

SOLENTIS INVESTMENT SOLUTIONS PCC

**a public protected cell company incorporated with limited liability in Jersey,
with registered number 105685**

Principal Memorandum

**forming part of one or more Private Placement Memorandums for the
issuance of Preference Shares**

Structuring Agent and Determination Agent

SOCIETE GENERALE

This Principal Memorandum, when read together with the applicable Supplemental Memorandum relating to one or more Classes of Preference Shares, constitutes both the Private Placement Memorandum setting out the terms on which those Preference Shares are made available to eligible investors under the relevant Offer and, where those Preference Shares are listed on the Official List of The International Stock Exchange (“TISE”) subject to the listing rules of The International Stock Exchange Authority Limited (“TISEA”), listing particulars for the application to list the Preference Shares on the Official List of TISE.

Dated 26 March 2019

IMPORTANT

THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY PREFERENCE SHARES YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF YOUR INVESTMENT AND THE RISKS INVOLVED AND TAKE INTO ACCOUNT YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PRINCIPAL MEMORANDUM OR THE RELEVANT SUPPLEMENTAL MEMORANDUM, YOU SHOULD TAKE FINANCIAL, LEGAL, ACCOUNTING, TAX AND OTHER ADVICE, AS APPLICABLE, FROM AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER.

Solentis Investments Solutions PCC

Solentis Investments Solutions PCC (the “**Company**”) is a public protected cell company which was incorporated on 13 May 2010 with limited liability under the Companies (Jersey) Law 1991 with registration number 105685. The Company will establish one or more public protected cells (each of which will constitute a Fund). **It is recommended that, if you are unfamiliar with the nature of Jersey public protected cell companies, you discuss this aspect of the Company with your usual adviser.**

This Principal Memorandum should be read and construed in conjunction with the relevant Supplemental Memorandum, and taken together they constitute the Private Placement Memorandum for the relevant Preference Shares. The Principal Memorandum and the applicable Supplemental Memorandum may have been modified, amended and restated on more than one occasion. Please ensure that the Principal Memorandum and the Supplemental Memorandum you receive have not been modified, amended or restated by any further versions. In case of any discrepancy between this Principal Memorandum and the applicable Supplemental Memorandum for a particular Fund, the applicable Supplemental Memorandum will prevail but only in respect of that Fund.

Persons responsible for this Principal Memorandum

The Directors of the Company, whose names appear under the heading “DESCRIPTION OF THE COMPANY”, accept responsibility for the information contained in this Principal Memorandum other than the section headed “SOCIETE GENERALE” set out in the section headed “SERVICE PROVIDERS” of this Principal Memorandum, for which the Company Structuring Agent accepts responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case), the information contained in this Principal Memorandum is in accordance with the facts as at the date of this Principal Memorandum and does not omit anything likely to affect the import of such information. None of the Company Structuring Agent (except as stated above), the Determination Agent or the Listing Sponsor is responsible for or accepts any liability for the accuracy or completeness of the information contained in this Principal Memorandum.

Regulatory status of the Company in Jersey/Listed Fund status

Each Fund will be established in Jersey as a listed fund under a fast-track authorisation process. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice.

Regulatory requirements which may be deemed necessary for the protection of retail or inexperienced investors, do not apply to Listed Funds. By investing in the Fund, the Company, its protected cells or the Preference Shares you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced requirements accordingly.

You are wholly responsible for ensuring that all aspects of the relevant Fund, the Company and its protected cells are acceptable to you. Investment in Listed Funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the relevant Fund and the potential risks inherent in the relevant Fund, the Company, its protected cells and the Preference Shares you should not invest in the relevant Fund.

Further information in relation to the regulatory treatment of Listed Funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org.

This Principal Memorandum together with the relevant Supplemental Memorandum in respect of the relevant Fund is a prospectus prepared in accordance with the Collective Investment Funds

(Certified Funds – Prospectuses) (Jersey) Order 2012. A copy of the Principal Memorandum and each Supplemental Memorandum has been or will be sent to the Jersey Financial Services Commission.

The Company is the holder of a certificate under the Collective Investment Funds (Jersey) Law 1988. The Investment Manager and the Corporate Administrator are registered to conduct “fund services business” under the Financial Services (Jersey) Law 1998. **The Jersey Financial Services Commission is protected by these laws against liability arising from the discharge of its functions under them. The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or any Fund or for the correctness of any statements made or expressed in the Private Placement Memorandum.**

An investment in any Fund involves a high degree of many risks. Prospective investors should be experienced with respect to investment in financial instruments such as Preference Shares, be able to evaluate the financial risks of investing in a Fund and be able to bear the economic consequences of investment in that Fund including any possibility of the loss of the entire investment. Prospective investors should only reach an investment decision after careful consideration, with their legal, tax, accounting, financial and other advisers, of (i) their goals and risk tolerance, (ii) suitability of an investment in that Fund in relation to those investment goals and acceptable risk tolerance, (iii) their particular financial, fiscal and other circumstances, and (iv) the information set out in this Principal Memorandum and the relevant Supplemental Memorandum.

It should be remembered that the price of Preference Shares and the income from them can go down as well as up and that Shareholders may not receive on redemption of their Preference Shares the amount they invested. IN SOME CASES, THE AMOUNT INVESTORS MAY RECEIVE ON REDEMPTION COULD EVEN BE NIL.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from or the tax consequences of an investment in a Fund. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this Principal Memorandum or the applicable Supplemental Memorandum as legal, investment or tax advice.

Listing of the Preference Shares

As each Fund will be regulated as a Jersey listed fund, its Preference Shares issued by each Cell must be listed on a Recognised Stock Exchange or Market (as defined in the Listed Fund Guide). It is expected that the Preference Shares issued by each Cell will be listed on TISE but there is no assurance that the Preference Shares will be listed on TISE. The Preference Shares may be listed on another Exchange. It is expected that the listing of Preference Shares will become effective on issue of the Preference Shares. If Preference Shares are listed on TISE, this Principal Memorandum, together with the Supplemental Memorandum relating to those Preference Shares will comprise a ‘Listing Document’ for the purposes of the application to TISEA. Although the Preference Shares will be listed on an Exchange, it should be expected that there will be no trading of the Preference Shares on such exchange in practice.

Neither the admission of the Preference Shares to the Official List of TISE nor the approval of the Principal Memorandum and any Supplemental Memorandum by TISEA will constitute a warranty or representation by TISEA as to the competence of the service providers to or any other party connected with the Fund, the adequacy and accuracy of the information contained in the Principal Memorandum or any Supplemental Memorandum or the suitability of the Fund for investment or any other purpose.

Severability

Should any one or more of the provisions contained in any of the Sections of this Principal Memorandum or the Supplemental Memorandum be or become invalid, the validity of the remaining provisions will not in any way be affected thereby.

DISTRIBUTION

General

Except as otherwise specified in the applicable Supplemental Memorandum, the only persons authorised to use this Principal Memorandum and the Supplemental Memorandum in connection with an Offer of Preference Shares are the Company and the persons named in the relevant Supplemental Memorandum as a Distributor and/or Selling Agent.

Any investment decision with respect to the Preference Shares of any Class must only be made on the basis of the information contained in this Principal Memorandum and the applicable Supplemental Memorandum. Any further information or representation given or made by any Distributor, Selling Agent, dealer, salesman or other person in respect of the Company, any Fund or any Preference Shares should be disregarded, and accordingly must not be relied upon. Neither the delivery of this Principal Memorandum, nor the offer, issue or sale of any Preference Shares will, under any circumstances, constitute a representation that the information given in this Principal Memorandum is correct as of any time subsequent to its date. Statements made in this Principal Memorandum are based on the law and practice in force in Jersey and the United Kingdom, as applicable, as at the date of issue of this Principal Memorandum and are subject to change.

Nothing in this Principal Memorandum or the applicable Supplemental Memorandum or anything communicated by or on behalf of any Fund to investors or potential investors with respect to Preference Shares is intended to constitute or should be construed as advice by the Company and/or any Fund on the merits of the purchase of, or subscription for, the relevant Preference Shares or the exercise of any rights attached thereto or otherwise as investment advice for the purposes of the Financial Services (Jersey) Law 1998 or otherwise.

If you are in any doubt as to whether you can rely on this Principal Memorandum or the applicable Supplemental Memorandum and/or who is responsible to you for the contents of such documents you should take independent legal advice.

Distributors

Each Distributor 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 the Preference Shares or possesses or distributes the Private Placement Memorandum and any other offering material relating to the Preference Shares of the relevant Class and will obtain any consent, approval or permission reasonably required by it for the purchase, offer, sale or delivery by it of such Preference Shares 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 any Fund nor any other Distributor will have any responsibility for such purchases, offers, sales or deliveries.

Subject as provided above and as otherwise agreed between any Fund, the Investment Manager and any relevant Distributor, each Distributor will agree, unless prohibited by applicable law, either to provide to each person to whom it offers, sells or delivers Preference Shares a copy of the Private Placement Memorandum (as then amended or supplemented) or (unless delivery of the Private Placement Memorandum is required by applicable law) inform each such person that a copy of the Private Placement Memorandum (as then amended or supplemented) will be made available upon request. No Distributor is authorised to give any information or to make any representation not contained in the Private Placement Memorandum or any other information which the relevant Fund may provide to each Distributor.

Restrictions on distribution

The distribution of this Principal Memorandum and the offering or purchase of Preference Shares may be restricted in certain jurisdictions. If you receive a copy of this Principal Memorandum you may not treat it as constituting an offer, invitation or solicitation to you to subscribe for or acquire any Preference Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement. If you wish to apply for the opportunity to purchase any Preference Shares, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in

the countries of your respective citizenship, residence or domicile. Other restrictions on distribution may apply depending on your particular circumstances.

Details of any additional selling or other restrictions that apply in respect of any particular Class (other than those set out below) will be set out in the applicable Supplemental Memorandum.

The European Economic Area:

In relation to each EEA Member State which has implemented AIFMD, this Private Placement Memorandum may only be distributed and Preference Shares may only be offered or placed in an EEA Member State to the extent that: (1) the Company or the relevant Fund is permitted to be marketed to professional investors in the relevant EEA Member State in accordance with AIFMD (as implemented into the local law/regulation of the relevant EEA Member State); or (2) this Private Placement Memorandum may otherwise be lawfully distributed and the Preference Shares may otherwise be lawfully offered or placed in that EEA Member State (including at the initiative of the investor).

In relation to each EEA Member State which, at the date of this Private Placement Memorandum, has not implemented AIFMD, this Private Placement Memorandum may only be distributed and Preference Shares may only be offered or placed to the extent that this Private Placement Memorandum may be lawfully distributed and the Preference Shares may lawfully be offered or placed in that EEA Member State (including at the initiative of the investor).

No key information document has been prepared in respect of any Class of Preference Shares in accordance with Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs). Accordingly, the Preference Shares are not available to, and no person may advise on, offer or sell Preference Shares for or to, any retail client (as defined in MiFID 2) in the EEA.

In addition, the following restrictions apply to the distribution of this Private Placement Memorandum in the European Economic Area:

France: Preference Shares may only be lawfully offered or placed in the Republic of France if the Company or the relevant Fund is permitted to be marketed to professional investors or to the extent that this Private Placement Memorandum may otherwise be lawfully distributed.

Germany: Preference Shares may in particular not be distributed or marketed in any way to German retail or semi-professional investors if the Company or the relevant Fund is not admitted for distribution to these investor categories by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

Ireland: The distribution of this Private Placement Memorandum in Ireland and the offering or purchase of Preference Shares is restricted to the individual to whom it is addressed. Accordingly, it may not be reproduced in whole or in part, nor may its contents be distributed in writing or orally to any third party and it may be read solely by the person to whom it is addressed and his/her professional advisers. Preference Shares will not be offered or sold by any person: (a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007, as amended; (b) in any way which would require the publication of a prospectus under the Companies Act 2014 or any regulations made thereunder; or (c) in Ireland except in all circumstances that will result in compliance with all applicable laws and regulations in Ireland.

United Kingdom: Unless otherwise stated in the relevant Supplemental Memorandum (and in which case the applicable restrictions on distribution will be set out therein) the Private Placement Memorandum is being issued in the United Kingdom by the Distributor to and/or is directed only at persons who are “professional investors” for the purposes of Regulation 2(1) of the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom. The distribution of the Private Placement Memorandum is exempt from the financial promotion restriction, in accordance with Regulation 29(3) of the FSMA 2000 (Financial Promotion) Order 2005. The opportunity to invest in a Fund is only available to such persons in the United Kingdom and this Private Placement Memorandum must not be relied or acted upon by any other persons in the United Kingdom.

Outside of the European Economic Area

Australia: This Principal Memorandum is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) (the “Corporations Act”) and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Company has not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law-compliant prospectus or product disclosure statement. Accordingly, this Principal Memorandum may not be issued or distributed in Australia and the Preference Shares may not be offered, issued, sold or distributed in Australia by the Investment Manager, or any other person, under this Principal Memorandum other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act or otherwise. This Principal Memorandum does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of Preference Shares to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

China: This Principal Memorandum does not constitute a public offer of the Preference Shares, whether by sale or subscription, in the People’s Republic of China (the “PRC”). The Preference Shares are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Company or any beneficial interest therein without obtaining all prior PRC’s governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Principal Memorandum are required by the Company and its representatives to observe these restrictions.

Hong Kong: WARNING – The contents of this Principal Memorandum have not been reviewed by any regulatory authority in Hong Kong. Prospective investors are advised to exercise caution in relation to the offer. If a prospective investor is in any doubt about any of the contents of this Principal Memorandum it should obtain independent professional advice. This Principal Memorandum has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the “SFO Ordinance”) but has not been authorised by the Securities and Futures Commission pursuant to the SFO Ordinance. Accordingly, the Preference Shares may only be offered or sold in Hong Kong to persons who are “professional investors” as defined in the SFO Ordinance and any rules made under the SFO Ordinance or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the SFO Ordinance. In addition, this Principal Memorandum may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Preference Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a “professional investor” as defined in the SFO Ordinance and any rules made under the SFO Ordinance or as otherwise may be permitted by the SFO Ordinance.

Japan: The Preference Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, neither the Preference Shares nor any interest in them may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Jersey: An investment in the Preference Shares is suitable only for professional or experienced investors, or those who have taken appropriate professional advice.

South Africa: This Principal Memorandum is not intended to and does not constitute an offer, invitation, or solicitation by any person to members of the public to invest or acquire Preference Shares. This Principal Memorandum is not an offer in terms of Chapter 4 of the Companies Act, 2008. Accordingly this Principal Memorandum does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act. The Company is a foreign collective investment scheme as contemplated by section 65 of the Collective Investment Schemes Control Act, 2002 and is not approved in terms of that Act.

Switzerland: The distribution of Preference Shares in Switzerland will be exclusively made to, and directed at, regulated qualified investors (“Regulated Qualified Investors”), as defined in Article 10(3)(a) and (b) of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended. Accordingly, the Company has not been and will not be registered with the Swiss Financial Market Supervisory Authority FINMA and no Swiss representative or paying agent have been appointed in Switzerland. This Principal Memorandum and any other offering materials relating to the Preference Shares may be made available in Switzerland solely to Regulated Qualified Investors.

Taiwan: The Preference Shares are not registered in Taiwan and may not be sold, issued or offered in Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Preference Shares in Taiwan.

United States: The Preference Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities law of any state or political sub-division of the United States, and trading in the Preference Shares has not been approved by the Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act, as amended (the “**CEA**”) and no U.S. Person, for the purposes of the CEA, may at any time trade or maintain a position in the Preference Shares. No person has registered and no person will register as a “commodity pool operator” of any Fund under the CEA and the rules thereunder (the “**CFTC Rules**”) of the CFTC, and no Fund has been and no Fund will be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the “**Investment Company Act**”). The Preference Shares are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S thereunder (“**Regulation S**”).

In addition, the Securities may not be sold to, or for the account or benefit of, U.S. persons as defined in the U.S. Risk Retention Rules (“**Risk Retention U.S. Persons**”) except to the extent permitted under “foreign-related transaction” safe harbor exemption from the U.S. Risk Retention Rules. “**U.S. Risk Retention Rules**” means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that, although the definition of “U.S. person” in the U.S. Risk Retention Rules is very similar to the definition of “U.S. person” in Regulation S, there are substantial differences between the two definitions and that persons who are not “U.S. persons” under Regulation S may be “U.S. persons” under the U.S. Risk Retention Rules.

Accordingly, the Preference Shares may only be offered, sold, pledged or otherwise transferred in an “offshore transaction” (as defined under Regulation S) to or for the account or benefit of a person who (a) is not a U.S. Person as defined in Regulation S; (b) is not a Risk Retention U.S. Person; (c) is not a person who comes within any definition of U.S. Person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons” will be considered a U.S. Person); and (d) is not a Prohibited Person (such a person or account as described herein, a “**Permitted Transferee**”). The Preference Shares are available only to Permitted Transferees.

Any Shareholder intending to become a U.S. Person or a Prohibited Person is required to transfer their Preference Shares prior to becoming such a person. The Company and each Fund reserves the right to require the transfer of any Preference Shares which are, or become, owned, directly or indirectly, by a U.S. Person or a Prohibited Person.

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DESCRIPTION OF THE COMPANY

This description is intended to give you an overview of the Company and its structure and the types of Preference Shares that may be issued by the Cells. Any decision to invest in any Preference Shares should only be made after you have carefully read and understood all of the information set out or incorporated by reference in this Principal Memorandum and the applicable Supplemental Memorandum.

The Company

Solentis Investment Solutions PCC (the “**Company**”) is a public protected cell company incorporated on 13 May 2010 with limited liability in Jersey under the Companies Law with registered number 105685. The Company acting in respect of each of its protected cells is regulated as a “collective investment fund” under the Collective Investment Funds (Jersey) Law 1988.

The Company was established for the purpose of creating protected cells which will offer and issue Preference Shares. Each issuance of Preference Shares may comprise one or more Classes of Preference Shares as specified in the relevant Supplemental Memorandum. Each Class of Preference Shares may have different features.

The Company was initially established as an unregulated exchange-listed fund pursuant to the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008. Following the implementation of AIFMD in the EEA and in order to market the Preference Shares in the EEA, the Company must comply with the CF Code and the AIF Codes. As a result, the Company, acting in respect of its protected cells, is now regulated as a “collective investment fund” under the Collective Investment Funds (Jersey) Law 1988.

The Company is authorised to issue an unlimited number of no par value shares designated as ordinary shares and to create an unlimited number of protected cells. As at the date of this Principal Memorandum, the issued share capital of the Company is £2.00, comprising two ordinary shares of no par value, each of which is fully paid and was issued at a price of £1.00. All of the issued share capital of the Company is held on behalf of The Solentis Investment Solutions Charitable Trust on trust for charitable purposes by Hanom I Limited and Hanom II Limited.

Subject to the provisions of the Articles dealing with variation of rights, the Company may, by altering its Memorandum of Association by Special Resolution of the holders of the Ordinary Shares in the Company, alter its share capital in any manner permitted by the Laws.

The Cells

The Company is authorised under the Companies Law and its Articles to create one or more protected cells.

A protected cell is not a body corporate and does not have a legal personality separate from its public protected cell company. A protected cell does, however, have its own share capital separate from that of its public protected cell company, its own memorandum and articles of association and its own directors.

Under the Companies Law, a protected cell is comprised of the assets and liabilities of a public protected cell company that are attributed to that protected cell. Those assets and liabilities are segregated from the other assets and liabilities of the public protected cell company; and from the assets and liabilities of any other protected cell of the public protected cell company.

Under the Companies Law, any legal proceedings by or against the relevant protected cell must be brought by or against the public protected cell company acting in respect of the relevant protected cell rather than by or against the relevant protected cell.

Under the Companies Law, the claims of the creditors and shareholders attributable to a particular protected cell are limited to the assets of that protected cell.

Under the Companies Law and its Articles, the Company has no power to meet any liability attributable to a particular protected cell from its Non-Cellular Assets; or to meet any liability, whether attributable to a particular protected cell or not, from the Cellular Assets of another protected cell.

Under the Companies Law, if the Company is to be wound up, each protected cell must be transferred to another public protected cell company, wound up, continued as a body corporate or protected cell under the law of another jurisdiction, incorporated independently of the Company or merged with another company.

Cell Types and Classes

The Company may create Funds of the following Cell Types:

- Segregated Cells, being protected cells that issue Classes of Preference Shares for each of which a separate Class Pool is established, as further set out in the relevant Supplemental Memorandum. In a Segregated Cell, certain liabilities attributable to a particular Class, including liabilities to the Investment Counterparty and liabilities to holders of Preferred Shares of that Class, are contractually segregated, such that such parties have agreed to have no recourse to the assets of other Class Pools established by the same Fund.
- Non-Segregated Cells, being protected cells that issue Classes of Preference Shares in respect of all which a single Fund Assets Pool is established, as further set out in the relevant Supplemental Memorandum. In a Non-Segregated Cell, there is no contractual segregation of liabilities from assets attributable to different Classes of Preference Shares.

A Fund of either Cell Type may issue Preference Shares of one or more Classes. The Cell Type of Fund will be specified in the relevant Supplemental Memorandum.

Where the relevant Supplemental Memorandum provides that the Fund may issue more than one Class of Preference Shares, the treatment of liabilities attributable to each Class may be further detailed in that Supplemental Memorandum.

Solentis cells established whilst Solentis was an unregulated fund

Whilst the Company operated as an unregulated exchange-listed fund pursuant to the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008, it established twelve cells. The cells were Solentis Investment Solutions 001 PC, Solentis Investment Solutions 002 PC, Solentis Investment Solutions 003 PC, Solentis Investment Solutions 004 PC, Solentis Investment Solutions 005 PC, Solentis Investment Solutions 006 PC, Solentis Investment Solutions 007 PC, Solentis Investment Solutions 008 PC, Solentis Investment Solutions 009 PC, Solentis Investment Solutions 010 PC, Solentis Investment Solutions 011 PC and Solentis Investment Solutions 012 PC. The letters PC stand for 'protected cell' in each case.

Each of the above protected cells of the Company issued a single class of preference shares. Each class of preference shares so issued has, at the date of this Principal Memorandum, been redeemed in full (save for the preference shares issued by Solentis Investment Solutions 012 PC). In addition, each of the above protected cells of the Company (save for Solentis Investment Solutions 012 PC) has been dissolved, having been wound up on a solvent basis following the redemption of the relevant preference shares.

The preference shares issued by the Company acting in respect of Solentis Investment Solutions 012 PC are the Target Income Global Three Preference Shares.

The assets available to fund the return on the Target Income Global Three Preference Shares are limited to the assets of the Company acting in respect of Solentis Investment Solutions 012 PC (the **Cell #12 assets**). No recourse may be had to any Non-Cellular Assets or to the assets of any other Cell (whether now existing or to be established) in order to fund the return on the Target Income Global Three Preference Shares. The Cell #12 assets are, pursuant to the Companies Law, segregated from the assets of other Cells and the Company.

The Company acting in respect of Solentis Investment Solutions 012 PC contracted with service providers, counterparties and others on a "limited recourse" basis to ensure (as far as possible) that the claims of such persons against the Company acting in respect of Solentis Investment Solutions 012 PC are limited to the Cell #12 assets.

The Preference Shares

The Preference Shares issued by each Fund will be designed to offer a return in the form of a payment at redemption and may offer income in the form of periodic dividend or other payments on specified dates, as described in the Supplemental Memorandum for the relevant Class of Preference Shares.

The return may be linked to the performance of one or a combination of a wide range of assets which may include, without limitation, debt, equity or derivative securities, rates, inflation, commodities, fund units, partnership interests, deposits, loans, derivative contracts, repurchase contracts, or other financial instruments or securities. The return on certain assets, such as derivative contracts, may in turn be linked, without limitation, to underlying reference items (which may include indices, shares, debt or derivatives securities, investments, funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies).

The return may be static or subject to the exercise of investment management discretion or other factors as described in the Supplemental Memorandum for the relevant Class of Preference Shares. Such return in respect of a Class of Preference Shares will be described more fully in the applicable Supplemental Memorandum.

The rights and obligations attaching to a Class of Preference Shares will be set out in the Articles and the applicable Supplemental Memorandum for such Class. The Supplemental Memorandum for the relevant Class of Preference Shares will specify the applicable returns, when such returns are payable and the terms on which they are payable (including whether capital is at risk) and the applicable income, when such income is payable and the terms on which it is payable.

Separate accounting records will be maintained for each separate Class of Preference Shares.

Private Placement Memorandum

You should carefully read and understand the Private Placement Memorandum prior to investing in any Preference Shares. The Private Placement Memorandum for each Class of Preference Shares will be in two parts – this Principal Memorandum and the applicable Supplemental Memorandum.

