method whereby the yield is calculated will in each case be disclosed in the Final Terms if this is practicable at the time the Final Terms are published.

### **Basis of Authorisation**

No specific resolutions, authorisations or approvals by the Issuer's corporate bodies are required for the issue of Notes under the Programme.

No authorisation procedures are required of Société Générale by French law for the establishment of the Programme on a fiduciary basis or the granting of the guarantee in respect of the Notes.

### **No material adverse change**

There has been no material adverse change in the prospects of the Issuer and of the Guarantor and its consolidated subsidiaries (taken as a whole) since their last respective audited financial statements dated 31 December 2009.

### **Significant change in the financial or trading position**

There has been no significant change in the financial or trading position of the Issuer and of the Guarantor and its consolidated subsidiaries (taken as a whole) since their last respective audited financial statements dated 31 December 2009.

### **Litigation**

Except as disclosed in their respective Registration Documents (section headed "*Significant Court or Arbitration Proceedings*" with respect to the Issuer and sections headed "*Risks and disputes*" and "Legal and Arbitration Proceedings" with respect to the Guarantor), there are no litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the Programme or the issue of Notes thereunder to which the Issuer and of the Guarantor are a party nor, to the best of the knowledge and belief of the Issuer and of the Guarantor, are there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the Programme or the issue of Notes thereunder which would in either case jeopardise their ability to discharge their respective obligations in respect of the Programme or of Notes issued thereunder. The most significant litigation in which the Guarantor is currently involved is briefly described in the section headed "*Risks and disputes*" in the English version of the 2010 Registration Document of Société Générale copies of which are available at the offices of the Issuer and of the Guarantor specified at the end of this Prospectus. The information provided in the section headed "*Risks and disputes*" may be updated from time to time, and if any such updates constitutes a significant new factor for the purposes of Article 16 of the Prospectus Directive, it shall be made by way of a Supplement to the Debt Issuance Programme Prospectus.

### **Third Party Information**

Any information included in this Prospectus and specified to be sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information available to it from the relevant third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information. The Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

## **Placing and Underwriting**

### *Paying Agents*

The Issuer will appoint Société Générale, Frankfurt am Main branch, to act as Paying Agent. The Issuer may appoint further paying agents other than the Paying Agent referred to above and will give notice of any changes made to such Paying Agent. The relevant Paying Agent(s) will be specified in the Final Terms.

### *Underwriting*

Unless otherwise specified in the Final Terms, the Notes issued under this Programme will be underwritten in whole by Société Générale in its capacity as Dealer and/or by any additional Dealer specified in the Final Terms pursuant to a dealer agreement entered into between the Issuer and Société Générale.

### *Calculation Agent*

Details relating to the calculation agent, if any and if different from Société Générale, can be found in the Final Terms.

## **Admission to Trading and Dealing Arrangements**

### *Admission to Trading*

The Issuer may apply for the admission of the Notes issued on the basis of this Prospectus to trading on the Official Market and the Regulated Market of the Frankfurt Stock Exchange or any other regulated or unregulated market in the European Economic Area, as specified in the Final Terms.

### *Secondary Market*

The Dealer Agreement does not contain a firm commitment by the Dealer or any other person to act as intermediary in the secondary market and to provide liquidity through bid and offer rates. Information relating to a secondary market making on a case by case basis, if any, will be set forth in the relevant Final Terms.

## **Additional Information**

### *Advisers*

If any advisers are involved in an issue, such advisers will be set out in the Final Terms.

### *Audit Reports*

The issues of Notes will be audited or reviewed by a statutory auditor only in connection with the auditing of the annual or interim financial statements of the Issuer, to the extent such audits are required.

### *Experts*

In connection with the preparation of this Prospectus, the Issuer has not relied on statements made by experts.

### *Information Sources*

Details relating to the information sources from which information included in the Final Terms have been obtained can be found in the relevant Final Terms.