This Principal Memorandum contains information about the Company and general information about the Funds and the offer and issue of Preference Shares. The applicable Supplemental Memorandum will contain the product-specific terms of the Preference Shares of the relevant Class together with information on how the Preference Shares will be redeemed, product-specific risk factors and other product-specific information. Where two or more Classes of Preference Shares are issued by a Fund, that Fund may choose to prepare a separate Supplemental Memorandum for each Class or may include details for all of the Classes in a single Supplemental Memorandum. Should there be any inconsistency between the contents of this Principal Memorandum and any Supplemental Memorandum, the contents of such Supplemental Memorandum shall, to the extent of any such inconsistency, prevail.

It is important that you obtain, carefully read and understand the applicable Supplemental Memorandum for each Class of Preference Shares in which you are considering an investment.

Documents relating to each Fund

The documents relating to each Fund comprise the constitutional documents of that Fund together with all of the service provider agreements.

Those documents are:

- the Memorandum and the Articles of the Fund;
- the Fund Agreement to be executed by each of the service providers appointed by each Fund and any amendments to such Fund Agreement in respect of a specific Class of Preference Shares; and
- the master terms documents incorporated within the Fund Agreement. Those master terms documents comprise the Master Agency Terms, Master Custodian Terms, Master Determination Agency Terms, Master Collateral Agency Terms, Master Investment Management Terms,

Master Process Agent Terms, Master Corporate Administration Terms, Master Registrar Terms, Master Listing Sponsor Terms, the EMIR Obligations Master Terms.

Such documents will generally be available for inspection by shareholders at the registered office of the relevant Fund during ordinary business hours, and the shareholders may obtain a copy of each such document upon written request to the Corporate Administrator at its registered office and subject to payment of a reasonable sum.

Directors

The Company and each Cell will have the same directors and it is expected that two directors will be provided by the Corporate Administrator and one director will be provided by the Investment Manager. The Directors are responsible for managing the affairs of the Company and each Cell in accordance with the relevant Memorandum and the relevant Articles. Any matter to be decided on by the Directors requires a majority of Directors attending the relevant board meeting to vote in favour. The Directors may delegate certain functions to other parties such as the Corporate Administrator and the Investment Manager. For the avoidance of doubt, any matter so delegated will not require the delegate to obtain a majority decision of the Directors.

The current Directors are:

Angelo Orosco: Angelo is a qualified accountant with a bachelor's degree in accounting. He has expertise covering a range of financial services entities including listed funds, structured investment vehicles, note and commercial paper programmes as well as standard securitisations. Angelo also works on investment funds listed on the premium segment of the London Stock Exchange and has been involved in the preparation and monitoring of financial prospects and procedures of such funds. Prior to joining Sanne, Angelo worked as an audit senior manager at KPMG.

Angelo's professional address is IFC 5, St. Helier, Jersey JE1 1ST.

Stephanie Hopkins: Stephanie Hopkins is Co-Head of the Private Debt and Capital Markets business of Sanne Group. Stephanie is a chartered secretary and she is a director of a number of special purpose vehicles in Jersey. She specialises in the administration of capital markets structures across a range of institutional corporate customers. She is also a director of a number of subsidiaries within Sanne Group.

Stephanie's professional address is IFC 5, St. Helier, Jersey JE1 1ST.

Gwenith Chimwaza: Gwenith is a manager in the Structured Investor Solutions and Lyxor department of SG Kleinwort Hambros Trust Company (CI) Limited responsible for the management of a team providing administration and trusteeship of private equity funds, hedge funds and securitisation programmes. Gwenith acts as a director of a number of funds promoted by the Societe Generale group. Gwenith is also Alternate Director of SG Kleinwort Hambros Corporate Services (CI) Limited. Gwenith is a fellow of the Association of Chartered Certified Accountants.

Gwenith's professional address is SG Hambros House, 18 Esplanade, St. Helier, Jersey, JE4 8RT.

Angelo Orosco and Stephanie Hopkins are directors who are independent of Societe Generale and SG Kleinwort Hambros.

Policies and procedures for the appointment and replacement of directors

The quorum necessary for the transaction of the business of the Directors will be three, but if a majority of the Directors present are resident in the United Kingdom or France, the Directors present, irrespective of their number, will not constitute a quorum for any purpose except that specified in Article 39.5 of the Articles.

Appointment of Directors

The minimum number of Directors will be three.

No person will be appointed to be a Director if it would cause or permit a majority of Directors to be resident in the United Kingdom or France.

The Directors, with the prior consent of the majority of holders of Ordinary Shares, have power at any time and from time to time to appoint any person to be a Director.

Resignation, Disqualification and Removal of Directors

The office of a Director of a Cell will be vacated if:

- (a) he resigns his office by notice to the Cell; or
- (b) he ceases to be a Director by virtue of any provision of the Laws or he becomes prohibited or disqualified by law from being a Director; or
- (c) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (d) subsequent to his appointment, he becomes resident in the United Kingdom or France and a majority of Directors would be resident in the United Kingdom or France; or
- (e) he is removed from office by Special Resolution of the holders of Ordinary Shares in the Cell; or
- (f) (where he was appointed under a letter of appointment) his appointment expires or is terminated by the Directors in accordance with the letter of appointment.

Conflicts of interest of the Directors

- (a) Except as set out below and in the Supplemental Memorandum relating to the relevant Preference Shares, no Director has any interest in the promotion of, or in any property acquired or proposed to be acquired by, the Company or by the Fund relating to such Preference Shares. Unless indicated otherwise in the relevant Supplemental Memorandum, no Director or (to the knowledge of that Director, having made all reasonable enquiries) associate (as defined in the listing rules of TISEA) of that Director has an interest in the Preference Shares of any Class.
- (b) There are no service contracts in existence between the Company and any of its Directors. There will be no service contracts in existence between any Fund and any of its Directors.
- (c) The services of Angelo Orosco and Stephanie Hopkins as Directors of the Company and of each Fund are provided as part of the Corporate Administrator's corporate administration services to the Company. Angelo and Stephanie are not separately remunerated for providing such services. The services of Gwenith Chimwaza as a Director of the Company and of each Fund are provided as part of the Investment Manager's services to the Company. Gwenith is not separately remunerated for providing such services. No other arrangements subsist whereby any Director has waived or agreed to waive any future emoluments and no discounts or special terms have been granted to any Director.
- (d) Angelo and Stephanie are employees of an entity within the Sanne Group of companies, which includes Sanne Fiduciary Services Limited, which is the Corporate Administrator of the Company and is expected to be the Corporate Administrator of each Fund, and Sanne Secretaries Limited, which is the secretary of the Company and is expected to be the secretary in respect of each Fund.
- (e) Gwenith Chimwaza is an employee of an entity within the Kleinwort Hambros group of companies, which includes SG Kleinwort Hambros Corporate Services (CI) Limited (formerly known as SG Hambros Fund Managers (Jersey) Limited) which is indirectly a wholly owned subsidiary of Societe Generale. SG Kleinwort Hambros Corporate Services (CI) Limited will

be appointed as the Investment Manager in respect of any Preference Shares issued by a Fund and will be appointed by each Fund as a non-EU AIFM.

- (f) Other than as described in this Principal Memorandum and any Supplemental Memorandum, no Director is materially interested in any transaction, contract or arrangement which is or was unusual in its nature or conditions or significant in relation to the business of the Company or any Cell and which was effected by the Company either during the current or immediately preceding financial year or during an earlier financial year and which remains in any respect outstanding or unperformed.
- (g) Since its incorporation, the Company has not been involved and is currently not involved in any legal or arbitration proceedings, nor are the Directors aware of any pending or threatened legal or arbitration proceedings by or against the Company at the date hereof which may have or have had a significant effect on the Company's financial position.
- (h) At the date of this Principal Memorandum, there are no outstanding loans by the Company to the Directors and no guarantees have been provided by the Company for the benefit of the Directors.

Cell creation process and share capital

A protected cell of the Company is created following the passing of a Special Resolution by the holders of Ordinary Shares in the Company. The Ordinary Shares of the Company are held on behalf of The Solentis Investment Solutions Charitable Trust on trust for charitable purposes by Hanom I Limited and Hanom II Limited. The Special Resolution provides for the creation of the relevant protected cell, sets out that protected cell's name and adopts that protected cell's Memorandum and Articles.

The authorised capital of each Cell will be set out in the relevant Supplemental Memorandum. Ordinarily, each Cell will be authorised to issue:

- (i) an unlimited number of Ordinary Shares of no par value; and
- (ii) an unlimited number of Preference Shares of no par value.

The Ordinary Shares of a Cell will be held on behalf of The Solentis Investment Solutions Charitable Trust on trust for charitable purposes. Preference Shares will be issued at a price specified in, or calculated by reference to factors specified in, the relevant Supplemental Memorandum.

Subject to the provisions of the Articles dealing with variation of rights, a Fund may, by altering its Memorandum of Association by Special Resolution of the holders of Ordinary Shares in the Company, alter its share capital in any manner permitted by the Laws.

Certain provisions of the Articles of the Company relating to its protected cells

The following contains only a summary of certain provisions of the Articles of the Company relevant to the creation of protected cells, restructuring of protected cells and the segregation of assets and liabilities of the Company.

(a) Creation of protected cells

The Company may, by Special Resolution of the holders of Ordinary Shares in the Company, resolve to create one or more protected cells in the manner permitted by the Companies Law.

(b) Restructuring

Subject to the provisions of the Laws (but without limitation to any other rights of the Company under the Laws):

- (i) a protected cell in the Company may be transferred by the Company to any other cell company;

- (ii) a protected cell may be transferred by any other cell company to the Company and thereby become a protected cell in the Company; and
- (iii) the Company may enter into an agreement with a company to provide that that company will become a protected cell of the Company.

(c) *Assets and Liabilities*

Each Director will exercise his or her powers and will discharge his or her duties in such a way as best ensures that:

- (i) the Cellular Assets are kept separate and are separately identifiable from the Non-Cellular Assets; and
- (ii) the Cellular Assets attributable to each Cell are kept separate and are separately identifiable from the Cellular Assets attributable to other Cells.

(d) *Winding-up*

Under the Laws, if the Company is to be wound up, each protected cell must be transferred to another public protected cell company, wound up, continued as a body corporate or protected cell under the law of another jurisdiction, incorporated independently of the Company or merged with another company.

Subject to any particular rights or limitations for the time being attached to any Shares, as may be specified in the Articles or upon which such Shares may be issued, if the Company is wound up, the assets available for distribution among the Shareholders will be applied first in repaying to the members the amount paid up on their Shares respectively, and if such assets will be more than sufficient to repay to the members the whole amount paid up on their Shares, the balance will be distributed among the members in proportion to the amount which at the time of the commencement of the winding-up had been actually paid up on their said Shares respectively.

If the Company is wound up, the Company may, with the sanction of a special resolution and any other sanction required by the Laws, divide the whole or any part of the assets of the Company among the members in specie and the liquidator or, where there is no liquidator, the Directors, may, for that purpose, value any assets and determine how the division will be carried out as between the members or different classes of members and, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as they or he with the like sanction determines, but no member will be compelled to accept any assets upon which there is a liability.

(e) *Authorisation of Directors of the Funds*

There is to be no limit on the duration of the authorisation of the Directors of a protected cell to issue Preference Shares of any Class.

A full version of the Memorandum and the Articles of the Company is available for inspection at the registered office of the Company.

A summary of the main provisions of the Memorandum and the Articles of the relevant Cell (including in relation to the variation and amendment rights, voting rights and subscription and redemption rights) will be set out in the applicable Supplemental Memorandum.

Financial statements and annual report

The financial statements of the Company and each Fund will be prepared in accordance with IFRS unless the Directors of the Company or the relevant Fund respectively determine at a future time that another accounting regime is more appropriate to the circumstances of the Company or the relevant Fund, as applicable, at such time. The financial statements of the Company and each Fund will be audited in accordance with the Companies Law. The financial statements of the Company and each then-existing Fund will be prepared up to 31 December in each year and, where required to do so to comply with the applicable listing rules, sent to each relevant Exchange within a period of six months or such shorter period as required by the relevant Exchange following the relevant accounting date. The latest audited financial statements, any report by the auditors and the latest annual report may be viewed on TISE's

website, in accordance with Article 3(1)(d) of the Collective Investment Funds (Certified Funds - Prospectuses) (Jersey) Order 2012:

<http://www.tisegroup.com/market/companies/3448>

Since the date of the last financial statements, there has been no material adverse change, or material liability incurred, in relation to the Company. Any changes will be disclosed at the TISE web-site.

Commencing with the financial year ending 31 December 2019, to the extent required by the AIFMD Rules, the annual report will be prepared, and the relevant financial information therein audited, in accordance with the AIFMD Rules, and the latest such annual report and financial statements will be available to prospective investors on request from the Corporate Administrator or may be viewed at the TISE web-site.

Neither the Company nor any Fund will prepare interim financial statements unless required to do so in order to comply with the rules of any Exchange on which any Class of Preference Shares may be listed. In particular, where the Preference Shares of a particular Fund are treated as equity securities, an interim account will be prepared for such Fund.

The annual general meeting of the Company and of each Fund for each year considers the accounts for the previous financial year and the appointment of the auditor. Only holders of Ordinary Shares in the Company or the relevant Fund will be entitled to attend and vote on such matters at the relevant annual general meeting.

Periodic and regular disclosure

The following information will, if required under the AIFMD Rules (and otherwise in the discretion of the Company or the Investment Manager), be disclosed for each Fund to Shareholders by way of a quarterly report made available to the Shareholders on TISE's website (www.tisegroup.com) or from the Corporate Administrator upon request. This information will also be disclosed to the Jersey Financial Services Commission.

- (a) The percentage of the Company's Non-Cellular Assets and Fund assets that are subject to special arrangements arising from their illiquid nature.
- (b) Any new arrangements for managing the liquidity of the Funds including, but not limited to, any material changes to the liquidity management systems and procedures employed by the Investment Manager, provided that Shareholders will be notified in a manner described above in accordance with the AIFMD Rules where special arrangements are activated.
- (c) The current risk profile of the Funds and the risk management systems employed by the Investment Manager to manage those risks.
- (d) The total amount of leverage employed by the Funds (if any).

The following information will be provided by the Investment Manager to Shareholders in accordance with the AIFMD Rules, if required thereunder (and otherwise in the discretion of the Company or the Investment Manager):

- (a) Any imposition of a maximum level of leverage (if any) which the Investment Manager may employ on behalf of any Fund, or any changes thereto; and
- (b) Any changes to the right of re-use of collateral held by a counterparty to a Fund or any changes to any guarantee granted under any of a Fund's leveraging arrangements.

Legal or arbitration proceedings

As at the date of this Principal Memorandum and since the Company's incorporation, neither the Company nor any Cell has been involved in or is currently involved in any legal or arbitration proceedings, and the Directors are not aware of any pending or threatened legal or arbitration proceedings by or against the Company or any Cell that might have or have had a significant effect on the financial position of the Company or any Cell.

RISK FACTORS

THE CONSIDERATIONS SET OUT BELOW ARE OF A GENERAL NATURE. WHEN DECIDING TO PURCHASE OR HOLD ANY PREFERENCE SHARES, THE INVESTORS SHOULD CAREFULLY CONSIDER THE RISK INVOLVED, INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED BELOW.

Anyone considering the purchase of any Preference Shares should read the Private Placement Memorandum (and, in particular, the Risk Factors in this Principal Memorandum and the Risk Factors in the applicable Supplemental Memorandum) to understand some of the risks involved in buying the applicable Class of Preference Shares. An investor considering the purchase of any Preference Shares should read carefully and be familiar with the terms of the relevant Supplemental Memorandum for the applicable Class of Preference Shares and should consider carefully the suitability of an investment in such Class of Preference Shares in light of their individual financial and other circumstances.

The Preference Shares, unless specified differently in the Supplemental Memorandum are not guaranteed by Societe Generale or any of its Affiliates, nor by any other person. Holders of Preference Shares will only be able to look to the proceeds realised by the relevant Fund from the relevant assets held by the Fund allocated to the relevant Preference Shares for amounts scheduled to be paid in respect of such Preference Shares.

The risks referred to in this Principal Memorandum and the Supplemental Memorandum could, alone or collectively, reduce the investment return on the Preference Shares and could result in the loss of all or a proportion of your investment in the Preference Shares.

The Preference Shares may rise or fall in value and investors may lose some or all of their investment.

The levels and basis of taxation and reliefs from taxation may change at any time and any such change may be made with retrospective effect. Any such change could have adverse consequences for you.

Please consider all risks carefully before investing in any Preference Shares and consult your professional independent financial adviser and legal, accounting, financial, tax and other advisers with respect to any investment in the Preference Shares.

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 PREFERENCE SHARES

The Preference Shares may have different structures

A wide range of Preference Shares may be issued by the Funds. A number of these Preference Shares may have features which present particular risks for potential investors. Set out below is a description of the most common such features, which may increase the risk of investing in such Preference Shares, although other less common risks may also be applicable. Additional risks may be disclosed in the relevant Supplemental Memorandum.

Suitability for the investor of any Class of Preference Shares

An investment in the Preference Shares of each Class involves complex risks and is only suitable for investors who (either alone or in conjunction with an appropriate financial, legal, accounting, tax or other adviser) are able to evaluate the merits and risks of such an investment and who are financially able to bear any losses that may result from such an investment.

Investment in the Preference Shares of each Class is only suitable for investors who:

- (a) have the requisite knowledge and experience in financial and business matters (either alone or in conjunction with an appropriate financial, legal, accounting, tax or other adviser) to evaluate

- the merits and risks of an investment in the Preference Shares and the risks associated with the relevant Underlying(s) and relevant Underlying Fund Investment;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
 - (c) are capable of bearing the economic risk of an investment in the Preference Shares, the performance of which may be linked to the relevant Underlying(s), until their Final Redemption Date;
 - (d) recognise that it may not be possible to dispose of the Preference Shares for a substantial period of time, if at all; and
 - (e) are capable of bearing the loss of their entire investment in the Preference Shares.

None of the Company (acting in respect of itself or any Cell), any Fund, each Structuring Agent, the Investment Manager, any Distributor, any Selling Agent nor any of the other agents of the Company or any Fund or any agents or delegates of the Investment Manager or advisers listed at the end of this Principal Memorandum or any of their respective Affiliates will provide investment advice in respect of the Preference Shares or determine the suitability or appropriateness for you of an investment in any Preference Shares unless separately and expressly agreed with you. Accordingly, prospective investors in the Preference Shares should make their own independent decision (based upon their own judgement and upon advice from such independent advisers as they may deem necessary) to invest in such Preference Shares and not rely on any communication (written or oral) of the Company (acting in respect of itself or any Cell in the Company), the relevant Fund, each Structuring Agent, the Investment Manager, any Distributor, any Selling Agent or any other of such persons as investment advice or as a recommendation to invest in any Preference Shares, it being understood that information and explanations relating to any Preference Shares will not be considered to be investment advice or a recommendation to invest in the relevant Preference Shares or an assurance or guarantee as to the expected results of an investment in any Preference Shares.

Legal investment considerations may restrict investment in the Preference Shares

The investment activities of certain investors are subject to 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 (i) Preference Shares can be used as collateral for various types of borrowing and (ii) other restrictions apply to its purchase, or resale of any Preference Shares. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Preference Shares under any applicable risk-based capital or similar rules.

No legal advice

Each prospective investor should consult its own advisers as to legal, financial, regulatory and related aspects of investment in the Preference Shares.

The Preference Shares are subject to selling restrictions

The Preference Shares may be subject to certain selling restrictions. Preference Shares may not be offered or sold to, or for the account or benefit of, a person who is not a Professional Client.

The Preference Shares have not been and will not be registered under the Securities Act or the securities laws of any state or political subdivision of the United States and trading in the Preference Shares has not been approved by the CFTC under the CEA and no U.S. Person may at any time trade or maintain a position in the Preference Shares. No person has registered and no person will register as a “commodity pool operator” of any Fund under the CEA and the CFTC Rules, and no Fund has been and no Fund will be registered as an investment company under the Investment Company Act.

In addition, the Securities may not be sold to, or for the account or benefit of, U.S. persons as defined in the U.S. Risk Retention Rules (“Risk Retention U.S. Persons”) except to the extent permitted under “foreign-related transaction” safe harbor exemption from the U.S. Risk Retention Rules. “U.S. Risk Retention Rules” means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective

investors should note that, although the definition of “U.S. person” in the U.S. Risk Retention Rules is very similar to the definition of “U.S. person” in Regulation S, there are substantial differences between the two definitions and that persons who are not “U.S. persons” under Regulation S may be “U.S. persons” under the U.S. Risk Retention Rules.

Accordingly, the Preference Shares may only be offered, sold, pledged or otherwise transferred in an “offshore transaction” (as defined under Regulation S) to or for the account or benefit of a person who (a) is not a U.S. Person as defined in Regulation S; (b) is not a Risk Retention U.S. Person and (c) is not a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons” will be considered a U.S. person); and (d) is not a Prohibited Person (such a person or account as described herein, a “Permitted Transferee”). The Preference Shares are available only to Permitted Transferees.

Details of any additional selling or other restrictions that apply in respect of any particular Class will be set out in the applicable Supplemental Memorandum.

Additionally, Preference Shares can only be sold or otherwise sold or transferred as described in the applicable Supplemental Memorandum related to the Preference Shares. Such restrictions on transfer may limit the liquidity of such Preference Shares. Consequently, a purchaser must be prepared to hold such Preference Shares for an indefinite period of time.

“Fully principal protected” or “partially principal protected” repayment to the investor of the original investment

The Preference Shares may be “fully principal protected” or “partially principal protected”. This means that the amount of money you are scheduled to receive at the end of the life of the Preference Shares is at least the same as, in the case of full principal protection, or partially the same as, in the case of partial principal protection, the original issue price of the Preference Shares. This does not mean that you will definitely be repaid the protected amount of your capital as there are other risks that may reduce the repayment of your capital.

The principal protection will only apply at the relevant Final Redemption Date for your Preference Shares, i.e. if your investment in the Preference Shares is held until the Preference Shares are redeemed by the Fund. If you sell your Preference Shares prior to the Final Redemption Date, this can only be in the secondary market (if any) and will be at the secondary market price available at that time. Secondary market prices (if any) reflect the price that third parties are willing to pay for the Preference Shares at that time. There can be no assurance that you will receive a price in the secondary market that will allow you to recover the money you originally invested – see “No assurance that there will be a secondary market in the Preference Shares” below.

No assurance that there will be a secondary market in the Preference Shares

An investment in the Preference Shares should be viewed as a medium to long-term investment. Although a Market Maker (including Societe Generale and/or any of its Affiliates acting as Market Maker) may offer to buy and sell Preference Shares in the secondary market during their investment term, any Market Maker may cease to undertake any such market making activities at any time at its sole discretion. For example, any such Market Maker may decide in its sole and absolute discretion not to offer to buy and/or sell Preference Shares if it determines that market conditions are unfavourable for the Market Maker, or that the Market Maker is likely to be in breach of applicable laws and regulations or its internal policies and limits. Any secondary market price published by any Market Maker for the Preference Shares will be indicative only and will reflect numerous factors including supply and demand, trade size, credit risk, price volatility, costs of funding, interest rates, administration costs, the performance of and demand for exposure to the applicable Underlyings as well as a bid/offer spread.

Accordingly, there can be no assurance that at any time there will be a secondary market for the Preference Shares. Furthermore, investors should not expect that any secondary market price that is published for any Preference Shares will be available for execution of any actual secondary market trade or that any secondary market price will be calculated entirely or almost entirely by reference to the net

asset value per share of the Preference Shares or an index of any description, or by reference to any index or asset referred to in the terms of the Preference Shares.

Potential cross-liability between Cells

(a) *No recourse to the assets of any other protected cell in the Company*

The Company has been established as a public protected cell company under the Companies Law. Pursuant to the Companies Law, the assets of each Cell are segregated from the assets of other Cells and the Company. This structure was chosen primarily with a view to achieving segregation between the assets and liabilities attributable to different Cells. Each Cell will issue Preference Shares comprising one or more Classes.

This type of structure (the public protected cell company or equivalent) does not exist in most jurisdictions, and the law of other jurisdictions may not uphold or recognise the legal segregation provided by the Companies Law. With a view to minimising this risk, each Cell will seek to contract with all parties on a “limited recourse” basis (see “Limited recourse arrangements” below).

(b) *Legal proceedings*

Each Fund is not a body corporate and does not have a legal personality separate from the Company. Any legal proceedings by or against a Fund must be brought by or against the Company acting in respect of the relevant Cell but under the Laws recourse against the Company for any such proceedings will be limited to the assets of the relevant Cell. Similarly, any amounts recovered under any such legal proceedings will be allocated to the relevant Cell. Under the Laws and the Articles, the Company has no power to meet any liability attributable to a Fund from its Non-Cellular Assets or to meet any liability (whether attributable to the Fund or not) from the Cellular Assets of another protected cell in the Company.

Under the Laws, if a creditor of a Fund receives, or receives the benefit of, any assets of the Company that are not assets of that Fund to meet its claim, such creditor will be liable to pay to the Company an amount equal to the benefit so obtained. If the creditor manages to seize, attach or otherwise levy execution against any such assets, then the creditor will hold such assets on trust for the Company and must pay or return them on demand to the Company.

(c) *Allocation of liabilities among all shareholders*

Each Fund will not be a separate legal entity. The Company as a whole is one legal entity. Thus, save to the extent that a creditor of the Company is bound by the segregation rules under the Laws and/or has agreed to limit its recourse to a particular Fund, all of the assets of the Company will be available to meet all of the obligations and liabilities of the Company. This will be the case regardless of whether or not such obligations and liabilities are attributable to a particular Class or Cell. However, the Company will wherever possible seek to contract on a limited recourse basis (see “Limited recourse arrangements” below) and, under the Laws, the assets of one Fund will not as a matter of Jersey law be available to meet the liabilities of another Fund or the liabilities of the Company not attributable to the relevant Fund.

For example, if under the terms of a Derivative Contract, the relevant Fund is for any reason required to make an early termination payment to the Investment Counterparty (which might occur where the relevant Fund is unable to meet its payment obligations under such Derivative Contract, for example, following the default of an issuer of a Debt Security held by the Fund as an Underlying Fund Investment), the relevant Fund’s assets may be insufficient to fund such early termination payment. In such circumstances, unless the Investment Counterparty to the Derivative Contract is bound by the segregation rules under the Laws or has contracted with the Company on a “limited recourse” basis, the Investment Counterparty may have recourse to the other assets of the Company, including the assets of other Funds.

(d) *Limited recourse arrangements*

Each Fund will seek to contract with parties on a “limited recourse” basis such that claims against such Fund would be contractually restricted to the relevant assets of the relevant Fund, and such parties will have no recourse to any Non-Cellular Assets of the Company or any Cellular Assets of any other

protected cell in the Company and any shortfall will be extinguished. Each of the contracts described in “SERVICE PROVIDERS” section will contain limited recourse restrictions.

However there is no guarantee that each Fund will be able to contract on a limited recourse basis with respect to any other agreements that the relevant Fund may enter into from time to time in relation to any particular Class.

(e) *Consequences of winding-up proceedings*

If a Fund fails for any reason to meet its obligations or liabilities, or is unable to pay its debts as they fall due, insolvency proceedings may be commenced in respect of the relevant Fund and/or the Company. The commencement of such proceedings may entitle creditors to terminate contracts with the Fund and/or the Company and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the relevant Fund or the Company being dissolved and the assets of the relevant Fund or the Company, as the case may be, being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the liabilities of the relevant Fund or the Company, as the case may be, before any amount is distributed to the relevant Shareholders.

Potential cross-liability between Classes

(a) *No limited recourse arrangements within Non-Segregated Cells*

The Fund will issue Preference Shares comprising one or more Classes. Accounting records of the Fund will reflect, in respect of each Class of Preference Shares issued by the Fund, the Underlying Fund Investments attributed to such Class of Preference Shares. However, where a Fund is a Non-Segregated Cell, such that it is created with a single Fund Assets Pool rather than a number of Class Pools, there will be no statutory or contractual segregation of liabilities between the Classes issued by the Fund. Notwithstanding the fact that a creditor of the Company is bound by the segregation rules under the Laws, all of the assets attributable to a Class of the Fund will be available to meet all of the obligations and liabilities of the Fund. This will be the case regardless of whether or not such obligations and liabilities are attributable to a particular Class.

The lack of legal segregation of liabilities between Classes means that a holder of Preference Shares of any Class will be entitled to look to the assets of the Fund attributable to the Fund Asset Pool for all payments (including dividends, if applicable) payable in respect of Preference Shares of that Class. If the realised proceeds of the Underlying Fund Investments acquired and/or entered into by the Fund in respect of any relevant Class are insufficient to pay any amounts payable in respect of the Preference Shares of that Class, the Shareholder will have, in respect of its Preference Shares, a right of payment out of all of the Fund's assets attributable to the Fund Asset Pool (which the Fund will allocate on a pro rata basis according to the latest net asset value of that Class and the latest net asset value per Preference Share of that Class). The Shareholder will not have any claim against or recourse to any Non-Cellular Assets of the Company or any Cellular Assets of any other protected cell in the Company.

The amounts received by a Shareholder in respect of its Preference Shares may therefore, if the assets attributable to a different Class of Preference Shares are insufficient to meet its liabilities, be less than the amount that would otherwise have been received.

(b) *Limited recourse arrangements within Segregated Cells*

With respect to a Fund that is a Segregated Cell, such that it is created with one or more Class Pools rather than a single Fund Assets Pool, a holder of Preference Shares of any Class will be entitled to look solely to the Class Pool attributable to such Class of Preference Shares held by the relevant Fund for all payments (including dividends, if applicable) payable in respect of those Preference Shares. If the realised Class Pool of the relevant Fund is insufficient to pay any amounts payable in respect of the relevant Preference Shares, a holder of such Preference Shares will have no further right of payment in respect of its Preference Shares nor any claim against or recourse to any other assets of the relevant Fund, any Non-Cellular Assets of the Company or any Cellular Assets of any other protected cell in the Company.

With respect to a Fund that is a Segregated Cell, the relevant Fund will seek to contract with parties on a “limited recourse” basis such that claims against such Fund in respect of one Class would be contractually restricted to the assets of the relevant Class Pool, in which case such parties will have no recourse to the assets of any other Class Pool of the Fund and any shortfall will be extinguished. In particular, any contract constituting an Underlying Fund Investment between the Fund and the Investment Counterparty will include such limited recourse provisions. However, with respect to contractual counterparties other than the Investment Counterparty there can be no guarantee or expectation that such limited recourse provisions can or will be agreed. In respect of any liability of a Fund in relation to a Class of Preference Shares that is not subject to a contractual limited recourse provision, cross-liability risks between Classes of Preference Shares in a Segregated Cell apply in the same way as they do in respect of a Non-Segregated Cell.

Absence of fixed maturity

Each Fund may issue Preference Shares that do not have a determined maturity. Therefore, the duration of the Preference Shares is (except insofar as Shareholder Optional Redemption rights apply to the Class of Preference Shares) dependent on redemption of the Preference Shares by the Fund. A decision by the Fund whether to redeem any Preference Shares will be made at the Directors’ sole discretion, acting in consultation with the Investment Manager. If there is no secondary market, there might be no possibility for the investors to sell the Preference Shares.

Risks related to issues of Further Preference Shares

Each Fund may at any time and from time to time issue further Preference Shares (“**Further Preference Shares**”) of the same Class as existing Preference Shares (“**Existing Preference Shares**”). The Further Preference Shares will participate on a commingled basis with the Existing Preference Shares. The net proceeds of the issue of any such Further Preference Shares will be invested in Underlying Fund Investments issued by and/or entered into with the same Investment Counterparties as the Existing Preference Shares. Such Underlying Fund Investments may have different levels, rates, prices or economic terms to the Underlying Fund Investments acquired or entered into with the net proceeds of the issue of the Existing Preference Shares (“**Existing Underlying Fund Investments**”).

This may have a positive or negative impact on the value of the relevant Fund and the ability of the Fund to pay amounts scheduled to be paid in accordance with the terms set out in the relevant Supplemental Memorandum.

In addition, the net proceeds of any Further Preference Shares may be invested in the Underlying Fund Investments issued by or entered into with the same Investment Counterparties as the Investment Counterparties to the Existing Underlying Fund Investments even where the credit quality of the relevant Investment Counterparties has decreased since the issue of any Existing Preference Shares.

Further Preference Shares will be issued at a price equal to the Net Asset Value per Share of the Existing Preference Shares as of the day that is five Business Days prior to the date of issue of such Further Preference Shares. In volatile market conditions the Net Asset Value per Share of the Preference Shares could change materially between the time as of which the price at which the Further Preference Shares are to be issued is determined and the date on which such Further Preference Shares are issued. If the Net Asset Value per Share of the Preference Shares increases during this period the Net Asset Value per Share of the Existing Preference Shares will be diluted on issue of the Further Preference Shares.

RISK RELATING TO THE REDEMPTION OF PREFERENCE SHARES

Fund’s ability to meet its payment obligations in respect of the Preference Shares

In order to generate the cash flows to fund the applicable Redemption Amount (if any) and any Intermediate Amount payable in respect of the Preference Shares, the relevant Fund will acquire Underlying Fund Investments which may comprise a Derivative Contract entered into between the relevant Fund and the Investment Counterparty. Any payment by the Fund in respect of the Preference Shares is therefore dependent upon the receipt by the Fund of payments from, and the performance of its obligations by, the Investment Counterparty as Investment Counterparty under such Derivative Contract. If the Investment Counterparty fails to perform its obligations to the Fund and the realisation proceeds of any collateral arrangement such as collateral provided under the CSA are insufficient to cover the

shortfall, there will be a shortfall in the Fund and the Fund will not be able to pay in full the amounts scheduled to be paid in respect of the Preference Shares.

Therefore, no guarantee can be given that the specified Redemption Amount (if any) or Intermediate Amount (if any) scheduled to be paid in respect of the Preference Shares will be paid as the Preference Shares are subject, among other matters, to the credit risk of the Investment Counterparty and (if applicable) any guarantor as more particularly described below.

During the investment term of Preference Shares the credit quality of the Investment Counterparty will be subject to change and may deteriorate. This may occur for a number of reasons and may be reflected in the credit rating attributed to the Investment Counterparty. This may have a negative impact on the value of the Fund and the ability of the Fund to pay amounts scheduled to be paid in accordance with the terms set out in the relevant Supplemental Memorandum.

During the investment term of the Preference Shares, the Underlying Fund Investments in respect of the Preference Shares may vary and may additionally or alternatively comprise other Underlying Fund Investments issued by or entered into with the Investment Counterparties (which may be Societe Generale and/or one of its Affiliates). Any change in the Underlying Fund Investments held by the Fund may increase or concentrate the Fund's counterparty risk and in turn adversely affect the Fund's ability to pay the amounts scheduled to be paid in respect of the Preference Shares in accordance with the terms set out in the relevant Supplemental Memorandum.

The Preference Shares are solely obligations of the relevant Fund and neither the Company (acting in respect of itself or any other protected cell in the Company) nor the Investment Counterparty or any other person has any obligation to the Shareholders for payment of any amount payable in respect of the Preference Shares.

None of the Company (acting in respect of itself or any Cell in the Company), the relevant Fund, the Investment Manager, the Corporate Administrator, the relevant Distributor, any Selling Agent or each Structuring Agent: (i) has provided or will provide prospective purchasers of the Preference Shares with any information or advice with respect to any Investment Counterparty or (where applicable) the guarantor of any Investment Counterparty or (where applicable) the issuers of any securities to which the return on or any other terms of the Preference Shares are linked; or (ii) makes any representation as to the credit quality of any Investment Counterparty or (where applicable) the guarantor of or any collateral provided by any Investment Counterparty or the issuers of or counterparties to any Underlying Fund Investment to which the return on or any other terms of the relevant Preference Shares are linked. The Company (acting in respect of itself or any Cell in the Company), the relevant Fund, the Investment Manager, the Corporate Administrator, the relevant Distributor, any Selling Agent or each Structuring Agent may have acquired, or during the term of the Preference Shares may acquire, non-public information with respect to an Investment Counterparty or (where applicable) the guarantor of any Investment Counterparty, any collateral provided by an Investment Counterparty/ies (if any), or the issuers of or counterparties to any Underlying Fund Investment to which the return on or any other terms of the Preference Shares are linked which will not be disclosed to Shareholders.

The Fund has no capacity to pay any dividend in respect of any Preference Shares except to the extent such dividend is payable in accordance with the Laws and the terms set out in the relevant Supplemental Memorandum.

The only source of funding that will be available to the relevant Fund to acquire and/or enter into and/or support the Underlying Fund Investments designed to fund the amounts payable in respect of the Preference Shares and/or any other amounts payable by the Fund in connection with such Preference Shares will derive from the capital contributed by the subscribers of the Preference Shares.

All payments made to Shareholders in respect of the Preference Shares are subject to the Companies Law. The Companies Law provides that no Preference Shares may be redeemed and no distribution (including a dividend) may be paid on the Preference Shares unless the Directors have formed the view that immediately after the shares have been redeemed or the distribution paid (as the case may be) that the Fund will be able to discharge its liabilities as they fall due and that will remain the case for 12 months after the redemption or distribution.

Circumstances in which Market Maker may request the early redemption of their Preference Shares

Each Market Maker holding a number of Preference Shares specified in the Supplemental Memorandum under “Circumstances in which the Market Maker may request early redemption” will have a right to request that part or all of his/her/its Preference Shares be redeemed by the relevant Fund on the relevant Market Maker Optional Redemption Valuation Date. Such request for redemption may be accepted at the Directors’ discretion (after consultation with the Investment Manager).

In certain market conditions (for example where there is no secondary market for the Underlying Fund Investments or where the Underlying Fund Investments are highly volatile or illiquid or where there is no market appetite for counterparty risk with the applicable Investment Counterparty) it may not be possible or may be very difficult for the Determination Agent to value and/or for the Investment Manager to realise the Underlying Fund Investments in accordance with the principles set out in the Articles, as envisaged in the definition of “Market Maker Optional Redemption Amount”. In such circumstances the Determination Agent may determine the value of the Underlying Fund Investments backing the Preference Shares in its sole and absolute discretion acting in good faith and in a commercially reasonable manner taking into account such principles and such other factors as it determines are appropriate or the Directors (following consultation with the Investment Manager) will have the right to delay the relevant Market Maker Optional Redemption Date.

Accordingly, investors who are qualified to request the early redemption of part or all of their investment in the Preference Shares (subject to Directors’ approval of such redemption) should not expect to receive the Net Asset Value per Share on any Market Maker Optional Redemption Date. Furthermore, the Market Maker Optional Redemption Amount in respect of the Preference Shares may be less than the amount originally invested per Preference Share.

For Preference Shares without any Shareholder Optional Redemption

A Shareholder will not be entitled to require a Preference Share to be redeemed on any date prior to its Scheduled Final Redemption Date. Any Shareholder wishing to dispose of Preference Shares may only do so by means of a transfer (if the Shareholder finds a buyer or other transferee) effected on or prior to close of business on the Final Redemption Date.

For Preference Shares with Shareholder Optional Redemption

If a Shareholder requests the redemption of its Preference Shares in accordance with its Shareholder Optional Redemption rights in respect of the Preference Shares, the relevant Fund will, subject to the Directors’ consent (after consultation with the Investment Manager), pay on each Shareholder Optional Redemption Date the corresponding Shareholder Optional Redemption Amount in respect of each of the outstanding Preference Share in each case in the Settlement Currency and in accordance with the Articles, the Laws, the Supplemental Memorandum, and this Principal Memorandum. If the Preference Shares are redeemed, investors may lose part or all of their original investment in the Preference Shares.

In certain market conditions (for example where there is no secondary market for the Preference Shares or the Underlying Fund Investments backing the Preference Shares or where the Underlying Fund Investments are highly volatile or illiquid or where there is no market appetite for counterparty risk with the applicable Investment Counterparty) it may be very difficult to establish the value (if any) of the Preference Shares. In such circumstances, the Determination Agent will determine the value of the Preference Shares in its sole and absolute discretion acting in good faith.

Furthermore, if the relevant Fund is not able to realise any Underlying Fund Investments in a timely fashion, the Shareholder Optional Redemption Date may be set for a date that occurs a long time after the date of the Shareholder Optional Redemption.

Circumstances in which the Fund can compulsorily redeem the Preference Shares early

If the relevant Fund determines that there is an Early Redemption Event in respect of the Preference Shares, the Fund may, but will not be obliged to, compulsorily redeem each outstanding Preference Share. If the Preference Shares are compulsorily redeemed, investors may lose part or all of their original investment in the Preference Shares.

In certain market conditions (for example where there is no secondary market for the Preference Shares or the Underlying Fund Investments backing the Preference Shares or where the Underlying Fund Investments are highly volatile or illiquid or where there is no market appetite for counterparty risk with the applicable Investment Counterparty) it may be very difficult to establish the value (if any) of the Preference Shares. In such circumstances, the Determination Agent will determine the value of the Preference Shares in its sole and absolute discretion acting in good faith.

Furthermore, if the relevant Fund is not able to realise any Underlying Fund Investments in a timely fashion, the Early Redemption Date may be set for a date that occurs a long time after the applicable Early Redemption Event.

Consequences of an early redemption or termination of the Underlying Fund Investments

Underlying Fund Investments such as Derivative Contracts or repurchase agreement may include termination provisions arising as a result of, for example, (i) illegality, (ii) the imposition on payments by the relevant Fund of a withholding which the relevant Fund is unable to gross-up and (iii) default or early termination of one or more of the other Underlying Fund Investments. The terms and conditions of certain Underlying Fund Investments such as Debt Securities, Deposits, Loans and/or Other Financial Instruments contain default provisions, tax redemption provisions and other terms with which the issuer of or counterparty to the relevant Underlying Fund Investment must comply and which, if not complied with, may lead to their early redemption or termination, as applicable.

If any Underlying Fund Investments are redeemed or terminated before their scheduled date of redemption, termination or maturity (as applicable) or are otherwise realised by the relevant Fund before their scheduled date of redemption, termination or maturity (as applicable) as a result of default or otherwise, the amount (if any) received by the relevant Fund upon such redemption, termination, maturity or realisation may be reinvested by the relevant Fund in such other Underlying Fund Investments as the Directors, after consultation with the Investment Manager, may determine, in their sole and absolute discretion, having regard to, among other matters, the time between the termination, redemption, maturity or realisation of the relevant Underlying Fund Investments and the relevant date for redemption of the Preference Shares, the dividend payments (if any) scheduled to be paid and the quantum of the relevant Redemption Amount (if any). The Preference Shares may, at the election of the relevant Fund, after consultation with the Investment Manager, be redeemed early if any Underlying Fund Investments are redeemed or terminated or mature or are otherwise realised before their scheduled date of redemption, termination or maturity (as applicable).

Early Redemption Events

An Early Redemption Event will occur in the circumstances specified in the section headed “DIVIDEND AND REDEMPTION AMOUNTS” and the relevant Supplemental Memorandum. These may include (but are not limited to) the situation that the relevant Fund’s obligations in respect of the Preference Shares become illegal or impractical, part or all of the relevant Fund’s hedging arrangements are no longer legal or practical, the number of outstanding Preference Shares is equal to or less than the specified Minimum Outstanding Amount or certain other events occur.

Potential shortfall following an early redemption or termination of Underlying Fund Investments

In the event that any Underlying Fund Investments are redeemed or terminated or otherwise realised early, the relevant Fund may have insufficient assets to pay the amounts otherwise scheduled to be paid by way of Intermediate Amount (if any) and/or Redemption Amount (if any). In such event, in accordance with the Articles, Shareholders will not receive the full amount otherwise scheduled to be paid. See “RISK FACTORS – Potential cross-liability between Classes – (a) No recourse to the assets of any other protected cell in the Company” risk factor.

MARKET RISKS

Market risk

Market risk is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to the Preference Shares. Market risk is specifically high on investments in

equity instruments. The risk that one or more companies will suffer a downturn or fail to increase their financial profits can have a negative impact on the Preference Shares.

Interest rate risk

Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term fixed-income securities. A rise or decline in interest rates may affect the Preference Shares.

Credit risk

Credit risk involves the risk that an issuer of a bond or similar money-market instrument or over-the-counter (“OTC”) derivative held by or on behalf of the relevant Fund relating to any Preference Shares may default on its obligations to pay revenue and repay principal and that such Fund will not recover its investment. Furthermore, a bond issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of the Preference Shares. A change in the quality rating of a bond or other security can also affect the security’s liquidity and make it more difficult to sell. Preference Shares which are exposed to lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Currency risk

Currency risk involves the risk that the value of an investment denominated in currencies other than the reference currency of Preference Shares may be affected favourably or unfavourably by fluctuations in currency rates.

Liquidity risk

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted. Accordingly, the Preference Shares may experience adverse price movements upon liquidation of the investments. Settlement of transactions may be subject to delay and administrative uncertainties, therefore, there is a risk that the relevant Fund relating to any Preference Shares will not be able to pay redemption proceeds within the time period stated in the relevant Supplemental Memorandum, because of unusual market conditions or other reasons.

Leverage risk

The use of leverage amplifies changes in the value of the Preference Shares’ underlying financial instruments, and therefore amplifies both increases and decreases in the Preference Shares’ value. The use of a high degree of leverage means that a relatively modest decrease in the value of one or more of the assets may result in a large capital loss for a Fund. Similarly, a large decrease in the value of one or more of the assets may result in a very large loss of capital for a Fund.

Options or warrants

The gearing effect of investments in options or warrants and the volatility of options or warrant prices make the risks attached to investments in options or warrants higher than in the case of investment in equities. The value of the Preference Shares may be affected by the volatility of options or warrants.

Derivative instruments

To achieve its investment objective and replicate the returns of any related reference assets, such as an index, the Preference Shares may be exposed to swaps and other over-the-counter derivatives. These derivatives involve various risks, such as counterparty risk, hedging disruption, index disruption, taxation risk, regulatory risk, operational risk and liquidity risk. These risks may affect a derivative instrument directly and may result in modification or even premature termination of the derivative transaction, which may reduce the value of the Preference Shares.

Emerging markets

These markets may be volatile and illiquid and exposure to such markets may be considered speculative and subject to significant delays in settlement. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws of emerging markets. The Preference Shares exposed to such markets, as well as the income derived therefrom, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Preference Shares may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well-defined tax laws and procedures than in countries with more developed securities markets.

COUNTERPARTY RISKS

Counterparty risk

The Preference Shares may be exposed to swap, repurchase, lending or other OTC transactions with an unregulated or lightly regulated counterparty. In the event of bankruptcy or, more generally, default of any counterparties with respect to such transactions, the value of the Preference Shares may be affected. The Preference Shares are additionally subject to the risk of the inability or refusal by a counterparty to perform with respect to such transactions.

Cash held by a counterparty by virtue of an agreement may not be treated as client money subject to the protection conferred by local rules to client money and accordingly may not be segregated; it could be used by the counterparty in the course of its investment business and each relevant Fund may therefore rank as an unsecured creditor in relation thereto.

A Fund may be subject to the risk of the inability of its counterparties (including Societe Generale or any of its affiliates) to perform any of their obligations. Such counterparties may include brokers (who may hold cash or other assets of such Fund representing margin and premium), issuers of certificates of deposit, bonds and notes (including embedded derivatives) and OTC derivatives counterparties. If a default were to occur in relation to any of a Fund's counterparties, then such Fund may or may not have contractual remedies pursuant to the agreement with the relevant counterparty. Further, to the extent contractual remedies are available, they may be subject to bankruptcy and insolvency laws which could affect a Fund's rights as a creditor. Any of these may result in an adverse effect on the value of a Fund's investments.

Societe Generale Group counterparty risk

A Fund's assets may be held by and/or exposed and/or available solely to Societe Generale and/or other members of the Societe Generale Group, including, but not limited to, as custodians, sub-custodians, counterparties, cash depositaries, prime brokers or otherwise. Accordingly the assets of a Fund may be exposed to the creditworthiness or solvency of the Societe Generale Group.

Societe Generale Group as Investment Counterparty

Societe Generale and/or its Affiliates may be an Investment Counterparty in respect of the Underlying Fund Investments held by the relevant Fund, or an Investment Counterparty's payment obligations under the Underlying Fund Investment held by the relevant Fund in order to fund amounts payable in respect of the Preference Shares may be guaranteed by Societe Generale. The performance by Societe Generale and/or its Affiliates of its payment obligations under the applicable Underlying Fund Investments or guarantee may be affected by certain risk factors that relate to Societe Generale Group and its controlled entities (the "**Societe Generale Group**").

Societe Generale Group is exposed to the risks inherent in its core businesses

An investment in the Preference Shares involves certain risks which should be assessed prior to any investment decision. In particular, the Societe Generale Group is exposed to the risks inherent in its core businesses, including:

- Global economic risks: The global economy and financial markets continue to display high levels of uncertainty, which may materially and adversely affect the Group's business, financial situation and results of operations. The Group's results may be affected by regional market exposures. The Group operates in highly competitive industries, including in its home market.
- Credit risks: The Societe Generale Group is exposed to counterparty and concentration risks. The Societe Generale Group's hedging strategies may not prevent all risk of losses. The Societe Generale Group's results of operations and financial situation could be adversely affected by a significant increase in new provisions or by inadequate provisioning for loan losses.
- Market risks: The protracted decline of financial markets or reduced liquidity in such markets may make it harder to sell assets or manoeuvre trade positions and could lead to material losses. The volatility of the financial markets may cause the Societe Generale Group to suffer significant losses on its trading and investment activities.

The financial soundness and conduct of other financial institutions and market participants could adversely affect the Societe Generale Group. The Societe Generale Group may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

- Operational risks: The Societe Generale Group's risk management system may not be effective and may expose the Societe Generale Group to unidentified or unanticipated risks, which could lead to significant losses. Operational failure, termination or capacity constraints affecting institutions the Societe Generale Group does business with, or failure or breach of the Societe Generale Group's information technology systems, could result in losses.

To prepare its consolidated financial statements in accordance with IFRS as adopted by the European Union, the Societe Generale Group relies on assumptions and estimates which, if incorrect, could have a significant impact on its financial statements.