### *Credit Rating*

Due to the issue of the Notes by the Issuer on a fiduciary basis for the benefit and for the account of the Guarantor, the Noteholders directly depend on the credit risk of the Guarantor (see "Description of the Trust Agreement and the Limitation of Recourse"). As of the date of approval of this Prospectus, the Guarantor has received the following ratings from Standard and Poor's, Moody's and Fitch set out below:

Aa2 Moody's

A+ Standard & Poor's

A+ Fitch

(see "Risk Factors – Risk Factors Relating to the Notes").

This information has been reproduced from the 2010 Registration Document of the Guarantor (pages 2 and 54).

## DOCUMENTS AVAILABLE FOR INSPECTION

During the validity of this Prospectus (i.e. period of 12 months following the date of its publication), copies of the following documents will be, when published, available for inspection during normal business hours at the registered offices of Société Générale, Frankfurt am Main branch, at Neue Mainzer Str. 46 - 50, D-60311 Frankfurt am Main:

- the Issuer's articles of association (with English translation thereof) as amended on 5th October, 1990;
- the Issuer's audited financial statements as well as the management reports and cash-flow statements (with English translations thereof) for the years ended 31st December, 2009 and 2008;
- this Prospectus, any Supplement(s) and any supplementary information that the Issuer may be required to provide pursuant to Sec. 16 WpPG as well as the "Final Terms" containing the final terms in relation to Notes offered for public subscription and/or listed Notes (being understood that Final Terms relating to private placement Notes will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer or Paying Agent as to its holding of such Notes and identity);
- any document to be provided annually following the disclosure of the financial statements pursuant to Sec. 10 WpPG;
- the Agency Agreement entered into by the Issuer and the Guarantor;
- Société Générale's articles of association in the current version;
- Société Générale's reference documents for the years ended 31st December, 2008 and 2009 including the audited consolidated and unconsolidated financial statements for the years 2008 and 2009;
- the Guarantee dated 6th May 2010 of Société Générale in favour of the Noteholders; and
- the Trust Agreement between the Issuer and Société Générale dated 28th February, 2006.

**GUARANTOR**

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**ISSUER**

**Société Générale Effekten GmbH**  
Neue Mainzer Str. 46 - 50  
D-60311 Frankfurt am Main  
Germany

**ARRANGER**

**Société Générale**  
Tours Société Générale  
17 Cours Valmy  
92987 Paris la Défense Cedex  
France

**DEALER**

**Société Générale**  
Tours Société Générale  
17 Cours Valmy  
92987 Paris la Défense Cedex  
France

**AGENT AND PAYING AGENT**

**Société Générale**  
Tours Société Générale  
17 Cours Valmy  
92987 Paris la Défense Cedex  
France

**ADDITIONAL AGENT(S) AND/OR PAYING AGENT(S)**

**Société Générale,**  
**Frankfurt am Main branch**  
Neue Mainzer Str. 46 - 50  
D-60311 Frankfurt am Main  
Germany

**Société Générale Bank & Trust**  
11, avenue Emile Reuter  
L-2420 Luxembourg  
RCS Luxembourg B 6061

**LISTING AGENT(S)**

**Société Générale,**  
**Frankfurt am Main branch**  
Neue Mainzer Str. 46 - 50  
D-60311 Frankfurt am Main  
Germany

**Société Générale Bank & Trust**  
11, avenue Emile Reuter  
L-2420 Luxembourg  
RCS Luxembourg B 6061

**Société Générale**  
Tours Société Générale  
17 Cours Valmy  
92987 Paris la Défense Cedex  
France

**Société Générale**  
Via Olona, 2  
20123 Milano  
Italy

**LEGAL ADVISERS**

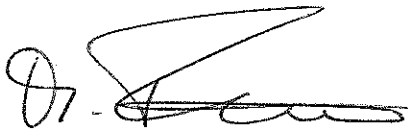
*To the Issuer, the Guarantor and the Dealer  
as to German Law*

**BRP Renaud & Partner**  
Niedenu 13 - 19  
D-60325 Frankfurt am Main  
Germany

Frankfurt am Main, 4th May 2010


**Société Générale Effekten GmbH**

**Frankfurt am Main**

sign.  A. Oswald sign.

**Société Générale**

**Paris**

sign.  A. Oswald sign.