The Societe Generale Group's ability to attract and retain qualified employees, as well as significant changes in the regulatory framework related to employees and compensation, may materially adversely affect its performance. If the Societe Generale Group makes an acquisition, it may be unable to manage the integration process in a cost-effective manner or achieve the expected benefits.

The Societe Generale Group may incur losses as a result of unforeseen or catastrophic events, including terrorist attacks or natural disasters.

- Structural interest and exchange risks: Changes in interest rates may adversely affect the Societe Generale Group's banking and asset management businesses. Fluctuations in exchange rates could adversely affect the Societe Generale Group's results of operations.
- Liquidity risk: The Societe Generale Group depends on access to financing and other sources of liquidity, which may be restricted for reasons beyond its control.
- Non-compliance and reputational risks; litigation: Reputational damage could harm the Societe Generale Group's competitive position. The Societe Generale Group is exposed to legal risks that could negatively affect its financial situation or results of operations.

The Societe Generale Group is subject to an extensive supervisory and regulatory framework in each of the countries in which it operates and changes in this regulatory framework could have a significant effect on the Societe Generale Group's businesses and costs, as well as on the financial and economic environment in which it operates. A number of exceptional measures taken by governments, central banks and regulators could be amended or terminated.

- Other risks: Risks may arise related to the implementation of the Societe Generale Group's strategic plan. The creditworthiness of the Company may affect the market value of the Preference Shares. The United Kingdom's impending departure from the European Union could adversely affect the Societe Generale Group.

Potential loss of investment even if the Investment Counterparties perform

Even if the Investment Counterparties perform their obligations in respect the Underlying Fund Investments and any collateral arrangements backing any Preference Shares, you will be exposed to the market risks applicable to your Preference Shares. Investors are at risk of losing part or all of the invested capital and/or receive no investment return on invested capital depending on the performance of the Underlying(s) to which the Preference Shares give investment exposure.

The section headed “FUND INVESTMENT STRATEGY AND OBJECTIVES” sets out details of the collateral arrangements that will be entered into in respect of the Preference Shares. Although such collateral arrangements may reduce the counterparty risk to which the Fund and in turn holders of the Preference Shares are exposed, the collateral arrangements may not eliminate any such counterparty risk.

RISK FACTORS RELATING TO PREFERENCE SHARES LINKED TO ONE OR MORE UNDERLYING(S)

Capitalised terms used but not defined in this section or in the “DEFINITIONS” section shall, as the context requires, have the meanings given to them in the Additional Terms and Conditions specified in the relevant Supplemental Memorandum.

Nature of the investment exposure to Underlyings

The Preference Shares may be designed to give investment exposure to one or more Underlyings on the basis specified in the applicable Supplemental Memorandum.

A Fund may issue Preference Shares where dividend amounts or the redemption amount is determined by reference to an index or formula, to changes in the prices of securities or commodities, to interest rates, to credit risk, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). Potential investors should be aware that:

- they may receive no dividends;
- payments may occur at a different time than expected;
- they may lose all or a substantial portion of the amount invested;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Preference Shares in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on any amounts payable will likely be magnified;
- the timing of changes in a Relevant Factor may affect the return 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 the return; and
- the market price of such Preference Shares may be volatile and may depend on the expected Final Redemption Date and the volatility of the level of the index or indices.

The historical performance of an Underlying should not be viewed as an indication of the future performance of such Underlying during the term of the Preference Shares. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Preference Shares linked to an Underlying and the suitability of such Preference Shares in light of its particular circumstances.

The Redemption Amount (if any) and any Intermediate Amounts and the timing of any such payment may depend on the performance of one or more Underlyings on specified dates.

Accordingly, each investor should ensure that it understands what Preference Shares give investment exposure to, the nature of such investment exposure and what will happen to its investment if the Underlyings do not perform in the way that the investor expects.

An investment in Preference Shares is not the same as a direct investment in the Underlyings. An investor in the Preference Shares has no interest in the Underlying and will only have a defined investment exposure to such Underlying. Furthermore, if the investment returns on the Preference Shares are not designed to track the returns that would be payable on an investment of the same amount and duration directly in the Underlying, then an investment in the Preference Shares may perform less well than a direct investment of the same amount over the same term in the Underlying.

The level or price of an Underlying can go down as well as up and may not reflect its performance in any prior period.

Any increase or fall in the level or price of the Underlyings other than on the dates specified in the Supplemental Memorandum will not be reflected in amounts (if any) payable in respect of the Preference Shares.

Preference Share exposure to Underlyings subject to averaging

Exposure to the Underlyings may be subject to averaging, and this may significantly reduce the amounts payable in respect of the Preference Shares.

Preference Shares may offer leveraged exposure to one or more Underlyings

The Preference Shares may offer leveraged exposure to one or more Underlyings, which may offer the potential for higher investment returns but is also likely to entail higher risk as the effect of poor performance is also likely to be magnified. In addition, the cost of obtaining leveraged exposure (if any) is reflected in the Supplemental Memorandum.

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

Unlike conventional fixed rate or floating rate debt securities, Preference Shares whose payments are calculated by reference to an Underlying, may not provide investors with periodic payments. Further, with respect to the Redemption Amount, the effective return on the Preference Shares may be less than that which would be payable on a conventional fixed rate or floating rate debt security. The return of only the Redemption Amount of each Preference Share upon redemption by the Fund may not compensate the holder for any opportunity cost implied by inflation and other factors relating to the value of money over time.

The performance of the Underlyings

Investors who are not sure how an Underlying will perform or how such performance may affect the Preference Shares should take advice from a suitably qualified adviser.

Factors that may affect an Underlying may include market demand and supply, dividend yields, interest rates, foreign exchange risk, credit ratings, inflation rates, availability of finance, economic, financial and political conditions, regulatory changes and judicial decisions.

In recent years, the performance of many types of Underlyings including equity indices, equities and commodities has been volatile. There can be no assurance as to the future performance of any Underlying or that Underlying will or will not remain volatile.

None of the Company (acting in respect of itself or any protected cell in the Company), the relevant Fund, the Investment Manager, the Structuring Agent, the Distributor, or any Selling Agent will undertake any due diligence in respect of any Underlyings or assume any responsibility for keeping holders of Preference Shares updated with respect to developments or information relating to any Underlyings. Unless otherwise stated in this Principal Memorandum, information relating to an Underlying will be extracted or derived from public sources and will not be independently verified by any of the above persons.

Accordingly, investors must perform their own due diligence in respect of the Underlying to which the relevant Preference Shares give investment exposure and the nature of such investment exposure both before they make an investment in the Preference Shares and during their investment term.

Risks relating to the new Benchmark Regulation

The regulation and reform of “benchmarks” may adversely affect the value of the Preference Shares linked to or referencing such “benchmarks”

Interest rates and Underlyings which are deemed to be “benchmarks”, are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Preference Shares linked to or referencing such a “benchmark”. The EU Benchmark Regulation (Regulation (EU) 2016/1011) (the “Benchmark Regulation”) was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a “benchmark” within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Determination Agent) of “benchmarks” provided by administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmark Regulation could have a material impact on any Preference Shares linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

In addition, the occurrence of an Administrator/Benchmark Event may cause early redemption or adjustment of the Preference Shares and the Related Agreements which may include selecting one or more successor benchmarks and making related adjustments to the Preference Shares and the Related Agreements, including if applicable to reflect increased costs. An Administrator/Benchmark Event may arise if, inter alia, any of the following circumstances occurs or may occur: (1) a benchmark is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” and/or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Preference Shares linked to or referencing a “benchmark” and the Determination Agent may make corresponding adjustments to the conditions of the Preference Shares and the Related Agreements may be modified accordingly.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to any Preference Shares linked to or referencing a “benchmark”.

Preference Shares linked to an index

(a) General

Preference Shares linked to 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 this index. It is impossible to predict whether the value of the index will fall or rise during the term of the Preference Shares; and
- the level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded. The index may reference equities, bonds or other securities or it may be a property index referencing certain property price data which will be subject to market price fluctuations. A property index may include valuations only and not actual transactions and the property data sources used to compile the index may be subject to change, which may adversely affect the return on the Preference Shares.

The policies of the sponsor of an index (including a sponsor that is affiliated with Societe Generale) as regards 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 Underlyings 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 Preference Shares.

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

Depending upon the calculation methodology of an index and on the provisions of the applicable Supplemental Memorandum, where the performance of an index is taken into account in order to calculate payments due under the Preference Shares, 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 index underlyings. Therefore, the yield to settlement of the Preference Shares may not be the same as the yield that would be produced if such index underlyings were purchased and held for a similar period.

(b) ***Conflicts of interest in connection with Proprietary Indices***

Societe Generale has developed an expertise in creating, structuring and maintaining indices (including SGI Indices), portfolios or strategies for which Societe Generale acts as index sponsor (the “**Proprietary Indices**”). These indices are calculated by an external calculation agent in accordance with rules which describe the methodology for determining the composition and the calculation of these proprietary indices (the “**Rules**”).

- (i) In respect of the Proprietary Indices discretionarily composed by Societe Generale or an affiliate of Societe Generale to which Preference Shares are linked, Societe Generale may face a conflict of interest between its obligations as the Structuring Agent and/or the Investment Counterparty in relation to such Preference Shares and as the composer of such Proprietary Indices, as the determination of the composition of such Proprietary Indices may have an impact on the value of the Preference Shares.
- (ii) In respect of the Proprietary Indices composed by a third party to which Preference Shares are linked, Societe Generale may face a conflict of interest between its obligations as the Structuring Agent and/or the Investment Counterparty in relation to such Preference Shares and as sponsor of such Proprietary Indices as it may, subject to the Rules, amend or supplement the relevant Rules which may have an impact on the value of the Preference Shares.
- (iii) In respect of the Proprietary Indices which are composed by applying a mathematical formula without any discretion from Societe Generale or any third party, Societe Generale may face a conflict of interest between its obligations as the Structuring Agent and/or the Investment Counterparty in relation to such Preference Shares and as sponsor of such indices as it may, subject to the Rules, modify certain parameters (such as the funding spread) or provide the

valuation of certain components which may have an impact on the value of the Preference Shares.

The roles of the different teams involved within Societe Generale in the design, maintenance and replication of the indices have been strictly defined. The replication of any index is made in the same manner by a single team within Société Générale, be it for the purpose of hedging the product held by external investors or for the purpose of the positions held by Société Générale acting as co-investor with external investors.

Societe Generale or any of its affiliates may have banking or other commercial relationships with third parties in relation to a Proprietary Index, and may engage in trading in such index (including such trading as Societe Generale and/or its affiliates deem appropriate in their sole and absolute discretion to hedge their market risk on any such other transactions that may relate to proprietary indices), which may adversely affect the level of such index.

If the hedging activities of Societe Generale or any of its affiliates in connection with a particular index are disrupted, Societe Generale or the relevant affiliate may decide to terminate calculations in relation to such index sooner than another index sponsor would in comparable circumstances. Such a termination may trigger the early redemption of the Preference Shares.

The above situations may result in consequences which may be adverse to Shareholders. The Fund assumes no responsibility whatsoever for such consequences and their impact on Shareholders.

Preference Shares linked to shares or depositary receipts

(a) *No beneficial interest in the underlying shares or depositary receipts*

A holder of the Preference Shares will not be a beneficial owner of the underlying shares or the depositary receipts and therefore will not be entitled to receive any dividends or similar amounts paid on the underlying shares or depositary receipts, nor will a Shareholder be entitled to purchase the underlying shares or depositary receipts by virtue of its ownership of the Preference Shares. Moreover, holders of the Preference Shares will not be entitled to any voting rights or other control rights that holders of the underlying shares or depositary receipts may have with respect to the issuer of such underlying shares or depositary receipts. Furthermore, if the Redemption Amount is not designed to reflect the payment of any dividends on the underlying shares or depositary receipts, then the return on the Preference Shares will not reflect the return which could be realised by an owner of the underlying shares or depositary receipts with the receipt of dividends, if any, paid on those underlying shares or depositary receipts. Therefore, the return based on the methodology for calculating the Redemption Amount will not be the same return as would be produced if the underlying shares or depositary receipts were purchased directly and held for a similar period.

(b) *Limited anti-dilution protection*

The Determination Agent may make adjustments to elements of the Preference Shares as described in the Additional Terms and Conditions for Share Linked Preference Shares. The Determination Agent is not required to make an adjustment for every corporate event that may affect the underlying shares. Those events or other actions by the issuer of underlying shares or a third party may nevertheless adversely affect the market price of the underlying shares and, therefore, adversely affect the value of the Preference Shares. The issuer of underlying shares or a third party could make an offering or exchange offer or the issuer of underlying shares could take another action that adversely affects the value of the underlying shares and the Preference Shares but does not result in an adjustment.

(c) *Risks arising from conduct of issuers of shares*

The issuers of underlying shares or depositary receipts are not involved in the offer of the Preference Shares in any way and have no obligation to consider the interests of the Shareholders in taking any corporate actions that might affect the value of the Preference Shares. The issuers of underlying shares or depositary receipts may take actions that will adversely affect the value of the Preference Shares.

Calculations, determinations and adjustments which may be made by the Determination Agent

This Principal Memorandum and the applicable Supplemental Memorandum confer on the Determination Agent a discretion in making certain calculations, determinations and adjustments that may from time to time be required. The exercise of such discretion in the making of any calculations, determinations and adjustments may adversely affect the Intermediate Amount (if any) and the Redemption Amount (if any) payable in respect of the Preference Shares, the value of the relevant Fund and the price in the secondary market (if any) of the Preference Shares. Without limitation to the generality of the foregoing, the Determination Agent may have a discretion in relation to the following matters:

- (a) the occurrence of a Market Disruption Event (as defined in the applicable Additional Terms and Conditions), which may affect (A) the timing of the dates on which the level or value of the relevant Underlyings are measured for the purpose of determining the applicable Redemption Amount and (B) the manner of determination and level or value of the relevant Underlyings on any such date;
- (b) in respect of Preference Shares linked to an index, the replacement of an index by a successor index or the replacement of an Index Sponsor with a successor Index Sponsor;
- (c) in respect of Preference Shares linked to an index, the determination of the index level of a relevant index if the relevant Index Sponsor makes a material change in the formula for or method of calculating the relevant index or fails to calculate or announce that index; and
- (d) in respect of Preference Shares linked to a basket of Shares, the occurrence of an adjustment event, which may affect the manner of determination of a share price in respect of a share.

Furthermore, the exercise of such a discretion could present the Determination Agent with certain conflicts of interest, in particular where the Determination Agent or one or more of its Affiliates are Investment Counterparties.

Risk Factors relating to Preference Shares linked to a Commodity

Commodity Linked Preference Shares may be redeemed by the Fund at their issue price and/or by payment of an amount determined by reference to the value of the Underlyings. Accordingly, an investment in Commodity Linked Preference Shares may bear similar market risks to a direct investment in the relevant commodities and investors should take advice accordingly. Any dividend amounts payable on Commodity Linked Preference Shares may be calculated by reference to the value of one or more Underlyings. The value of the Underlyings 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 Underlyings 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 relating to Preference Shares linked to Credit

Capitalised terms used in this section, but not otherwise defined in this Principal Memorandum will have the meaning given to them in the Additional Terms and Conditions for Credit Linked Preference Shares.

In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Governmental Intervention, Repudiation/Moratorium or Restructuring) in relation to a Reference Entity or, with respect to Basket Preference Shares and Tranche Preference Shares, Reference Entities, in each case as specified in the applicable Supplemental Memorandum, the obligation of the Fund to pay the Final Redemption Amount upon redemption of the Preference Shares 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 Supplemental Memorandum or amounts calculated by reference to the value of the Underlying(s) (which may, in each case, be less than the par value of the Preference Shares at the relevant time) and/or (ii) an obligation to deliver the underlying asset(s), in the case of (i) and (ii) as reduced by Unwind Costs (including but not limited to costs, break funding charges, loss of funding, tax and duties) if specified as applicable in the

applicable Supplemental Memorandum. In addition, dividend-paying Credit Linked Preference Shares may cease to pay dividends on or prior to the date of occurrence of such circumstances.

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

In respect of Basket Preference Shares, the greater the number of Reference Entities subject to a Credit Event, the lower the Cash Redemption Amount will be.

In respect of Tranche Preference Shares, as soon as the aggregate of the Loss Amount and Unwind Costs for all Reference Entities subject to a Credit Event exceeds the Tranche Subordination Amount, the greater the number of Reference Entities subject to a Credit Event, the lower the Cash Redemption Amount will be.

Increased risk in respect of First-to-Default Preference Shares and Tranche Preference Shares

First-to-Default Preference Shares or Tranche Preference Shares create leveraged exposure to the credit risk of Reference Entities as the investors can lose a significant part or the totality of their investment (i) in the case of Tranche Preference Shares even if all the Reference Entities in the Reference Portfolio have not been subject to a Credit Event and (ii) in the case of First-to-Default Preference Shares, as soon as only one single Reference Entity has been subject to a Credit Event. Accordingly, Shareholders will be exposed to the credit risk of each stipulated Reference Entity. The more Reference Entities there are in the Reference Portfolio, the greater the degree of risk.

Concentration risk

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

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

Discretion to determine if (i) a Credit Event has occurred and (ii) whether to give notice or not

The Determination Agent will determine, in its sole and absolute discretion, the occurrence or not of a Credit Event in respect of any of the Reference Entities, provided certain other conditions described in the Additional Terms and Conditions for Credit Linked Preference Shares are satisfied. Such determination by the Determination Agent, which is under no obligation to act in the interest of the Shareholders, will (in the absence of manifest error) be final and binding on the Shareholders. Moreover, the Determination Agent has sole and absolute discretion to decide whether to give notice or not that a Credit Event has occurred with respect to any Reference Entity. A Shareholder may disagree with Publicly Available Information contained in the Credit Event Notice delivered by or on behalf of the Fund to the relevant Shareholders but will nevertheless be bound by that determination under the Terms and Conditions of the Preference Shares.

Valuation and settlement in case of Credit Event

Under the Terms and Conditions of the Preference Shares, where Societe Generale acts as Determination Agent, it may, for the purposes of determining the Cash Redemption Amount under the Quotation Dealers Method following one or more Credit Event(s), select obligations with the lowest price of any obligations which meet the relevant criteria. In making such selection, the Determination Agent will not be liable to account to the Shareholders, or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from such selection.

Under the Preference Shares, the Final Value is one of the factors in the determination of the redemption amount of the Preference Shares upon their redemption by the Fund in addition to Unwind Costs.

Adjustment – early redemption

Investors should be aware that unless otherwise specified in the applicable Supplemental Memorandum, an issue of Credit Linked Preference Shares includes provisions to the effect that:

- following the occurrence of certain events affecting any Reference Entity(ies) or any Hedge Positions entered into or to be entered into by the Fund or any of its affiliates (as more fully described in the Additional Terms and Conditions for Credit Linked Preference Shares), the Determination Agent may determine, in good faith, the appropriate adjustment(s), if any, to be made to the Terms and Conditions of the relevant Preference Shares to account for that event and determine the effective date of that adjustment. Such adjustments may in certain circumstances include the selection by the Determination Agent of a replacement Reference Entity which would not otherwise be a successor to the affected Reference Entity but which nevertheless meets certain requirements as to rating and/or credit risk and/or geographic criteria. Such adjustment may have an adverse effect on the Final Redemption Amount, the value and liquidity of the affected Credit Linked Preference Shares; or
- following the occurrence of certain events affecting the Hedge Positions entered into or to be entered into by the Fund or any of its affiliates (as more fully described in the Additional Terms and Conditions for Credit Linked Preference Shares), the Fund may redeem the Preference Shares at their Market Value. Following such redemption, an investor may not be able to reinvest the redemption proceeds on equivalent terms.

Conflicts of interest

The Shareholders are informed that the Fund may from time to time hold Obligations of the Reference Entities. The rights and obligations of the Fund under the Preference Shares or any loss suffered by the Shareholders under the Preference Shares are both irrespective of whether the Fund has a credit exposure to a Reference Entity or has suffered any loss in relation to a Reference Entity.

Societe Generale and its affiliates may, at any time, be in possession of information in relation to any Reference Entity or Reference Obligation that is or may be material in the context of the issue of the Preference Shares and that may not be publicly available or known to other third parties. There is no obligation on Societe Generale and its affiliates to disclose to the Shareholders or any other party any such relationship or information whether before or after the Issue Date.

Investors should note that the Fund or the Determination Agent may have a conflict of interest to the extent that it participates in any of the ISDA Credit Derivatives Determinations Committee.

In such a role, in relation to any Succession Event or Credit Event or Transaction Auction Settlement Terms, it can (i) submit questions to the ISDA Credit Derivatives Determinations Committee or refuse that such question be submitted to the ISDA Credit Derivatives Determinations Committee and/or (ii) vote in favor or against any resolution of the ISDA Credit Derivatives Determinations Committee following any questions raised to the ISDA Credit Derivatives Determinations Committee. Any such participation may have a negative impact on the Cash Redemption Amount to be received by the Shareholders.

Furthermore, the Fund or Determination Agent may participate as a dealer in any auction process used to determine the Final Value in relation to any Reference Entity in relation to which a Credit Event has occurred and whether or not such auction process is organized by ISDA or by the Fund or Determination Agent itself. In such a case, the Fund or Determination Agent may have a conflict of interest by influencing any such pricing mechanism and therefore the Cash Redemption Amount to be received by the Shareholders.

Credit rating

Shareholders should be aware that credit ratings do not constitute a guarantee of the quality of the Reference Entity(ies). The rating agencies do not evaluate the risks of fluctuation in market value but attempt to assess the likelihood of principal and/or interest payments being made. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning agency. Nevertheless, the rating agencies may fail to make timely changes

in credit ratings in response to subsequent events so that a Reference Entity(ies)'s current financial condition may be better or worse than a rating indicates. Accordingly a credit rating may not fully reflect the true risks under the Preference Shares.

Warning regarding CDS Spread

For products linked to a CDS Spread, Societe Generale as Determination Agent may, for the purposes of determining such CDS Spread, select dealers in its sole discretion to obtain quotations. In making such selection, the Determination Agent will not be liable to account to the Shareholders, 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.

Amendment to Additional Terms and Conditions for Credit Linked Preference Shares

The Determination Agent may, acting in good faith and in a commercially reasonable manner, from time to time amend any provision of the Additional Terms and Conditions for Credit Linked Preference Shares and/or the applicable Supplemental Memorandum (i) to incorporate and/or reflect and/or take account of (x) further or alternative documents or protocols from time to time published by ISDA with respect to credit derivative transactions which may, without limitation, relate to one or more Reference Entities or Reference Entity types and/or the settlement of credit derivative transactions and/or (y) the operation or application of determinations by any Credit Derivatives Determinations Committee and/or (ii) in any manner which the Determination Agent, acting in good faith and in a commercially reasonable manner, determines is necessary or desirable (including from the perspective of Societe Generale or one of its Affiliates) to reflect or account for market practice for credit derivatives transactions and/or to eliminate or account for any provisions of the Hedge Positions with the aim of ensuring no mismatch or discrepancy between rights and obligations under the Hedge Positions and under the Preference Shares. Such amendments may include, without limitation, varying any date or timing or procedures provided for in the Additional Terms and Conditions for Credit Linked Preference Shares and/or the applicable Supplemental Memorandum and any such amendments may have an adverse effect on the value of the Preference Shares. PROVIDED THAT, subject as set out below, such amendments may not include changes to the currency of the Preference Shares, the amount of interest payable on the Preference Shares, the Final Redemption Amount payable on the Preference Shares.

In the event that such amendments lead to a revised Reference Entity then a Credit Event may be triggered on such revised Reference Entity and the consequential provisions of the Additional Terms and Conditions for Credit Linked Preference Shares will apply in the usual manner.

Any amendment effected in accordance with the above provisions will be notified to the Shareholders.

Risks Factors relating to Preference Shares linked to a Foreign Exchange Rate

Factors affecting the performance of the relevant Foreign Exchange Rate may adversely affect the value of the Preference Shares.

The performance of Foreign Exchange Rates, currency units or units of account are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, fiscal and monetary policy, government debt, currency convertibility and safety of making financial investments in the currency concerned, speculation and intervening measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency. Any such measures could have a negative impact on the value of a Foreign Exchange Rate and consequently the value of the Preference Shares.

Currency exchange risks are heightened in the current climate of financial uncertainty

Currency exchange risks can be expected to heighten in periods of financial turmoil. In periods of financial turmoil, capital can move quickly out of regions that are perceived to be more vulnerable to the

effects of the crisis with sudden and severely adverse consequences to the currencies of those regions as a result. In addition, governments around the world have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. It is not possible to predict the effect of any future legal or regulatory action relating to a currency. Further interventions, other government actions or suspensions of actions, as well as other changes in government economic policy or other financial or economic events affecting the currency markets – including the replacement of entire currencies with new currencies – may cause Foreign Exchange Rates to fluctuate sharply in the future, which could have a negative impact on the value of the Preference Shares.

Risks Factors relating to Preference Shares linked to a Reference Rate

An investment in a Reference Rate will entail significant risks not associated with an investment in a conventional Preference Share. On redemption of Preference Shares linked to a Reference Rate, Holders will receive an amount (if any) determined by reference to the value of the underlying Reference Rate(s). In addition, the income received (if any) is highly dependent upon the value of the Reference Rate over the life of the investment. Total return may be less than anticipated if future interest rate or Reference Rate expectations are not met.

OTHER RISK FACTORS RELATING TO THE COMPANY

Potential conflicts of interests of Societe Generale

Societe Generale and its Affiliates have a number of roles in relation to the Company as a result of which Societe Generale may have potential conflicts of interest. Societe Generale has been appointed as the Company Structuring Agent under the Company Structuring Agreement and Societe Generale will also be appointed as Fund Structuring Agent to the relevant Funds under the Fund Structuring Agreement. In addition, Societe Generale, or any of its Affiliates, may perform other roles relating to the Company and Preference Shares issued by each Fund. For example, Societe Generale or its Affiliates may:

- (i) provide investment management services to the relevant Fund as Investment Manager in accordance with the Investment Management Agreement,
- (ii) provide calculation agency services to the relevant Fund as Determination Agent in accordance with the Determination Agency Agreement,
- (iii) be the Investment Counterparty in respect of any Underlying Fund Investments,
- (iv) act as a Market Maker in respect of any Preference Shares,
- (v) assist with the calculation of the Net Asset Value per Share in respect of Preference Shares,
- (vi) provide custody services to the relevant Fund as Custodian in accordance with the Custodian Agreement,
- (vii) provide collateral management services to the relevant Fund as Collateral Agent in accordance with the Collateral Agency Agreement,
- (viii) provide distribution services to the relevant Fund as Distributor in accordance with the Distribution Agreement and
- (ix) provide process services to the relevant Fund as Process Agent in accordance with the Process Agent Agreement.

Societe Generale and/or its Affiliates may contract with the Company or the relevant Fund and/or enter into transactions which relate to the relevant Fund, the Preference Shares, the Underlying Fund Investments or the Investment Counterparties, as further set out in “SERVICE PROVIDERS” under the heading “Interested Dealings” of this Principal Memorandum, and as a result Societe Generale and its Affiliates (as applicable) may face a conflict between their obligations as Investment Manager and/or as Custodian and/or as Determination Agent and/or as Collateral Agent and/or as Investment Counterparty and/or as Company Structuring Agent and/or as Fund Structuring Agent and its interests and/or its Affiliates’ interests in other capacities. Each of Societe Generale and its Affiliates (as applicable) will be contractually required to have regard to its obligations under the regulatory regime to which it is subject

and to its respective duties to the Company and/or the relevant Fund and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, each of Societe Generale and its Affiliates (as applicable) will use its reasonable endeavours to resolve any such conflicts of interest fairly having regard to its conflicts management policy and to ensure that the interests of the Company and/or the relevant Fund are not unfairly prejudiced. However, where any such conflict is resolved in this way, such resolution may be adverse to the relevant Fund and the Shareholders or to the interests of the relevant Fund and the Shareholders and the ability of the relevant Fund to pay the applicable Redemption Amount (if any) and/or the dividends (if any) payable in respect of the Preference Shares may be adversely affected.

Expenses

The Company Structuring Agent agrees to reimburse the Company in respect of, or to pay on behalf of the Company, certain of the General Expenses as listed under the heading “General Expenses” in “FEES AND EXPENSES” section. In addition to General Expenses, each Fund will incur and be required to pay, or there will be incurred on behalf of such Fund, other expenses, including Fund Expenses. The arrangements for funding the payment by or on behalf of the relevant Fund of certain Fund Expenses will be set out in the section headed “Fund Expenses” and the relevant Supplemental Memorandum.

To the extent that:

- (a) the relevant Structuring Agent fails to reimburse the Company for, or to pay on behalf of the Company, any amount in respect of General Expenses and/or Fund Expenses that such Structuring Agent has agreed to be responsible for;
- (b) the arrangements (if any) for funding the payment by or on behalf of the Fund of Fund Expenses do not generate the necessary funds to discharge all of the relevant Fund’s liabilities in respect of Fund Expenses; or
- (c) the Company and/or any Fund incurs any fees, expenses or other liabilities which are not budgeted for by the Company and/or the relevant Fund or otherwise fall outside the scope of the arrangements referred to in (a) and (b) above,

such fees, expenses or liabilities will be obligations of the Company or the relevant Fund (as applicable). The liability of the Company and the relevant Fund in respect of such amounts will be borne as more fully described under “Potential cross liability between Classes”.

Rights of the investor as a result of holding the Preference Shares through an investment plan, a bank, broker or other person

If the manager of an investment plan, bank, broker, custodian, nominee, service provider or other person purchases Preference Shares on an investor’s behalf or where an investor uses a plan manager, bank, broker, custodian, nominee service provider or other person to invest in the Preference Shares of any Class or holds interests in Preference Shares of any Class through a clearing system, the investor will only receive payments in respect of such Preference Shares on the basis of the arrangements entered into by the investor with the relevant plan manager, bank, broker, custodian, nominee service provider, other person or clearing system, as the case may be (each, a “Relevant Nominee”). Furthermore, the investor will not appear on the Register of the relevant Fund, will have no direct right of recourse against the Fund and must look to the relevant plan manager, bank, broker, custodian, nominee service provider, other person or clearing system for all payments attributable to the relevant Preference Shares.

The relevant Fund and the Directors will recognise as Shareholders only those persons who are at any time shown on the Register for the purposes of: (i) the payment of dividends and other payments payable to Shareholders (as applicable); (ii) the circulation of documents to Shareholders; (iii) the attendance and voting by Shareholders at any Class Meetings (including, but not limited to, attending and voting at any Class Meetings on the approval of any amendments to the terms of the relevant Preference Shares); and (iv) all other rights of Shareholders attributable to the relevant Preference Shares, and in each case, an investor must look to its Relevant Nominee for all payments, documents or other rights (if any) attributable to the relevant Preference Shares based on the arrangements made by the investor with its Relevant Nominee. All communications by the Company or the relevant Fund to Shareholders will only be to those entities listed in the Register.

None of the Company (acting in respect of itself or any Cell in the Company), the Fund, the Investment Manager, the Directors, each Structuring Agent, or any other person will be responsible for the acts or omissions of any relevant plan manager, bank, broker, custodian, nominee service provider, other person or clearing system, as the case may be, nor make any representation or warranty, express or implied, as to the services provided by any relevant plan manager, bank, broker, custodian, nominee service provider, other person or clearing system, as the case may be.

Side Arrangements

Subject to applicable law and the approval of the Directors, the Investment Manager and/or the Company (including on behalf of any Fund) may, in their sole discretion, negotiate and enter into agreements or arrangements (“**Side Arrangements**”) with certain Shareholders including, without limitation, those deemed to involve a significant or strategic relationship, that will result in different terms of an investment in the Fund than the terms applicable to other Shareholders. As a result of such Side Arrangements, certain Shareholders may receive additional or different information, reporting and/or other benefits which other Shareholders will not receive. Such information and reporting may provide the recipient greater insights into the Company’s or any Fund’s activities than is included in standard reports to Shareholders, thereby enhancing the recipient’s ability to make investment decisions with respect to the Fund and with respect to the investment of its own assets. Except as described in this Private Placement Memorandum or as required by law or regulation, neither the Investment Manager nor the Company are required to notify any or all of the other Shareholders of any such Side Arrangements or any of the rights and/or terms or provisions thereof, nor is the Investment Manager or the Company required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders. As a result, Shareholders which enter into Side Arrangements may be able to act on additional information (for example, to request redemptions) that other Shareholders do not receive.

RISKS RELATING TO TAXATION AND REGULATION

The purchase, holding or sale of the Preference Shares may be subject to taxation

Potential purchasers of the Preference Shares 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 Preference Shares are purchased, held or sold or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Preference Shares. Potential investors are advised not to rely solely upon the tax summary set out in the section headed “TAXATION” and the applicable Supplemental Memorandum but to obtain their own tax adviser’s advice on their individual taxation with respect to the acquisition, holding, sale or other disposition of the Preference Shares. Only these advisers are in a position to duly consider the specific situation of the potential investor.

Taxes or duties: tax disclosures specific to a Class of Preference Shares may be set out in the relevant Supplemental Memorandum.

Information relating to how tax law and practice in Jersey may affect an investor in Preference Shares is set out in “TAXATION” section.

Any change in a Fund’s tax status or in taxation legislation in Jersey or any other tax jurisdiction affecting you or any asset or underlying reference item could affect the value of the related Preference Shares or affect such Fund’s ability to achieve its investment objective for the relevant Preference Shares or alter the post-tax returns to you as a Shareholder. No Fund will make any additional payments in the event that any withholding obligation is imposed on payments by such Fund in respect of any related Preference Shares. Information in this Principal Memorandum concerning the taxation of Shareholders resident in Jersey is based upon current Jersey tax law and practice as at the date of this Principal Memorandum which is in principle subject to change (possibly with retrospective effect). Any such change could adversely affect the ability of a Fund to pay the applicable redemption proceeds (if any) and/or dividend(s) (if any) payable in respect of the related Preference Shares on the relevant date(s).

Risks associated with Jersey Law

All payments made to Shareholders in respect of the Preference Shares are subject to the Companies Law. The Companies Law provides that no Preference Shares may be redeemed and no distribution

(including a dividend) may be paid on the Preference Shares unless the Directors have formed the opinion that immediately after the shares have been redeemed or the distribution paid (as the case may be) the Fund will be able to discharge its liabilities as they fall due and that will remain the case for 12 months after the redemption or distribution.

The Fund is to acquire the Underlying Fund Investments in order to generate cash flows to fund the amounts payable on the Preference Shares. Provided that the Investment Counterparty complies with its obligations in respect of the Underlying Fund Investments in full, and provided the Fund Expenses are paid in full, the Directors expect to be able to comply with the provisions of the Companies Law. However if the Investment Counterparty does not comply with its obligations in respect of the Underlying Fund Investment in full or if the Fund otherwise has insufficient assets, then the Fund may not be able to make payments due in respect of the Preference Shares in full or at all.

Increased regulation

The financial markets are encountering the increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions and products offered and/or arranged by them. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States of America, the European Union and other jurisdictions are actively considering or are in the process of implementing various reform measures covering, among other things, derivative transactions and the offering of structured products and other financial investments and instruments. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets and may also affect the value, characterisation and/or treatment of Preference Shares issued by a Fund and/or the characterisation and/or treatment of any of the transactions or agreements relating thereto.

Certain of the regulatory developments may also impose obligations on a Fund, any counterparties with whom a Fund enters into any derivative, deposit, repurchase or other contract, and/or other applicable parties including, without limitation and among other things, in respect of derivative transactions (such as the reporting of transactional and other information relating to derivative transactions to trade repositories in various jurisdictions, the provision of collateral in certain circumstances mandated by such regulations and, potentially, the mandated clearing of certain derivative transactions). The ability of a Fund, any counterparties with whom such Fund enters into any derivative, deposit, repurchase or other contract, and/or other applicable parties to comply with such regulatory obligations (whether in respect of derivative transactions or other areas relevant to the Preference Shares issued by such Fund) may depend on, among other things, the initial and/or ongoing implementation of such regulations by the applicable authorities, the status and/or nature of such Fund, any counterparties with whom such Fund enters into any derivative, deposit, repurchase or other contract, and/or other applicable parties, as relevant, the activities of such parties and/or other matters that may be outside the control of such parties (including contractual restrictions to which they may be subject).

Accordingly, no assurance can be given as to the consequences for any investor or their investment in the Preference Shares as a result of such regulatory developments and/or as a result of any compliance or lack of compliance by such party in respect of the same.

Alternative Investment Fund Managers Directive

Under AIFMD, certain conditions must be met to permit the marketing of Preference Shares to prospective and existing investors in the EEA, including that prescribed disclosures are made to investors. For these purposes, “marketing” does not include marketing at the initiative of the relevant investor. AIFMD is still being implemented in certain EEA Member States, and the interpretation of AIFMD may vary among the EEA Member States. It is therefore difficult to predict the full impact of AIFMD on the Fund, the Company and the Investment Manager and the effect on the Fund, the Company and the Investment Manager may vary over time. Any regulatory provisions arising from AIFMD that impair the ability of the Investment Manager or any other person to market Preference Shares may materially adversely affect the Company.

AIFMD requires certain reports and disclosures to be made to regulators of EEA Member States in which the Company or the relevant Fund is marketed. Such reports and disclosures may become publicly available.

The Dodd-Frank Wall Street Reform and Consumer Protection Act

In the United States, passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank Act**”) in 2010 has led to significant structural reforms affecting the financial services industry, including non-U.S. banks. Among other things, the Dodd-Frank Act addresses systemic risk oversight, bank capital standards, the orderly liquidation of failing systemically significant financial institutions, over-the-counter derivatives and increases oversight of credit rating agencies. The Dodd-Frank Act also contains prohibitions, commonly called the “Volcker Rule,” which regulates the ability of banking entities to engage as principal in proprietary trading activities and sponsoring or investing in hedge, private equity or similar funds.

In particular, Title VII of the Dodd-Frank Act (“**Title VII**”) establishes a comprehensive U.S. regulatory regime for a broad range of derivatives contracts including swaps, security-based swaps and mixed swaps (collectively referred to in this risk factor as “**covered swaps**”). Among other things, Title VII provides the CFTC and the SEC with jurisdiction and regulatory authority over Covered Swaps, requires the establishment of a comprehensive registration and regulatory framework applicable to swap dealers and security-based swap dealers and other major market participants, requires the reporting of data on covered swaps, requires many types of covered swaps to be exchange-traded or executed on a swap execution facility or security-based swap execution facility, as applicable, and centrally cleared, will impose capital requirements and margin requirements for uncleared transactions in covered swaps.

Many of the key regulations implementing Title VII have recently become effective or are in final form. However, in some instances, the interpretation and potential impact of these regulations are not yet entirely clear and certain other key regulations are yet to be finalised. Once implemented, these new regulations could adversely affect the value, availability and performance of certain derivatives instruments and may result in additional costs and restrictions with respect to the use of those instruments. The use of derivative instruments by a Fund may be subject to the clearing, capital, margin, business conduct, reporting and/or recordkeeping requirements of Title VII or other related regulatory reforms, that may result in additional regulatory burdens and related costs and expenses. In particular, any swaps entered into by any Fund may include agreements that are regulated as covered swaps under Title VII, each of which may be subject to new clearing, execution, capital, margin posting, reporting and recordkeeping requirements under the Dodd-Frank Act that could result in additional regulatory burdens, costs and expenses (including extraordinary, non-recurring expenses of such Fund). Such requirements may disrupt such Fund’s ability to hedge their exposure to various transactions, and may materially and adversely impact a transaction’s value or the value of the Preference Shares. While the Dodd-Frank Act provides for the grandfathering of certain swaps, such grandfathering may not apply to the transactions entered into by such Fund or may only apply to certain transactions. Additionally, no Fund can be certain as to how these regulatory developments will impact the treatment of the Preference Shares.

Additionally, on October 21 and 22, 2014, the SEC, the U.S. Federal Deposit Insurance Corporation, the U.S. Federal Reserve and certain other U.S. prudential banking regulators approved a final rule that mandates risk retention for securitisations. The final rule requires that the sponsor maintain, unhedged, a minimum of 5% of the credit risk of the securitised assets unless the underlying exposures meet certain underwriting standards to be determined by regulation. The final rule became effective with respect to mortgage-backed securitisations on December 24, 2015 and with respect to other securitisations on December 24, 2016. The failure of the Societe Generale Group to effectively manage regulatory risks could have a material adverse effect on the Societe Generale Group’s business, financial condition and results of operations.

Although some of the required rules and regulations are still in proposed form, are yet to be proposed or are subject to extended transition periods, the majority of rules and regulations have been finalised and have resulted in, or will result in, additional costs and the imposition of certain limitations on the business activities of the relevant Fund. The recent change in administration in the United States adds to the uncertainty about the complete scope of the Dodd-Frank Act and other U.S. regulation, any changes to which could impact the business activities of the Fund and/or the value or liquidity of a Preference Share.

In addition, the Dodd-Frank Act, amending the CEA, expanded the definition of a “commodity pool” to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. Each Fund has imposed certain restrictions on sales in order to fall outside the scope of the CEA. However, if any Fund were deemed to be a “commodity pool”, then both the “commodity pool operator” and the “commodity trading advisor” of such Fund would be required to register as such with the CFTC

and the National Futures Association. While there remain certain limited exemptions from registration, it is unclear whether and to what extent any of these exemptions would be available to avoid registration with respect to such Fund. In addition, if any Fund were deemed to be a “commodity pool”, it would have to comply with a number of reporting requirements that are designed to apply to traded commodity pools. It is presently unclear how such Fund could comply with certain of these reporting requirements on an ongoing basis. Such registration and other requirements would involve material ongoing costs to such Fund, thereby materially and adversely impacting a Preference Share’s value.

In addition, other regulatory bodies have proposed or may propose in the future regulations similar to those required by the Dodd-Frank Act or other regulations containing other restrictions that could adversely impact the liquidity of and increase costs of entering into derivatives transaction. If these regulations are adopted and/or implemented or other regulations are adopted in the future, they could have an adverse impact on the return on and value of the Preference Shares. Furthermore, potential inconsistency between regulations issued by different regimes could lead to market fragmentation.

European Market Infrastructure Regulation

Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (“**EMIR**”) came into force on 16 August 2012. EMIR and the regulations made under it impose certain obligations on parties to OTC derivative contracts according to whether they are “financial counterparties”, such as European investment firms, alternative investment funds, credit institutions and insurance companies, or other entities which are “non-financial counterparties” or third country entities equivalent to “financial counterparties” or “non-financial counterparties”. EMIR establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. These requirements are subject to phased implementation. Investors should be aware that certain currently applicable requirements of EMIR impose obligations on the Funds, to the extent they enter into derivative transactions, and future requirements of EMIR may impose further obligations on the Funds, directly, or indirectly, by impacting on the terms that the Investment Counterparty is able to enter into under agreements with the Funds.

Investors should, in particular, be aware that should any future obligation of EMIR require a Fund to modify the economic terms of any derivative transaction into which it enters, there is a risk that this may materially increase the costs associated with such derivative transaction or replacement derivative transaction. This is a particular risk should any derivative transaction into which the Funds enter become subject to (i) the requirement to exchange segregated collateral with the Investment Counterparty to such transaction, which forms a part of the risk mitigation requirements, or (ii) mandatory clearing. It is expected that the Funds will be or become subject to such requirements or obligations. However, irrespective of becoming subject to such requirements or obligations, and irrespective of it becoming necessary to amend or replace derivative transactions into which the Funds enter, the Funds may in any event have to bear certain costs or fees arising out of steps that they are required to take to comply with the requirements of EMIR. Investors should therefore be aware of the risk that the requirements of EMIR may require amendment to derivative transactions and/or materially increase the costs of entering into derivative transactions which may in certain circumstances result in the redemption of the Preference Shares.

If any future obligations of EMIR require the Funds or the Investment Counterparty to clear Underlying Fund Investments or to post collateral, the Funds might not be practically able to comply with such requirement and/or the Funds and/or Investment Counterparty would be subject to additional financial and operational burdens. In such circumstance, it is likely to result in the redemption of the Preference Shares.

Risks relating to bank recovery and resolution regimes

One consequence of the global financial crisis has been the regulatory focus on recovery and resolution regimes for financial institutions, the purpose of which is to allow supervisory authorities to take action to manage financial institutions in the event they are unable to perform their principal economic functions.

To this end the European Union has published framework legislation for bank recovery and resolution under Directive 2014/59/EEC, as amended (“**BRRD**”). The BRRD provides supervisory authorities with certain powers to manage financial institutions in an orderly manner. Such powers include:

- the introduction of a bail-in power, which gives the resolution authorities the power to write down certain liabilities and to convert certain liabilities into ordinary shares or other instruments of the surviving entity (if any);
- powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers; and
- powers to effect a close-out of financial contracts and derivative transactions and determine the value of such transactions.

The taking of any actions by the relevant resolution authorities under any regime in respect of any Underlying, any Investment Counterparty, any Underlying Fund Investment and/or in respect of any other liabilities arising under any other agreement entered into by a Fund with any Investment Counterparty in respect of a Class of Preference Shares (a “**Liability**”) may adversely affect the Shareholders. If an Investment Counterparty is within the scope of any implementing legislation by reason of the relevant Underlying Fund Investment or Liability being a liability of the type which may fall within the implementing legislation, then:

- (a) any applicable bail-in power might be exercised in respect of that Underlying Fund Investment and/or Liability to write down or convert any claim of the relevant Fund as against such person;
- (b) any applicable suspension power might prevent the relevant Fund from exercising any termination rights under a Underlying Fund Investment and/or any other agreement in relation to a Liability; or
- (c) any applicable power to close-out or terminate might be exercised to enforce termination of a Underlying Fund Investment and/or any other agreement in relation to a Liability and to value the transactions in respect of such agreements.

For example, if any Underlying Fund Investment is in-the-money for a Fund at a time when a resolution regime applies to the Investment Counterparty, then any claims the relevant Fund has against the Investment Counterparty for the close-out amount thereof may be adversely affected by being postponed, converted into other assets or even written down to zero.

Accordingly, following an exercise of any powers by a resolution authority, a Fund may have insufficient assets or sums to meet its obligations under the Preference Shares or any transaction document for that Class, the Preference Shares may be the subject of an early redemption and any payment of redemption proceeds to Shareholders may be delayed.

In addition to a resolution regime affecting any Investment Counterparty, Shareholders should be aware that the BRRD may also apply to the obligor of any Collateral in respect of a Series of Securities and that in such case similar considerations to those set out above may apply. Furthermore, other resolution and recovery regimes, including those in specific EU member states, the United States and elsewhere, may also apply.

As a consequence of any of the resolutions or actions referred to above, the Shareholders may lose all or some of their investment in the Preference Shares.

Financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate. If the Commission’s Proposal was adopted, the FTT would be a tax primarily on “financial institutions” in relation to “financial transactions” (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Preference Shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating member state in a broad range of circumstances, including:

- (a) by transacting with a person established in a participating Member State; or
- (b) where the financial instrument which is subject to the financial transaction is issued in a participating Member State.

The FTT may give rise to increased costs for a Fund with respect to certain transactions if it is adopted based on the Commission's Proposal. Examples of such transactions are the conclusion of a derivative contract in the context of a Fund's hedging arrangements or the purchase or sale of securities (such as charged assets). A Fund is, in certain circumstances, able to pass on any such tax liabilities to holders of the Preference Shares and therefore this may result in investors receiving less than expected in respect of the Preference Shares. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Preference Shares (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains uncertain. Additional Member States may also decide to participate and/or participating Member States may decide to withdraw.

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

SERVICE PROVIDERS

The service providers listed below are expected to be appointed by each Fund. The Company has prepared a series of master terms documents which are designed to be used when a service provider contracts with a Fund. Each service provider will execute a Fund Agreement, incorporating the relevant master terms document. By doing so each service provider will enter into the relevant service provider contract with the relevant Fund in the form of the relevant master terms document specified in the Fund Agreement, subject to such amendments or supplements as may be specified in the Fund Agreement or relevant Supplemental Memorandum. For example by entering into a Fund Agreement specifying the master investment management terms, the relevant Fund and the Investment Manager will enter into the Investment Management Agreement for that Fund on the terms set out in the master investment management terms.

The terms on which each such service provider will be appointed to each Fund pursuant to the applicable Fund Agreement are as set out in the relevant master terms document (unless specified to the contrary in the Fund Agreement or relevant Supplemental Memorandum). There may be other service providers appointed in respect of a specific Fund. Where applicable, such appointments will be described in the relevant Supplemental Memorandum.

The fees and expenses payable by the Fund to the Service Providers, and the manner in which such fees and expenses payable by the Fund to the Service Providers are funded are set out in “FEES AND EXPENSES” section, unless otherwise disclosed in the Supplemental Memorandum.

Investment Manager

SG Kleinwort Hambros Corporate Services (CI) Limited (formerly known as SG Hambros Fund Managers (Jersey) Limited) will be appointed, under an Investment Management Agreement as the Investment Manager in respect of any Preference Shares issued by a Fund. The Investment Manager will be appointed by each Fund as a non-EU AIFM.

SG Kleinwort Hambros Corporate Services (CI) Limited is regulated by the Jersey Financial Services Commission and is a limited liability company, incorporated under the laws of Jersey, Channel Islands on 8 March 1974 for an unlimited duration, and is indirectly a wholly owned subsidiary of Societe Generale. The principal business activity of the Investment Manager is the provision of fund management and related services.

SG Kleinwort Hambros Corporate Services (CI) Limited is registered under the Financial Services (Jersey) Law 1998 to conduct certain categories of “fund services business” including the following: (U) Manager, (V) Administrator, (W) Registrar and (X) Investment Manager in respect of certain categories of funds including unregulated funds.

Under each Investment Management Agreement, the Investment Manager will provide certain investment management services, including but not limited to:

- (i) managing the investments of the relevant Fund and providing other investment management and advisory services to assist the relevant Fund to achieve the investment objectives and policy set out in this Principal Memorandum and any specific investment objective and policy set out in the relevant Supplemental Memorandum;
- (ii) considering the investment objectives, policy and restrictions for the Funds in accordance with the Principal Memorandum and the relevant Supplemental Memorandum and ensuring that the relevant Fund does not act in a way that contradicts such investment objectives, policy and restrictions;
- (iii) overseeing the issue, redemption and transfer of Preference Shares;
- (iv) overseeing the calculation and disclosure of the Net Asset Value of the relevant Class and the Net Asset Value per Share in accordance with “VALUATION OF ASSETS” section of this Principal Memorandum, the relevant Supplemental Memorandum and the Articles;
- (v) using reasonable efforts to ensure adequate custodial arrangements are in place for the holding of any assets of the Company and of the Fund, as the case may be;

- (vi) performing such other services as may be agreed upon from time to time between the Investment Manager and the Company;
- (vii) doing all such things as may be necessary or incidental to the carrying out of the objectives set forth above; and
- (viii) overseeing the distribution process.

Save where (and to the extent) otherwise provided in any Supplemental Memorandum, the Investment Manager will be granted full power and authority and all rights necessary to enable it to provide its services to the Funds.

Subject to prior approval of the relevant Fund and compliance with applicable laws, rules, regulations and codes, the Investment Manager may delegate all or some of its powers and duties under the Investment Management Agreement with respect to any Fund.

Each Fund has consented or will consent to the delegation by the Investment Manager of all or some of its powers and duties under the Investment Management Agreement to affiliates of the Investment Manager.

The Investment Manager will remain liable to the Fund for the performance of any powers and duties delegated.

So far as is relevant to its role as investment manager, the Investment Manager agrees to provide such reasonable assistance to each Fund to enable that Fund to comply with the Collective Investment Funds (Jersey) Law 1988, the CF Code and the Listed Fund Guide.

Under the terms of each Investment Management Agreement, the relevant Fund indemnifies and holds harmless the Investment Manager and its affiliates from and against any and all actions, proceedings, claims, liabilities, damages, losses, costs and expenses (other than in respect of any sums payable by the Investment Manager pursuant to the Investment Management Agreement), including amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties, legal and other professional fees and expenses, the costs and expenses of investigating or defending against any claim or alleged claim, of any nature whatsoever, known or unknown, liquidated or unliquidated, that may be made or brought against, or directly or indirectly suffered or incurred by, the Investment Manager or its affiliates and that arise out of or in connection with the business of the Fund or the performance of the Investment Manager's responsibilities under the Investment Management Agreement, save to the extent that such actions, proceedings, claims, liabilities, damages, losses, costs and expenses are attributable to the fraud, negligence, bad faith, wilful default or recklessness in the performance or non-performance by the Investment Manager of its obligations or duties under the Investment Management Agreement.

The Investment Management Agreement will provide that the appointment of the Investment Manager will continue unless and until terminated by the Fund or by the Investment Manager, by giving not less than ninety days' notice in writing.

The Investment Management Agreement provides that the Investment Manager will not be under any liability to the Fund or holders of Shares on account of anything done or suffered by the Investment Manager in good faith in accordance with or in pursuance of any request or advice of the Fund.

The Investment Management Agreement is governed by English law.

Investment in the Company will not automatically grant Shareholders any rights against third parties engaged by or on behalf of the Investment Manager to provide services to the Company or to the Investment Manager. In certain situations the Investment Manager may take appropriate action against such third parties on behalf of the Company or the Shareholders.

Under Jersey regulations, the Investment Manager must treat all Shareholders fairly. The Investment Manager ensures the fair treatment of Shareholders through its decision-making procedures and organisational structure which (i) identify any preferential treatment, or the right thereto, accorded to Shareholders and (ii) ensure that any such preferential treatment does not result in an overall disadvantage to other Shareholders. In addition, the Investment Manager monitors the terms of any Side Arrangements entered into with Shareholders in relation to their investment in the Company to seek to ensure the fair

treatment of Shareholders. In so doing, the Investment Manager takes into consideration whether such Side Arrangements are in accordance with Side Arrangements previously entered into.

Corporate Administrator

Sanne Fiduciary Services Limited has been appointed as the Corporate Administrator and its affiliate, Sanne Secretaries Limited, has been appointed as the Company Secretary to each Fund existing as of the date of this Principal Memorandum and the same entities are expected to act as the Corporate Administrator and the Company Secretary, respectively to each future Fund pursuant to a Corporate Administration Agreement.

Sanne Fiduciary Services Limited is regulated by the Jersey Financial Services Commission and is a limited liability company incorporated under the laws of Jersey, Channel Islands on 11 August 1998.

Under each Corporate Administration Agreement, the Corporate Administrator and Company Secretary provide the following services to each relevant Fund:

- (i) corporate administration and secretarial services including keeping all relevant statutory and other records and accounts of the relevant Fund, providing individuals to act as Directors of the relevant Fund and assisting the auditor, where requested, in relation to the audit of the financial statements of the relevant Fund;
- (ii) when requested to do so by the Fund, to comply with applicable legal and regulatory requirements, including the rules of any Exchange and unless specified differently in the Supplemental Memorandum, calculate, on the basis of information supplied by or on behalf of the relevant Fund, the Net Asset Value per Share of the relevant Preference Shares and publish the same on behalf of the relevant Fund;
- (iii) compliance and risk monitoring services in respect of the Company and the relevant Fund, including the provision of a compliance officer;
- (iv) to take reasonable measures to satisfy itself that the actions of the Investment Manager do not breach the investment and borrowing restrictions applicable to the relevant Fund; and to advise the Directors of the relevant Fund of any concerns it has in that regard so that appropriate action may be taken;
- (v) to maintain in Jersey sufficient records (in electronic or documentary form) to enable the Corporate Administrator to fulfil its monitoring functions;
- (vi) to carry out its own general due diligence against the Investment Manager and confirm it has no reason to believe that any statements made by the Investment Manager in connection with the establishment of any Fund under the Listed Fund Guide is incorrect; and
- (vii) (subject to the receipt of relevant data and guidance from other service providers) providing assistance in relation to the collation and submission of all the reports required by AIFMD to be submitted to the Fund's regulators and Shareholders.

The Corporate Administration Agreement provides that the appointment of the Corporate Administrator and the Company Secretary continues unless and until terminated by the Fund or by the Corporate Administrator, by giving not less than one hundred and twenty days' notice in writing.

Subject to the prior approval of the Fund (such approval not to be unreasonably withheld or delayed) and the Jersey Financial Services Commission (if applicable), the Corporate Administrator will have full power to delegate the whole or any part of its duties or functions and may disclose to any delegate such information about the Fund as the Corporate Administrator considers expedient, necessary or desirable.

Each Fund has consented or will consent to the delegation by the Corporate Administrator of all or some of its powers and duties under the Corporate Administration Agreement to affiliates of the Corporate Administrator.

The Corporate Administrator will be indemnified by the Fund, in the absence of any fraud, wilful misconduct or negligence on the part of the Corporate Administrator, from any all direct losses, actions,

suits, proceedings, claims, demands, damages, costs, charges, expenses and liabilities (or actions, investigations or other proceedings in respect thereof) whatsoever which may arise or accrue or be directly taken, commenced, made or sought from or against the Corporate Administrator in connection with any claim that may arise in relation to any inaccuracy or error in the valuations provided or in connection with the provision of the financial statements and net asset value calculations.

The Corporate Administration Agreement is governed by Jersey law.

Sanne Fiduciary Services Limited has also been appointed as the Corporate Administrator and its affiliate, Sanne Secretaries Limited, has been appointed as Company Secretary of the Company pursuant to a Corporate Administration Agreement (the “**PCC Corporate Administration Agreement**”).

The Corporate Administrator and Company Secretary will provide the following services to the Company:

- (i) corporate administration and secretarial services including keeping all relevant statutory and other records and accounts of the Company, providing individuals to act as Directors of the Company and assisting the auditor, where requested, in relation to the audit of the financial statements of the Company; and
- (ii) when requested to do so by the Company, to comply with applicable legal and regulatory requirements, including the rules of any Exchange or when otherwise reasonably requested to do so by the Company.

The PCC Corporate Administration Agreement will provide that the appointment of the Corporate Administrator will continue unless and until terminated by the Fund or by the Corporate Administrator, by giving not less than one hundred and twenty days’ notice in writing.

The PCC Corporate Administration Agreement is governed by Jersey law.

Depository Services Provider

As the Company is a non-EU AIF and is managed by a non-EU AIFM, under AIFMD there is no requirement to appoint one or more persons to carry out the functions of a depository (each a “**Depository Services Provider**”) in respect of the Company or any Fund. However, to the extent that the Company is required to appoint a person to carry out those functions pursuant to the laws of the jurisdiction into which a Fund is being sold, a Depository Services Provider will be appointed.

The principal duties of the Depository Services Provider would include the safekeeping of the Company’s assets, the maintenance of bank accounts and the timely settlement of all securities transactions and it is expected that the depository-lite agreement to be entered into in respect of the Company will contain such provisions.

Structuring Agent

Societe Generale has been appointed by the Company to be the Company Structuring Agent under the Company Structuring Agreement. In consideration of the Company’s agreement to perform certain obligations under the Company Structuring Agreement (which includes facilitating the creation of a Cell and the issue of Preference Shares by that Cell), the Company Structuring Agent agrees to pay to the Company the Company Structuring Fee, Societe Generale will have the exclusive right to propose to the Company that it creates each Fund to issue Preference Shares. The Company Structuring Fee includes certain fees and expenses as set out under “General Expenses” in “FEES AND EXPENSES” section.

Societe Generale is expected to be appointed as the Fund Structuring Agent in respect of each Fund under a Fund Structuring Agreement. In consideration of the Fund’s agreement to effect the issue of the Preference Shares subject to terms of the Fund Structuring Agreement, the Fund Structuring Agent agrees to pay to the Fund the Fund Structuring Fee, provided that Fund Structuring Agent will have an exclusive right to sell to, structure, provide and/or procure for the Fund, Underlying Fund Investments designed to fund the Redemption Amounts and dividends (if any), as applicable, scheduled to be paid in accordance with the terms of the relevant Preference Shares.

The Fund Structuring Fee includes certain fees and expenses as set out under “Fund Expenses” in “FEES AND EXPENSES” section and such other fees and expenses reasonably incurred by the Fund in the ordinary course of its business which the Fund Structuring Agent agrees to reimburse the Fund or pay on its behalf.

The Company Structuring Agent may not delegate the whole or any part of its duties or functions under the Company Structuring Agreement. The Fund Structuring Agent may not delegate the whole or any part of its duties or functions under the Fund Structuring Agreement.

Each of the Company Structuring Agreement and Fund Structuring Agreement contains an indemnity by the Fund in favour of the Company Structuring Agent and the Fund Structuring Agent and each of its directors, officers, servants, employees and Affiliates from and against any liability, damages, costs, loss or expenses (including legal and professional fees and expenses) incurred in the specified circumstances.

The Fund Structuring Agent will facilitate the offer and issue by the Fund of Preference Shares and will pay the Fund Structuring Fee to the Fund. In consideration for services rendered by the Fund Structuring Agent and its agreement to pay the Fund Structuring Fee, the Fund may pay the Fund Structuring Agent a fee in respect of the offer and issue of the Preference Shares issued by the relevant Fund which will be set out in the relevant Supplemental Memorandum.

Societe Generale will also have an exclusive right to sell to, structure, provide and/or procure for the Fund, Underlying Fund Investments designed to fund Redemption Amounts and dividends (if any), as applicable, scheduled to be paid in accordance with the relevant Supplemental Memorandum.

Any alternative Fund Structuring Agent and/or any other arrangement with the Fund Structuring Agent will be disclosed in the relevant Supplemental Memorandum.

The Company Structuring Agreement and the Fund Structuring Agreement may each be terminated on three months’ notice by either party. The Company Structuring Agreement and the Fund Structuring Agreement will each be governed by English law.

Societe Generale

Societe Generale is a credit institution licensed as a bank which is part of the Societe Generale Group. Société Générale is authorised and supervised by the European Central Bank (ECB) and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) (the French Prudential Supervisory and Resolution Authority) and regulated by the Autorité des marchés financiers (the French financial markets regulator) (AMF). Details about the extent of Societe Generale’s regulation by the abovementioned authorities are available from Societe Generale on request.

Members of the Societe Generale Group, of which Societe Generale is the parent, may perform a number of roles for the Company and each Fund. In particular, the Investment Manager for each Fund is expected to be SG Kleinwort Hambros Corporate Services (CI) Limited (formerly known as SG Hambros Fund Managers (Jersey) Limited) which may in turn appoint a determination agent and (if applicable) collateral agent for the Preference Shares issued by each Fund; Societe Generale will be the Structuring Agent and may be the issuer of and/or counterparty to Underlying Fund Investments entered into by a Fund in relation to the Preference Shares; Societe Generale Bank and Trust may be the custodian for certain Funds. A director of the Company and each Fund is employed by members of the Societe Generale Group. *For the most up-to-date information on Societe Generale visit www.societegenerale.com.*

Distributors

Each Fund may use various Distributors who are introduced to the relevant Fund and the Investment Manager by the Fund Structuring Agent to distribute the different Classes of Preference Shares from time to time. It is expected that Societe Generale will be appointed as Distributor by the Fund.

Subject to prior approval of the relevant Fund and compliance with applicable laws, rules, regulations and codes, the Distributor may delegate all or some of its powers and duties under the Distribution Agreement (other than in respect of settlement of the Preference Shares) with respect to any Fund.

Each Fund has consented or will consent to the delegation by the Distributor of all or some of its powers and duties under the Distribution Agreement to affiliates of the Distributor.

The Distributor will remain liable to the Fund for the performance of any powers and duties delegated.

The Distribution Agreement contains an undertaking by each party to the Distribution Agreement to indemnify the other party and each of its directors, officers, servants, employees and Affiliates (each an “Indemnified Party”) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including legal and professional fees and expenses) (each a “Loss”) which may be made or brought against or directly or indirectly suffered or incurred by an Indemnified Party arising directly or indirectly out of, in connection with or based on any actual or alleged breach by the other party of any of its obligations, agreements or undertakings in the Distribution Agreement.

In most cases the Distribution Agreement will otherwise terminate on the date falling 21 days after the issue of the relevant Preference Shares.

Subject to the provisions of any Distribution Agreement(s) entered into from time to time between the Fund, the Investment Manager and the relevant Distributor(s), the Fund does not accept responsibility for the actions of any Distributor(s) in relation to any Preference Shares. Nor does the Fund accept responsibility for the actions or omissions of any clearing system or any nominee thereof.

Details of any Distributor and any Selling Agent appointed in relation to a particular Class of Preference Shares will be set out in the relevant Supplemental Memorandum.

Each Distribution Agreement will be governed by English law.

Auditor

Ernst & Young LLP has been appointed as auditor of the Company and is expected to be appointed as auditor in respect of each Fund. Ernst & Young LLP provides annual audit services to the Company and to each Fund, and audits the Company’s and each Fund’s financial statements.

Process Agent

Societe Generale London Branch is expected to be appointed as the Process Agent of each Fund pursuant to a Process Agent Agreement.

The Process Agent may not delegate the whole or any part of its duties or functions under the Process Agent Agreement.

Societe Generale London Branch is authorised by the ECB, the ACPR and the Prudential Regulation Authority (PRA) and subject to limited regulation by the Financial Conduct Authority (FCA) and the PRA. Details about the extent of Societe Generale’s regulation by the abovementioned authorities are available from Societe Generale on request.

Under the Process Agent Agreement, the Process Agent will be responsible, among other matters, for accepting service of English process in respect of the documents referred to in the Process Agent Agreement.

The fees and expenses payable by each Fund to the Process Agent, and the manner in which payment by such Fund of such fees and expenses is expected to be funded, will be set out in the Process Agent Agreement (as amended and supplemented (if applicable) by the Fund Agreement).

The Fund will indemnify the Process Agent against all costs, charges, expenses and liabilities whatsoever incurred or sustained by the Process Agent in the performance of its duties under the Process Agent Agreement, except as may result from the gross negligence, fraud or wilful default on the part of the Process Agent in the performance of the Process Agent’s duties under the Process Agent Agreement.

The Process Agent Agreement will be governed by English law.

Fund Agreements

In addition to the service providers identified above, the service providers listed below are expected to be appointed by each Fund, where applicable. Each Fund has available to it a series of master terms documents which are designed to be used when a service provider contracts with that Fund. Each service

provider will execute a Fund Agreement, incorporating the relevant master terms document. By doing so each service provider will enter into the relevant service provider contract with the relevant Fund in the form of the relevant master terms document specified in the Fund Agreement, subject to such amendments or supplements as may be specified in the Fund Agreement or the relevant Supplemental Memorandum. For example by entering into a Fund Agreement specifying the master custodian terms, the Fund and the Custodian will enter into the Custodian Agreement on the terms set out in the master custodian terms.

Listing Sponsor

Unless specified differently the Supplemental Memorandum, an application will be made for the Preference Shares to be listed on the Official List of TISE.

Sanne Fiduciary Services Limited is expected to be appointed as the Listing Sponsor pursuant to the Listing Sponsor Agreement. If an alternative listing sponsor is appointed, it will be specified in the relevant Fund Agreement.

Under the Listing Sponsor Agreement, the Listing Sponsor will be responsible, among other matters, for making the relevant applications to TISEA for the applicable Preference Shares to be admitted to listing on such exchange.

Subject to the prior approval of the Fund (such approval not to be unreasonably withheld or delayed) and the Jersey Financial Services Commission (if applicable), the Listing Sponsor will have full power to delegate the whole or any part of its duties or functions.

Each Fund has consented or will consent to the delegation by the Listing Sponsor of all or some of its powers and duties under the Listing Sponsor Agreement to affiliates of the Listing Sponsor.

The Listing Sponsor will continue to remain liable to the relevant Fund for any acts or omissions of any delegates.

The Listing Sponsor Agreement will continue until terminated by the Fund or (as the case may be) the Listing Sponsor giving to the other party not less than 120 days' notice in writing at any time.

Registrar

It is expected that Computershare Investor Services (Jersey) Limited will be appointed as the Registrar in respect of each Fund pursuant to the Registrar's Agreement. Any alternative Registrar and/or other arrangement with the Registrar will be disclosed in the relevant Fund Agreement.

Under the Registrar's Agreement, the Registrar will be responsible, among other matters, for reviewing and accepting transfer requests in respect of Preference Shares, acting as registrar and maintaining the Register and providing information on the foregoing to the Principal Paying Agent.

Subject to the prior approval of the Fund, the Registrar will have full power to delegate the whole or any part of its duties or obligations, provided that no delegation of such duties or obligations is construed as creating a branch register of the Fund or result in the Register being maintained outside Jersey.

Each Fund has consented or will consent to the delegation by the Registrar of all or some of its duties and obligations under the Registrar Agreement to affiliates of the Registrar.

The Registrar will continue to remain liable to the relevant Fund for any acts or omissions of any delegates.

The Fund will indemnify the Registrar against any direct loss, liability, cost, claim, action, demand or expense which the Registrar may incur or which may be made against the Registrar arising directly in relation to the Registrar's appointment under the Registrar Agreement or the exercise of its functions, except such as may result from its fraud, negligence, bad faith, wilful default or recklessness or that of its officers or employees.

The Fund may terminate the Registrar Agreement by giving not less than 90 days' notice in writing to the Registrar, provided that no such notice expires less than 30 days before or 30 days after the due date

for payment in respect of any Preference Shares save that no notice will take effect until a new registrar has been appointed.

Principal Paying Agent

It is expected that Computershare Investor Services (Jersey) Limited will be appointed as the Principal Paying Agent in respect of each Fund pursuant to the Agency Agreement. Any alternative Principal Paying Agent and/or any other arrangement with the Principal Paying Agent will be disclosed in the relevant Fund Agreement.

The Principal Paying Agent will be responsible, among other matters, for making payments on behalf of the Fund in respect of the Preference Shares to the relevant Shareholders in accordance with the Articles and the Supplemental Memorandum relating to the Preference Shares.

Subject to the prior approval of the Fund (such approval not to be unreasonably withheld or delayed) and the Jersey Financial Services Commission (if applicable), the Principal Paying Agent will have full power to delegate the whole or any part of its duties or functions.

Each Fund has consented or will consent to the delegation by the Principal Paying Agent of all or some of its powers and duties under the Agency Agreement to affiliates of the Principal Paying Agent.

The Principal Paying Agent will continue to remain liable to the relevant Fund for any acts or omissions of any delegates.

The Fund will indemnify the Principal Paying Agent against any direct loss, liability, cost, claim, action, demand or expense which it may incur or which may be made against it arising directly out of its appointment or the exercise of its functions, except such as may result from its fraud, negligence, bad faith, recklessness or wilful default or that of its officers or employees

The Fund or the Principal Paying Agent may terminate the Agency Agreement by giving not less than 90 days' notice in writing to the other.

Custodian

It is expected that Societe Generale Bank and Trust will be appointed as the Custodian in respect of each Fund pursuant to the Custodian Agreement. Any alternative Custodian and/or any other arrangement with the Custodian will be disclosed in the relevant Fund Agreement.

The Custodian will have the right to delegate any role specified in the Custodian Agreement and may appoint agents, whether in its own name or on behalf of the Fund (except in the case of sub-custodians which will only be appointed by the Custodian in its own name), to perform any of the duties of the Custodian under the Custodian Agreement. The liability of the Custodian will not be affected by the fact that it has entrusted to such agent or agents some or all of the assets of the Fund for safekeeping. The Custodian must exercise reasonable skill, care and diligence in the selection, appointment and monitoring of any such agent so as to ensure that the agent has and maintains the expertise, competence and standing appropriate to discharge its responsibilities and in addition the Custodian must maintain an appropriate level of supervision and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged (but the Custodian is not to supervise or make any such enquiries of any Clearance System).

If a sub-custodian is required in respect of a Fund, Societe Generale may be appointed by the Custodian to fulfil the role of sub-custodian.

Subject to the prior approval of the Fund (such approval not to be unreasonably withheld or delayed), the Custodian will have full power to delegate the whole or any part of its duties or functions and may appoint a sub-custodian in accordance with the terms of the Custodian Agreement. Societe Generale may be appointed by the Custodian as the sub-custodian.

Each Fund has consented or will consent to the delegation by the Custodian of all or some of its powers and duties under the Custodian Agreement to affiliates of the Custodian.

The Custodian will, as well as carrying out other duties, be responsible for safe custody of the assets of the Fund and making the assets available for sale to satisfy redemption requests and, after receiving the proceeds, have such assets available for payment to holders of Preference Shares upon the redemption of any Preference Shares or otherwise as directed by the Fund.

The Custodian Agreement will continue until terminated on the terms set out in the Custodian Agreement. Each Custodian Agreement will be made on substantially the same terms.

Under the terms of each Custodian Agreement, the relevant Fund indemnifies the Custodian in respect of reasonable costs, liabilities and reasonable expenses arising in the performance of its duties with respect to the Fund other than liabilities arising as a result of, among other things, fraud, wilful default, bad faith or gross negligence of the Custodian.

Save in certain cases, the Fund will be obliged to indemnify the Custodian from any act or thing which the Custodian or its nominee or agent allows, takes or does or omits to allow, take or do in relation to the property of the Fund under or pursuant to the terms of the Custodian Agreement or as a consequence of carrying out any instructions of the Fund; or from the Custodian or its nominee or agent (having taken reasonable care) carrying out instructions believed by it in good faith to have been given by an Authorised Person.

Either party may terminate the Custodian Agreement on giving not less than 90 days' written notice to the other party, save that no notice will take effect until a new custodian has been appointed.

Determination Agent

It is expected that Societe Generale will be appointed by the Investment Manager on behalf of each Fund to perform the role of Determination Agent in respect of the Preference Shares under a Determination Agency Agreement. Any alternative Determination Agent and/or any other arrangement with the Determination Agent will be disclosed in the relevant Fund Agreement.

Under the relevant Determination Agency Agreement, the Determination Agent will provide calculation agency services to the Funds. The Determination Agent will also provide administrative services to each Fund and/or the Investment Manager in relation to the implementation of any investment decision of that Fund and/or the Investment Manager, as applicable, in respect of the Underlying Fund Investments attributable to that Fund. The Determination Agent will, in relation to the Preference Shares, also perform the functions and duties imposed on the Determination Agent by the Supplemental Memorandum relating to the relevant Preference Shares. In addition, the Determination Agent will provide such assistance to the Corporate Administrator as the Corporate Administrator may reasonably request in relation to the valuation of the Underlying Fund Investments of the relevant Fund in respect of the Preference Shares for the purposes of:

- (i) preparing the financial statements of the relevant Fund; and
- (ii) (where required to be calculated by the applicable law or regulation including, where applicable, the rules of an Exchange) calculating the Net Asset Value per Class and, the Net Asset Value per Share.

Subject to the prior approval of the Investment Manager and any regulatory body having oversight of the Investment Manager, the Determination Agent will have full power to delegate the whole or any part of its duties or obligations.

The Investment Manager has consented or will consent to the delegation by the Determination Agent of all or some of its duties and obligations under the Determination Agency Agreement to affiliates of the Determination Agent.

The Determination Agent will continue to remain liable to the relevant Fund and the Investment Manager for any acts or omissions of any delegates.

The Fund will indemnify each of the Determination Agent and the Investment Manager against any loss, liability, cost, claim, action, demand or expense which it may incur or which may be made against it arising out of or in relation to or in connection with its appointment or the exercise of its functions under

the Determination Agency Agreement, except such as may result from its fraud, gross negligence, bad faith or wilful default or that of its officers or employees.

Either party may terminate the Determination Agency Agreement on giving not less than 90 days' written notice to the other party, provided that no such notice will expire less than 30 days before or 30 days after the due date for payment in respect of any of the Preference Shares and that no such notice will take effect until a new determination agent has been appointed.

Collateral Agent

It is expected that Societe Generale will be appointed as the Collateral Agent by the Investment Manager on behalf of each Fund to perform the role of the Collateral Agent in respect of each Fund pursuant to the Collateral Agency Agreement. Any alternative Collateral Agent and/or any other arrangement with the Collateral Agent will be disclosed in the relevant Fund Agreement.

The Collateral Agent will, among carrying out other duties, be responsible for managing the collateral to be provided to, or received from, the Investment Counterparty to the Underlying Fund Investment entered into by the relevant Fund in respect of the Preference Shares.

Subject to the prior approval of the Investment Manager, the Collateral Agent will have full power to delegate the whole or any part of its duties or obligations.

The Investment Manager has consented or will consent to the delegation by the Collateral Agent of all or some of its duties and obligations under the Collateral Agency Agreement to affiliates of the Collateral Agent.

The Collateral Agent will continue to remain liable to the relevant Fund and the Investment Manager for any acts or omissions of any delegates continue to remain liable.

The Fund will indemnify each of the Collateral Agent and the Investment Manager against any loss, liability, cost, claim, action, demand or expense which it may incur or which may be made against it arising out of or in relation to or in connection with its appointment or the exercise of its functions under the Collateral Agency Agreement, except such as may result from its fraud, gross negligence, bad faith or wilful default or that of its officers or employees.

Either party may terminate the Collateral Agency Agreement on giving not less than 90 days' written notice to the other party, provided that no such notice will expire less than 30 days before or 30 days after the due date for payment in respect of any of the Preference Shares and that no such notice will take effect until a new collateral agent has been appointed.

Investment Counterparties

It is expected that Societe Generale or one of its affiliates will be appointed as the Investment Counterparty in respect of each Fund. Each Fund will invest in Underlying Fund Investments with the Investment Counterparty, as described under "FUND INVESTMENT STRATEGY AND OBJECTIVES". Details of the arrangements with the Investment Counterparty and any alternative Investment Counterparties will be disclosed in the relevant Supplemental Memorandum.

Service Providers' fees

The fees and expenses payable by the Fund to the Service Providers, and the manner in which such fees and expenses payable by the Fund to the Service Providers are funded are set out in "FEES AND EXPENSES" section, unless otherwise disclosed in the Supplemental Memorandum.

Interested dealings

The respective agreements entered into, or to be entered into, between any of the Funds and/or the Company (as applicable) and the Structuring Agent, the Determination Agent, the Investment Manager, the Corporate Administrator, each Distributor, the Custodian, the Listing Sponsor, the Auditor, the Process Agent, the Registrar, the Principal Paying Agent, any Depositary Services Provider, each

Investment Counterparty or the Collateral Agent provide that they and any of their respective subsidiaries, Affiliates, associates, agents, directors, officers, employees or delegates (together the “**Interested Parties**” and each an “**Interested Party**”) may:

- (a) contract or enter into any financial, banking or other transaction with one another or with the relevant Fund or the Company (acting in respect of itself or any other protected cell in the Company) including, without limitation, investment in the Company or the relevant Fund, in securities of a holder of Preference Shares or in any company or body any of whose investments or obligations form part of the assets of the relevant Fund or the Company (acting in respect of itself or any other protected cell in the Company), or be interested in any such contracts or transactions;
- (b) invest in and deal with Preference Shares or any property of the kind included in the property of the relevant Fund (including investments or transactions which relate to any of the Underlying Fund Investments of the relevant Fund or the related Investment Counterparties or to any of the specified investments, funds, deposits, indices, baskets or trading strategies by reference to which the return under any Preference Shares may be directly or indirectly calculated) for their respective individual accounts or for the account of a third party; and
- (c) deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the relevant Fund or the Company through, or with, the Structuring Agent, the Determination Agent, the Investment Manager, the Corporate Administrator, each Distributor, the Custodian, the Listing Sponsor, the Auditor, the Process Agent, the Registrar, the Principal Paying Agent, any Depositary Services Provider, each Investment Counterparty and the Collateral Agent or any subsidiary, Affiliate, associate, agent or delegate thereof.

There will be no obligation on the part of any Interested Party to account to the Company, and Fund or Shareholders for any benefits so arising and any such benefits may be retained by the relevant party.

Any such contracts, transactions and arrangements between any Interested Party and the relevant Fund or the Company (acting in respect of itself or any protected cell in the Company) or (to the extent known by the relevant Interested Party) any other person for the account of the relevant Fund or the Company (acting in respect of itself or any protected cell in the Company) must be carried out as if effected on normal commercial terms negotiated at arm’s length.

Without prejudice to the generality of the foregoing, having regard to the applicable conflicts management policies and to the extent permitted by applicable regulation and notwithstanding its capacity as the Structuring Agent, the Determination Agent, the Investment Manager, the Corporate Administrator, each Distributor, the Custodian, the Listing Sponsor, the Auditor, the Process Agent, the Registrar, the Principal Paying Agent, any Depositary Services Provider, each Investment Counterparty and the Collateral Agent, Societe Generale or its Affiliate (as applicable) and any of its respective subsidiaries, Affiliates, associates, agents, directors, officers, employees or delegates (together the “**Related Persons**” and each a “**Related Person**”), may:

- (a) become the owner of Shares and hold, dispose of or otherwise deal with the same and with the same rights which it would have had if the Investment Manager was not appointed as the relevant Fund’s investment manager pursuant to the Investment Management Agreement or the Determination Agent was not appointed as the relevant Fund’s determination agent pursuant to the Determination Agency Agreement or the Company Structuring Agent was not appointed as the Company’s Structuring Agent pursuant to the Company Structuring Agreement or the Fund Structuring Agent was not appointed as the Fund’s Structuring Agent pursuant to the Fund Structuring Agreement or the Collateral Agent was not appointed as the Fund’s Collateral Agent pursuant to the Collateral Management Agreement or the Custodian was not appointed as the Fund’s Custodian pursuant to the Custodian Agreement (as applicable);
- (b) buy, hold and deal in any assets upon its own account notwithstanding that the same or similar assets may be held by or for the account of or otherwise connected with the Fund;
- (c) match the Fund’s transactions with its own or its customers’ by acting on its own or its customers’ behalf as well as on behalf of the relevant Fund;

- (d) publish a research recommendation to its customers (including the Fund) knowing that it or its Affiliate may to the extent permitted by the FCA's Conduct of Business Sourcebook (or such other conduct of business rules as may be applicable) have acted upon the research recommendation or made use of the information on which the research recommendation is based;
- (e) act as the financial adviser or a lending bank to any Investment Counterparty;
- (f) arrange for or advise the relevant Fund to purchase securities (including Underlying Fund Investments) held by themselves on their own accounts or issue Underlying Fund Investments to or enter into Underlying Fund Investments with the Fund and no Related Person so interested will be liable to disclose or account for any benefit to any other party by reason solely of such interest;
- (g) sell or enter into Underlying Fund Investments to or with the relevant Fund, purchase Underlying Fund Investments from or vest Underlying Fund Investments in the Fund or contract or enter into any financial, banking, currency or other transactions with the Fund or any holder of Preferences Shares or any company or body, any of whose securities (including Underlying Fund Investments) are held by or for the account of or otherwise connected with the Fund or be interested in any such transaction and the Related Person will not be called upon to disclose or account in respect of any such contract or transaction or benefit derived therefrom by virtue only of the relationship between the parties concerned;
- (h) receive any commissions which it may negotiate in relation to any sale, purchase or entry into of Underlying Fund Investments effected by or for the account of the relevant Fund and the Related Person will be entitled to retain for its own benefit any profit or benefit derived therefrom;
- (i) complete a transaction which is made pursuant to a contract effected in the normal manner on a stock exchange or other market where the purchaser or the vendor is undisclosed at the time;
- (j) acquire, hold or dispose of Underlying Fund Investments notwithstanding that such Underlying Fund Investments have been acquired or entered into, as the case may be, at prices lower than those paid by or on behalf of the relevant Fund in respect of the acquisition of or entry into the Underlying Fund Investments of the same class or type in or with any Investment Counterparty or disposed of at prices higher than those received by or on behalf of the relevant Fund by virtue of a transaction effected by the relevant Fund at or about the same time in which the Related Person was concerned and the Related Person will be entitled to retain for its own benefit any profit or benefit derived therefrom; and
- (k) continue or agree to act as investment manager, determination agent, custodian, structuring agent, collateral agent or any other service provider described above or in such other capacity for other persons, as appropriate, with similar objectives and policies as the relevant Fund, or make investments for other clients without making the same available to the relevant Fund,

provided that the Structuring Agent, the Determination Agent, the Investment Manager, the Corporate Administrator, each Distributor, the Custodian, the Listing Sponsor, the Auditor, the Process Agent, the Registrar, the Principal Paying Agent, any Depository Services Provider, each Investment Counterparty and the Collateral Agent (as applicable) will have regard to their applicable conflicts management policies.

Conflicts of interest and resolution of conflict

Each Structuring Agent, each of the Directors, the Determination Agent, the Investment Manager, the Corporate Administrator, each Distributor, the Custodian, the Listing Sponsor, the Auditor, the Process Agent, the Registrar, the Principal Paying Agent, any Depository Services Provider, each Investment Counterparty and the Collateral Agent or any Affiliate of each such party may, in the course of its business, have potential conflicts of interests with the Company and/or each Fund. Each of such persons will be required to have regard to its obligations to act in accordance with the rules of the regulatory regime to which it is subject, and to its respective duties to the Company and/or the relevant Fund and other persons when undertaking any transactions where conflicts or potential conflicts of interest may

arise. In the event that such conflicts do arise, each of such persons has undertaken or will be requested by the Company and/or the relevant Fund to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly having regard to its conflicts management policy and to ensure that the interests of the Company and/or the relevant Fund are not unfairly prejudiced. However, where any such conflict is resolved in this way, such resolution may be adverse to the Company, the Fund and the Shareholders or to the interests of the Company, the Fund and the Shareholders and the ability of the Fund to pay the applicable Redemption Amount (if any) and/or the dividends (if any) payable in respect of the relevant Preference Shares may be adversely affected.

The Investment Counterparty to any Underlying Fund Investment (including a Derivative Contract) may be required from time to time to provide valuations of each such Underlying Fund Investment for the purposes of the calculation of the Net Asset Value per Share. The Directors acknowledge that the Investment Counterparty may have a potential conflict of interest by virtue of acting as Investment Counterparty and providing such valuations. However, the Directors expect that the Investment Counterparty will be a person suitable and competent to provide such valuations and who will do so at no further cost to the relevant Fund which would be the case if the services of a third party were engaged to fulfil this role.

If the Investment Counterparty to any Underlying Fund Investment (including a Derivative Contract) is appointed as the Collateral Agent to the relevant Fund it will be required from time to time to determine the level of collateral that is required to be provided in respect of each applicable party's investment exposure under the relevant Underlying Fund Investment. The Directors acknowledge that the Investment Counterparty may have a potential conflict of interest by virtue of acting as Collateral Agent and making such determinations. However, the Directors expect that the Investment Counterparty will be a person suitable and competent to make such determinations and who will do so at no further cost to the Fund which would be the case if the services of a third party were engaged to fulfil this role.

Societe Generale or one of its Affiliates may be an Investment Counterparty with respect to an Underlying Fund Investment. The relevant Fund will acknowledge and agree that, in having regard to its or its Affiliates' obligations as Investment Counterparty to any Underlying Fund Investment and/or as issuer of any other investments, Societe Generale may resolve any conflicts of interest in respect of any such obligations in its, or its Affiliates' favour taking into account its or its Affiliates' interests as an Investment Counterparty or issuer of other investments.

ISSUANCE CONDITIONS

Issue Price

Applicants may apply for Preference Shares at the Issue Price specified in the Supplemental Memorandum.

Minimum Subscription Amount

The minimum application per applicant is for the Minimum Subscription Amount as specified in the Supplemental Memorandum.

Minimum Trading Size

The Minimum Trading Size for Preference Shares is specified in the Supplemental Memorandum. The Preference Shares will be tradable only in amounts equal to the Minimum Trading Size and above.

Maximum Issue Size

A maximum equal to the Maximum Issue Size, as specified in the Supplemental Memorandum, of Preference Shares will be made available under the Issue. This maximum may be increased at the discretion of the Directors in light of prevailing market conditions.

The Issue is not underwritten. Accordingly, the number of Preference Shares available under the Issue should not be taken to be indicative of the number of Preference Shares that will be issued.

Rating

The Preference Shares may be rated by a Rating Agency, as more fully described in the Supplemental Memorandum.

Conditions of issue

The Issue of Preference Shares is conditional upon the relevant Fund:

- (i) having accepted valid applications for Preference Shares with an aggregate Issue Price amounting to at least the Minimum Issue Size (the “**Minimum Issue Size Condition**”); and
- (ii) having entered into (or the Directors being satisfied that the Fund will enter into) the Underlying Fund Investments, on terms that the Directors, at the time that such agreements are entered into (or, if earlier, on the Issue Date), consider to be such as to enable the Fund to fund amounts payable in respect of the Preference Shares (the “**Issue Hedging Condition**”).

The Directors may waive Minimum Issue Size Condition. If either of these conditions are not satisfied or waived in respect of the Preference Shares, the relevant Fund will not issue any Preference Shares and will return the application monies (without interest) for such Preference Shares at the applicants’ risk to applicants by no later than 5 days after the date on which the issue of Preference Shares is cancelled. Application monies will be returned by cheque mailed to the applicant’s address as indicated on the application form, or by wire transfer to the bank account as detailed on the application form or any other method as the Directors deem to be appropriate.

Cell Type

The Company may create Funds as Segregated Cells or as Non-Segregated Cells, as described above under “Cell Types and Classes” in “DESCRIPTION OF THE FUND” section. The type of Preference Shares issued by a Fund will be detailed in the relevant Supplemental Memorandum.

Cancellation of the issue

The Directors reserve the right, in their absolute discretion, to cancel the issue of Preference Shares at any time on or prior to the Issue Date. In such an event, all subscription monies relating to applications for Preference Shares under the Issue will be returned (without interest) to applicants at the applicant’s

risk by no later than 5 days after the date on which the Issue of the Preference Shares is cancelled. Application monies will be returned by cheque mailed to the applicant's address as indicated on the application form, or by wire transfer to the bank account as detailed on the application form or by any other method as the Directors deem to be appropriate.

Details of the application procedure

Applications for the Preference Shares may only be made through the Distributor.

Pursuant to anti-money laundering laws and regulations in force in France, the UK and/or Jersey and in accordance with the Articles, the relevant Fund, the Distributor or any of their authorised agents may require evidence of identity and other information in connection with any application for Preference Shares, including further identification of the applicant(s), before any Preference Shares are issued.

Each prospective investor should find out from the Distributor or its Selling Agent when it will require receipt of cleared funds from its clients in respect of applications for the purchase of Preference Shares and the manner in which payment of the subscription amount should be made to the Distributor or the applicable Selling Agent.

Prospective investors should also contact the Distributor or the applicable Selling Agent for details of the fees, commissions and other charges, if any, payable by an investor in connection with an investment in the Preference Shares.

Listing

An application will be made for the Preference Shares to be listed on TISE or any other Exchange. It is anticipated that listing on the Exchange will become effective on the Issue Date. However, the Preference Shares will not be traded on the Exchange.

Settlement

Holders of Preference Shares will not receive share certificates unless the Fund is required by the Laws to issue share certificates in respect of the relevant Preference Shares or the terms of issue of such Preference Shares so provide.

Preference Shares will be issued in registered form and may be registered in the name of: a subscriber for shares; a purchaser of shares; a participant in a clearing system; a nominee of such participant; or a clearing system (or its nominee). Clearing systems which a Fund may use include CREST, Euroclear or Clearstream Luxembourg.

Investors in Preference Shares may hold interests in Preference Shares through custodial arrangements with their relevant plan manager, bank, broker, custodian, nominee service provider, a clearing system or other person, as applicable (each, a "**Relevant Nominee**"), and the Relevant Nominee may itself hold the Preference Shares through a clearing system (or its nominee).

In these circumstances the investors will have no direct rights against the Fund and will only receive any applicable payments of redemption amounts and/or dividends attributable to such Preference Shares on the basis of the arrangements entered into with their Relevant Nominees.

The relevant Fund and the Directors will recognise as Shareholders only those persons whose names are, at the relevant time, shown on the Register for the purposes of:

- (i) the payment of any amounts payable to Shareholders under the terms of the relevant Preference Shares (as applicable);
- (ii) the circulation of documents to Shareholders;
- (iii) the attendance and voting by Shareholders at any Class Meetings (including, but not limited to, attending and voting at any Class Meetings on the approval of any amendments to the terms of the relevant Preference Shares); and
- (iv) all other rights of Shareholders attributable to the relevant Preference Shares.

In each case, an investor holding interests in Preference Shares through a clearing system (or its nominee) must look to the clearing system (or its nominee) for all payments, documents or other rights (if any) attributable to the relevant Preference Shares based on the arrangements made by such investor with its Relevant Nominee.

All communications by the Company or the relevant Fund to Shareholders will only be to those entities whose names appear on the Register at the relevant time.

Preference Shares held in a Clearing System

Preference Shares held through CREST will be transferable in accordance with the rules of CREST.

Where Preference Shares are to be settled within CREST, on or about the applicable Issue Date for the Preference Shares, the relevant Fund or the Registrar on behalf of the relevant Fund will arrange for CREST to be instructed to credit the appropriate CREST stock account or accounts of the applicants concerned with their respective entitlements to such Preference Shares.

Every transfer of Preference Shares from a CREST account of a CREST member to a CREST account of another CREST member will vest in the transferee a beneficial interest in the Preference Shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. The names of CREST members that acquire shares through their CREST accounts will be entered onto the Register of the relevant Fund by the Registrar.

Legal title to the Preference Shares transferred in this manner vests in the transferee only when the Register is updated by the Registrar to reflect such transfer.

Euroclear / Clearstream

If Preference Shares are registered in the CREST system in the name of a nominee for Euroclear or Clearstream, Euroclear or Clearstream will record and credit interests in Preference Shares to or for the account of the relevant Accountholders with Euroclear or Clearstream (as applicable) in accordance with its respective rules and procedures.

Investors who hold interests in Preference Shares through Euroclear or Clearstream Luxembourg (or their respective nominees) will not appear on the Register maintained by the Registrar for the Fund. Any transfers of interest in such Preference Shares must be made in accordance with the rules and procedures of such clearing systems.

Clearing system payments

The payment of any applicable Redemption Amount and/or Dividend Amounts under any Preference Shares held through a clearing system will be made to, or (if applicable) to the order of, the relevant clearing system (or its nominee) who is shown on the Register as a Shareholder of such Preference Shares on the relevant record date for purposes of such payments. The applicable amounts in respect of such Redemption Amount and/or Dividend Amounts will be credited to the relevant Accountholders who hold interests in such Preference Shares through such clearing system in accordance with its rules and procedures.

Investors who hold interests in Preference Shares pursuant to an investment plan or other arrangement will only receive payments made in respect of redemption proceeds or dividends (if any) on the Preference Shares in which they have any interest in accordance with the terms of the applicable investment plan or other arrangement, as applicable, made with their Relevant Nominee.

The Fund's obligation to pay the applicable Redemption Amount (if any) or any applicable Dividend Amount under the terms of the Preference Shares is discharged once it or the Registrar (acting on its behalf) has made payment to, or at the direction of, the Shareholders of such Preference Shares (as shown in the Register of the Fund on the relevant record date for purposes of such payment). The Fund has therefore no responsibility for any amount thereafter transmitted through the clearing system, any Accountholder or any other Relevant Nominee.

Fees

Prospective investors should note that they may be required to pay certain fees, commissions or charges for custodial, transfer and clearing services charged by the Relevant Nominee for the purchase, holding, transfer or redemption of Preference Shares. Prospective investors should contact the Relevant Nominee for full details of these fees, commissions or charges that may, directly or indirectly, be passed on to the investor.

Preference Shares held outside a clearing system

Where Preference Shares are held outside a clearing system, they may only be transferred in accordance with the Articles of the relevant Fund. The Articles provide that the transferor must execute a transfer form in favour of the transferee and deposit that form, together with the share certificate representing such shares, with the Registrar. The transferor must also deliver such other documentation as the Directors or the Registrar may reasonably require to enable the Fund to comply with its obligations under any applicable anti-money laundering or similar legislation.

FUND INVESTMENT STRATEGY AND OBJECTIVES

The below is a generic summary of the investment strategy and objectives of a Fund which should be read together with the relevant Supplemental Memorandum.

Use of Proceeds

The proceeds of the issue of the Preference Shares (which are expected to amount to 100 per cent. of the Gross Proceeds of the issue of Preference Shares) will be used by the Fund to acquire and/or enter into the Underlying Fund Investments designed to fund the amounts payable in respect of the Preference Shares, as more particularly described below.

The Underlying Fund Investments and any other assets and liabilities attributable (or notionally attributable) to the Preference Shares will be allocated to the Preference Shares in accordance with the Articles.

Underlying Fund Investments

The Fund's investment policy is to acquire Underlying Fund Investments issued by, and/or enter into Underlying Fund Investments with, one or more Investment Counterparties. On or around the Issue Date of the Preference Shares, the Fund will invest 100 per cent. of the Gross Proceeds of the Preference Shares in Underlying Fund Investments with the Investment Counterparty which will be designed to generate the amounts payable by the Fund in respect of the Preference Shares in accordance with the terms set out in the Supplemental Memorandum. The Underlying Fund Investments will comprise one or more Derivative Contracts, repurchase agreements, Other Financial Instruments, Debt Securities, Deposits or Loans entered into with or issued by, as the case may be, the relevant Investment Counterparty.

In the future the Fund may, in respect of the Preference Shares: (a) enter into further Derivatives Contracts with one or more Investment Counterparties; (b) acquire Debt Securities issued by one or more Investment Counterparties; and/or (c) acquire or enter into Deposits or Other Financial Instruments issued by or entered into with Investment Counterparties; and/or (d) enter into Loan(s) with one or more Investment Counterparties. Societe Generale and/or its Affiliates may be an Investment Counterparty in respect of any such Derivative Contracts, repurchase agreements, Debt Securities, and Other Financial Instruments or Loan(s).

Investors should ensure that they fully understand the nature of their exposure to the Investment Counterparties under the Underlying Fund Investments. If investors are in any doubt about their exposure to the Investment Counterparties, they should take financial advice from an appropriately qualified independent professional adviser.

The Underlying Fund Investments entered into, acquired or made by the Fund in order to generate amounts scheduled to be paid by the Fund in respect of the Preference Shares will be made in accordance with the advice of the Investment Manager.

Any voting rights in the Underlying Fund Investments held by the Fund will be exercised in the interests of Shareholders of the relevant Fund.

Investment Restrictions

The investment restriction applicable to the Fund in respect of the Preference Shares will be as follows:

- (i) the Fund may not take or seek to take legal or management control of the Investment Counterparty in respect of any of the Underlying Fund Investments;
- (ii) any other Investment Restrictions as specified in the "FUND-SPECIFIC TERMS" section of the applicable Supplemental Memorandum.

These restrictions will apply to any investment at the time the investment is made although the Fund must have regard to the investment restrictions when considering changes (if any) in its investment portfolio of the relevant Fund.

The Fund, based upon the advice of the Investment Manager, will allocate or notionally allocate, the Underlying Fund Investments to the relevant Class of Preference Shares

If all of the Preference Shares are to be redeemed early pursuant to a Shareholder giving a Shareholder Optional Redemption Request or following the occurrence of an Early Redemption Event, the Company will realise the Underlying Fund Investments allocated to the Preference Shares.

Leverage

Where specified in the relevant Supplemental Memorandum, the Fund may employ leverage. Leverage may be employed, directly or indirectly, in circumstances where the Investment Manager deems it appropriate to do so in pursuit of the Fund's investment strategy and objectives.

Each such Fund may employ leverage through Underlying Fund Investment with the relevant Investment Counterparty such as derivatives and other non-fully funded instruments. In each case, leverage may be obtained on a secured or unsecured, and collateralised or uncollateralised basis. No Fund currently grants any guarantee under any leveraging arrangement and the grant of any such guarantee will be disclosed to Shareholders in accordance with the AIFMD Rules, if required thereunder.

The Company has not imposed a limit on leverage, either generally or with respect to any Fund, except as may be set out in the relevant Supplemental Memorandum. Under the AIFMD Rules, the Company being a non-EU AIF managed by a non-EU AIFM, is not required to set a maximum level of leverage which may be employed on behalf of each Fund and to calculate such leverage in accordance with the "gross" and "commitment" methods (in each case, as required by and as set out in the AIFMD Rules).

Collateral and Asset Re-use Arrangements

Each Fund's collateral and asset re-use arrangements vary according to the identity of its Investment Counterparty.

Each Fund may from time to time be required to deliver collateral to its Investment Counterparty under the terms of the relevant agreements (including, but not limited to, ISDA master agreements, global master securities lending agreements, credit support documentation and/or securities lending, repurchase, foreign exchange and/or futures clearing agreements), by posting initial margin and/or variation margin and on a daily mark-to-market basis. Each Fund may deliver such collateral by way of title transfer or by way of security interest (and in certain circumstances may grant a right of re-use of such collateral) to the Investment Counterparty. The treatment of such collateral varies according to the type of transaction and where it is traded.

There are generally no restrictions on the re-use of collateral by trading counterparties and brokers.

In order to reduce the counterparty risk under the Underlying Fund Investments, the Fund and the Investment Counterparty may enter into a CSA or any other collateral arrangement specified in the Supplemental Memorandum.

Risk management systems

The Investment Manager has put in place a risk management framework which is designed to identify, measure, manage and mitigate risks relevant to each Fund and the Underlying Fund Investments.

Key principles of the Investment Manager's risk management framework include the segregation of functions and duties and having an appropriate degree of independent and senior management oversight of business activities. The Investment Manager will review and approve any proposals by the Structuring Agent to establish new cells of the Company, including the terms of Preference Shares proposed to be issued by newly-established cells or any proposals for a Fund to issue further Classes of Preference Shares. Further, as part of the Investment Manager's independent oversight, the activities of the Structuring Agent, the Collateral Agent and the Determination Agent are subject to a regular (at least quarterly) dialogue and an annual review.

The Investment Manager maintains a permanent committee composed of representatives of the Investment Manager (the Management Committee) which meets quarterly to consider the effect of activities in the Fund during the period on its risk profile along with the adequacy of the collateral

position reported by the Collateral Agent. The Management Committee monitors indicators of risk identified for the Fund including, but not limited to, market risk, counterparty risk, execution risk and legal risk.

Liquidity management

The terms of the Fund relating to the redemption of Preference Shares are as set out under “DIVIDEND AND REDEMPTION AMOUNTS” and in the relevant Supplemental Memorandum under “FUND-SPECIFIC TERMS”, and the terms of the Fund relating to the transfer of Preference Shares are as set out in the relevant Supplemental Memorandum under “MAIN PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE CELL – Transfer of Preference Shares”.

The liquidity of the Fund will be managed by ensuring, so far as practicable, that the liquidity of the Preference Shares is appropriate by reference to the liquidity of the Underlying Fund Investment. In particular, except as set out in the relevant Supplemental Memorandum, it is intended that the Investment Counterparty will generally have an obligation to pay the corresponding amount to the Fund in any circumstance in which a Shareholder will have the right to redeem Preference Shares.

Changes to the Investment Strategy and Objectives

Unless otherwise specified in the relevant Supplemental Memorandum, any material changes to the investment strategy or objectives set out above may be made by the Directors only with the approval of (i) the holders of Ordinary Shares of the relevant Cell by Special Resolution and (ii) the holders of the relevant Preference Shares by Special Resolution. Any such changes which are not material may be made by the Directors without the consent of Shareholders but will be notified to Shareholders. Where a Fund issues more than one Class of Preference Shares, no changes will be made to the terms of any Class of Preference Shares if such changes would adversely affect any other Class of Preference Shares of the same Cell.

DIVIDEND AND REDEMPTION AMOUNTS

Capitalised terms used but not defined in this section or in the “DEFINITIONS” section will, as the context requires, have the meanings given to them in the relevant Supplemental Memorandum.

General

Each Fund may pay a Dividend Amount on any Dividend Payment Date (as specified in the Supplemental Memorandum), if “Dividend” is applicable in accordance with the Supplemental Memorandum.

Subject to the Laws and the relevant Supplement Memorandum, each Fund may pay the Final Redemption Amount on the Final Redemption Date (as described under “Final Redemption” below) and in addition, each Fund will (subject to this section, the relevant Supplemental Memorandum and the Laws) pay:

- (i) a Partial Redemption Amount on each Partial Redemption Payment Date (as described under “Partial Redemption” below) if “Partial Redemption” is applicable in accordance with the Supplemental Memorandum;
- (ii) a Market Maker Optional Redemption Amount on the related Market Maker Optional Redemption Date (as described below under “Market Maker Optional Redemption”);
- (iii) a Shareholder Optional Redemption Amount on the related Shareholder Optional Redemption Date (as described below under “Shareholder Optional Redemption”) if the “Shareholder Optional Redemption” is applicable in accordance with the Supplemental Memorandum;
- (iv) a Class Optional Redemption Amount on the related Class Optional Redemption Date (as described below under “Class Optional Redemption”) if “Class Optional Redemption” is applicable in accordance with the Supplemental Memorandum; and
- (v) an Early Redemption Amount on the related Early Redemption Date (as described in “Early Redemption if an Early Redemption Event occurs” below) if the Fund determines that an Early Redemption Event has occurred.

The Final Redemption Amount, the Partial Redemption Amount, the Market Maker Optional Redemption Amount, the Shareholder Optional Redemption Amount, the Class Optional Redemption Amount and the Early Redemption Amount will each be a “**Redemption Amount**”.

All payments made to Shareholders in respect of the Preference Shares are subject to the Companies Law. The Companies Law provides that no Preference Shares may be redeemed and no distribution (including a dividend) may be paid on the Preference Shares unless the Directors have formed the view that, immediately after the Preference Shares have been redeemed or the distribution paid (as the case may be), the relevant Fund will be able to discharge its liabilities as they fall due and that will remain the case for 12 months after the redemption or distribution.

The aggregate amounts to be paid as described in this section will be rounded down to the nearest 0.01 of the Settlement Currency.

Dividends

Provided that it has not given an Early Redemption Notice in accordance with paragraph “Early Redemption if an Early Redemption Event occurs” below, a Fund will, subject to the Laws, pay on each Dividend Payment Date, the corresponding Dividend Amount, in respect of each then outstanding Preference Share, in each case in the Settlement Currency and in accordance with the Articles, the Laws, the relevant Supplemental Memorandum and subject to the matters set out or referred to in “RISK FACTORS” section.

Only registered Shareholders on the Record Date falling immediately prior to a Dividend Payment Date will be entitled to receive the Dividend Amount payable in respect of such Dividend Payment Date.

Partial Redemption

Provided that it has not given an Early Redemption Notice in accordance with paragraph “Early Redemption if an Early Redemption Event occurs” below, a Fund will, subject to the Laws, pay on each Partial Redemption Payment Date the corresponding Partial Redemption Amount in respect of each then outstanding Preference Share, in the Settlement Currency and in accordance with the Articles, the Laws, the Supplemental Memorandum and subject to the matters set out or referred to in “RISK FACTORS” section.

Only registered Shareholders on the Record Date falling immediately prior to a Partial Redemption Payment Date will be entitled to receive the Partial Redemption Amount payable in respect of such Partial Redemption Payment Date.

Final Redemption

If it has not given an Early Redemption Notice in accordance with paragraph “Early Redemption if an Early Redemption Event occurs” below, a Fund will, subject to the Laws, pay or cause to be paid on the Final Redemption Date the Final Redemption Amount (each as defined in the Supplemental Memorandum) in respect of each then outstanding Preference Share, in the Settlement Currency and in accordance with the Articles, the Laws, the Supplemental Memorandum and subject to the matters set out or referred to in “RISK FACTORS” section.

Early Redemption if an Early Redemption Event occurs

If a Fund determines that there is an Early Redemption Event, it may, but will not be obliged to, give an irrevocable notice to Shareholders that the Preference Shares are to be redeemed early (an “**Early Redemption Notice**”). All of the outstanding Preference Shares will be redeemed at the Early Redemption Amount on the Early Redemption Date and in the manner specified in the Early Redemption Notice, to the extent permitted by the Articles, the Laws, the Supplemental Memorandum and subject to the matters set out or referred to in “RISK FACTORS” section.

Early Redemption Notices will be delivered to the Registrar for communication by the Registrar to the Shareholders. For so long as the Preference Shares are listed on any stock exchange, any notice to the Shareholders will also be published in accordance with the rules and regulations of each such stock exchange. Any such notice will become effective on, if delivered to the Registrar, the third Payment Business Day after such delivery to the Registrar.

The Early Redemption Amount payable following an Early Redemption Event in respect of any Preference Shares may be less than the amount originally invested and may be zero. Furthermore, investors should not form any expectation that the Early Redemption Amount payable following an Early Redemption Event in respect of any Preference Shares will be calculated entirely or almost entirely by reference to the Net Asset Value per Share.

For the purpose of this paragraph, the following terms will have the following meanings:

“**Associated Costs**” means, in respect of each Preference Share, an amount equal to the pro rata share (calculated on the basis of the proportion of the aggregate number of Preference Shares outstanding as at the latest practicable date in the sole and absolute discretion of the Determination Agent prior to the Early Redemption Date represented by one Preference Share) of the total amount of any and all costs associated with or incurred by or to be incurred by or on behalf of the Cell, the Company, the Determination Agent, the Investment Manager or any Investment Counterparty to the Underlying Fund Investments allocated or attributable to the relevant Fund, in connection with or arising as a result of the redemption of the Preference Shares on the Early Redemption Date rather than the Final Redemption Date, including the costs of any Investment Counterparty which may include, without limitation, any funding-related costs and any costs associated with unwinding any hedging positions related to the Preference Shares, all as determined by the Determination Agent in its sole and absolute discretion.

“Change in Law” means:

- (A) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Issue Date of the Preference Shares,
- (B) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force on the Issue Date of the Preference Shares but in respect of which the manner of its implementation or application was not known or unclear at the Issue Date; or
- (C) the change of any applicable law, regulation or rule existing at the Issue Date of the Preference Shares, or the change in the interpretation or application, or practice relating thereto, existing on the Issue Date of the Preference Shares of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing on the Issue Date).

“Early Redemption Amount” means, in respect of each Preference Share, an amount expressed in the Settlement Currency equal to the Determination Agent’s determination of the value (if any) of each Preference Share, as of the latest practicable date prior to the Early Redemption Date, taking into account bid prices (if any), market prices (if any), costs of realising the Underlying Fund Investments allocated or attributable to the relevant Fund and after deducting (to the extent not already reflected) any Associated Costs of the Preference Shares.

“Early Redemption Date” means the date specified in an Early Redemption Notice as the date on which the then outstanding Preference Shares will be redeemed in accordance with this paragraph, provided that if such day is not a Payment Business Day, the Early Redemption Date will be the next following Payment Business Day.

“Early Redemption Event” means the determination by the Determination Agent that any of the following has occurred:

- (A) for reasons beyond the relevant Fund’s control, the performance of the Fund’s obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or
- (B) for reasons beyond the relevant Fund’s control, it is no longer legal for the Fund to maintain part or all of the Underlying Fund Investments with respect to the Preference Shares; or
- (C) any Underlying Fund Investment is terminated or redeemed early as a result of a change of law, an event of default, illegality, the imposition of a withholding on payments, disruption of any related hedging arrangements or other event or circumstance; or
- (D) a change in applicable law or regulation occurs that results, or will result, solely by reason of the Preference Shares being outstanding, in the relevant Fund being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Fund to be materially onerous to it;
- (E) the number of outstanding Preference Shares is equal to or less than the Minimum Outstanding Amount;
- (F) a Regulatory Event;
- (G) a Benchmark Redemption Event; or
- (H) any Additional Early Redemption Events as defined in the relevant Supplemental Memorandum.

“Minimum Outstanding Amount” means, in respect of the Preference Shares, a number of Preference Shares that represents five per cent. of the number of Preference Shares issued on the original Issue Date.

“**Regulatory Event**” means, following the occurrence of a Change in Law with respect to the Fund and/or Societe Generale as Investment Counterparty or in any other capacity (including without limitation as Market Maker or any of its affiliates involved in the issue of the Preference Shares (hereafter the Relevant Affiliates and each of the relevant Fund, Societe Generale and the Relevant Affiliates, a Relevant Entity) that, after the Issue Date of the Preference Shares:

- (A) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements including due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of the Preference Shares;
- (B) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgment, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain or redeem the Preference Shares, (b) to perform obligations in connection with, the Preference Shares or any contractual arrangement entered into between the relevant Fund and Societe Generale or any Relevant Affiliate (including without limitation to hedge the Fund’s obligations under the Preference Shares) or (c) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Fund’s capital or the capital of any Relevant Affiliate; or
- (C) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Preference Shares.

Market Maker Optional Redemption

If a Fund has not given an Early Redemption Notice in accordance with paragraph “Early Redemption if an Early Redemption Event occurs” above and the Market Maker has provided a valid Registrar Notice to the Corporate Administrator, and the Directors have agreed to such request, that Fund will pay or cause to be paid on the relevant Market Maker Optional Redemption Date the applicable Market Maker Optional Redemption Amount in respect of each Preference Share in respect of which it has received a valid Registrar Notice in accordance with the Articles and the Supplemental Memorandum, the Laws and subject to the matters set out or referred to in “RISK FACTORS” section. The Directors may in their absolute discretion decline to approve any redemption request.

The Market Maker providing notice to the Fund under this paragraph must deliver to the Registrar:

- (A) a duly completed notice request in the form (for the time being current) obtainable from the Registrar (a “**Registrar Notice**”); and
- (B) if requested by the Registrar, satisfactory evidence that as of the Market Maker Optional Redemption Record Date, it held a number of Preference Shares specified in the Supplemental Memorandum under “Circumstances In Which Market Maker May Request The Early Redemption”

Once given, any Registrar Notice made pursuant to this paragraph will, subject to the discretion of the Directors, be irrevocable.

Preference Shares in respect of which a valid Registrar Notice has been given will only be redeemed on the applicable Market Maker Optional Redemption Date if the Directors (following consultation with the Investment Manager) agree to such redemption and any necessary consents and approvals have been received. The Directors may in their absolute discretion decline to approve any redemption request.

The applicable Market Maker Optional Redemption Amount payable on the Market Maker Optional Redemption Date may be less than the amount originally invested. Furthermore, the Market Maker Optional Redemption Amount payable on the Market Maker Optional Redemption Date will not necessarily be calculated by reference to the Net Asset Value per Share.

For the purposes of this paragraph the following terms will have the following meanings:

“Market Maker Optional Redemption Amount” means (i) the value of the Underlying Fund Investments and any other assets acquired or entered into with the proceeds of the issue of such Preference Share *less* (ii) the liabilities attributable to such Preference Share, in each case determined by the Determination Agent in accordance with the principles set out in the Articles and such other factors as it determines are appropriate *less* (iii) the Realisation Costs expressed in the Settlement Currency determined by the Determination Agent on the Market Maker Optional Redemption Valuation Date;

“Market Maker Optional Redemption Date” has the meaning given to such term in the relevant Supplemental Memorandum;

“Market Maker Optional Redemption Record Date” means, in respect of each Market Maker Optional Redemption Valuation Date, the Payment Business Day falling two Payment Business Days prior to that Market Maker Optional Redemption Valuation Date;

“Market Maker Optional Redemption Valuation Date” means the Payment Business Day immediately following the date on which a Registrar Notice is received by the Corporate Administrator;

“Realisation Costs” means, an amount equal to the pro rata share (calculated on the basis of the proportion of the aggregate number of Preference Shares outstanding on the applicable Market Maker Optional Redemption Valuation Date represented by the number of Preference Shares to be redeemed on the relevant Market Maker Optional Redemption Date) of the total amount of:

- (A) any and all costs, expenses and liabilities, to the extent that any such costs, expenses and liabilities have not been taken into account in the determination of the Market Maker Optional Redemption Amount, associated with or to be incurred in connection with the realisation of all or, as the case may be, a pro rata share of the assets of the Fund and the redemption of the applicable Preference Shares;
- (B) the pro rata share (calculated on the basis of the proportion of the aggregate number of Preference Shares to be redeemed) of any fees and expenses of the Company and/or the Cell in respect of the Fund or otherwise attributable to the Preference Shares which have been amortised to the extent that such fees and expenses have not already been spent in full; and
- (C) any and all costs associated with or incurred by or to be incurred by any Investment Counterparty to any Underlying Fund Investment attributable to the Fund in connection with or arising as a result of the redemption of Preference Shares which may include, without limitation, any brokerage and/or funding related costs and/or any costs (including penalties) incurred by the applicable Investment Counterparty associated with unwinding any hedging positions related to the applicable Underlying Fund Investments,

all as determined by the Determination Agent in its sole and absolute discretion.

Class Optional Redemption

If “Class Optional Redemption” is specified as applicable in the relevant Supplemental Memorandum and:

- (A) the relevant Fund has not given an Early Redemption Notice in accordance with paragraph “Early Redemption if an Early Redemption Event occurs” above;
- (B) the Class Optional Redemption Conditions have been satisfied; and
- (C) the relevant Fund serves a valid call notice (a **“Class Optional Redemption Call Notice”**) on Shareholders through the Registrar on or before the Business Day immediately preceding the commencement of the Class Optional Redemption Notice Period prior to the Class Optional Redemption Date,

the relevant Fund will, subject to the Laws, pay on each Class Optional Redemption Date, the corresponding Class Optional Redemption Amount in respect of each then outstanding Preference Share

in the Settlement Currency and in accordance with the Articles, the Laws, the Supplemental Memorandum and subject to the matters set out or referred to in “RISK FACTORS” section.

Only registered Shareholders on the Record Date falling immediately prior to a Class Optional Redemption Date will be entitled to receive the Class Optional Redemption Amount payable in respect of such Class Optional Redemption Date.

Shareholder Optional Redemption

If “Shareholder Optional Redemption” is specified as applicable in the relevant Supplemental Memorandum and:

- (A) the relevant Fund has not given an Early Redemption Notice in accordance with paragraph “Early Redemption if an Early Redemption Event occurs” above;
- (B) the Shareholder Optional Redemption Conditions (if any) have been satisfied;
- (C) a Shareholder serves a valid notice request (a “**Shareholder Optional Redemption Request**”) on the relevant Fund through the Registrar on or before the Business Day immediately preceding the commencement of the Shareholder Optional Redemption Notice Period prior to the Shareholder Optional Redemption Valuation Date, and
- (D) the Directors have approved the redemption request,

the relevant Fund will, subject to the Laws, pay to the relevant Shareholder on each Shareholder Optional Redemption Date the corresponding Shareholder Optional Redemption Amount in respect of each then outstanding Preference Share in the Settlement Currency and in accordance with the Articles, the Laws, the Supplemental Memorandum and subject to the matters set out or referred to in “RISK FACTORS” section.

The Shareholder providing notice to the Fund under this paragraph must deliver to the Registrar:

- (A) a duly completed notice of exercise in the form (for the time being current) obtainable from the Registrar; and
- (B) if requested by the Registrar, satisfactory evidence that as of the Shareholder Optional Redemption Record Date immediately preceding the date of the relevant Shareholder Optional Redemption, it satisfies the Shareholder Optional Redemption Conditions.

Once given, any Shareholder Optional Redemption made pursuant to this paragraph will, subject to the discretion of the Directors, be irrevocable.

Preference Shares in respect of which a valid Shareholder Optional Redemption has been given will only be redeemed on the applicable Shareholder Optional Redemption Date if the Directors (following consultation with the Investment Manager) agree to such redemption and any necessary consents and approvals have been received. The Directors may in their absolute discretion decline to approve any redemption request.

“**Shareholder Optional Redemption Record Date**” means, in respect of each Shareholder Optional Redemption Valuation Date, the Payment Business Day falling two Payment Business Days prior to that Shareholder Optional Redemption Valuation Date.

Additional Provisions relating to an Administrator/Benchmark Event

Upon the occurrence, or likely occurrence, as determined by the Determination Agent of an Administrator/Benchmark Event relating to a Benchmark Underlying (the “**Affected Benchmark Underlying(s)**”) on or after the Issue Date, the Determination Agent may:

- (A) adjust the Affected Benchmark Underlying(s) as it may determine appropriate to account for the relevant event or circumstance and, without limitation, such adjustments may include selecting a successor Benchmark Underlying (in the case of an Underlying and/or Underlying Fund Investment which is representative of the same economic or geographic sector), and

making any other change or adjustment to the terms of the Preference Shares and any provisions of the Underlying Fund Investments and/or other related transaction agreement (the “**Related Agreements**”), including where applicable to reflect any increased costs of the Fund and/or the Investment Counterparty providing such exposure to the successor Benchmark Underlying and, in the case of more than one successor Benchmark Underlying, making provision for allocation of exposure between the successor Benchmark Underlyings. In that case the Determination Agent shall give notice to the Company and the Investment Manager (which notice the Investment Manager shall be entitled to rely on without further enquiry or investigation) and the Company shall, without the consent of the Shareholders, make such changes and/or adjustments as may be directed by the Determination Agent and give notice accordingly to the holders of Preference Shares of the relevant Class; or

- (B) if the Determination Agent has not made an adjustment in accordance with paragraph (A) above, then the Determination Agent, acting in good faith, may either:
- (i) consider such event as an event triggering an early redemption of the Preference Shares (a “**Benchmark Redemption Event**”); or
 - (ii) apply Monetisation until the Maturity Date (as defined in the relevant Additional Terms and Conditions).

The terms of this section are additional, and without prejudice, to any other terms of the Preference Shares. In the event that under any such terms any other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event, the Determination Agent shall determine which term or terms shall apply in its sole and absolute discretion.

If the Determination Agent has determined that a Benchmark Redemption Event has occurred, then the Company shall forthwith give not more than 30 nor less than 20 days’ notice (which notice shall be irrevocable) to the Investment Manager and the holders of Preference Shares of the relevant Class pursuant to article 49 of the Fund’s Articles of Association prior to the specified date of redemption that it intends to redeem the Preference Shares in accordance with this section and, upon the expiry of such notice, the Fund shall redeem all, but not some only, of the Preference Shares at their Early Redemption Amount.

Where:

“**Administrator/Benchmark Event**” means, in relation to any Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event, a Suspension/Withdrawal Event or a Benchmark Additional Event, all as determined by the Determination Agent.

“**Benchmark**” means any figure which is a benchmark as defined in BMR and where any amount payable or deliverable under the Preference Shares, the Underlying and/or the Underlying Fund Investments, or the value of the Preference Shares, the Underlying and/or the Underlying Fund Investments, is determined by reference in whole or in part to such figure, all as determined by the Determination Agent.

“**Benchmark Underlying**” means a Reference Rate, an Underlying, an Underlying Fund Investment, a Redemption Amount (if any) and/or any other value or level of any kind.

“**Benchmark Additional Event**” means in respect of the Benchmark:

- (a) the Company and/or the Determination Agent has become or will become subject to material additional regulatory obligations (such as, but not limited to, regulation as a benchmark administrator under BMR due to its role in relation to the Preference Shares); or
- (b) the methodology for the Benchmark has changed or will change and as a direct result it has or will become uneconomic for the Fund and/or any Investment Counterparty to the Related Agreements to continue to perform its obligations in relation to the Preference Shares and/or the Related Agreements.

“Benchmark Modification or Cessation Event” means, in respect of the Benchmark, any of the following has occurred or will occur:

- (a) any material change in such Benchmark;
- (b) the permanent or indefinite cancellation or cessation in the provision of such Benchmark; or
- (c) a regulator or other official sector entity prohibits the use of such Benchmark.

“BMR” means the EU Benchmark Regulation (Regulation (EU) 2016/1011).

“Non-Approval Event” means, in respect of the Benchmark:

- (a) any authorisation, registration, recognition, endorsement, equivalence or approval in respect of the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be obtained;
- (b) the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be included in an official register; or
- (c) the Benchmark or the administrator or sponsor of the Benchmark does not or will not fulfil any legal or regulatory requirement applicable to the Preference Shares, the Fund, the Determination Agent or the Benchmark,

in each case, as required under any applicable law or regulation in order for any of the Fund, the Determination Agent or any other entity to perform its obligations in respect of the Preference Shares. For the avoidance of doubt, a Non-Approval Event shall not occur if the Benchmark or the administrator or sponsor of the Benchmark is not or will not be included in an official register because its authorisation, registration, recognition, endorsement, equivalence or approval is suspended if, at the time of such suspension, the continued provision and use of the Benchmark is permitted in respect of the Preference Shares under the applicable law or regulation during the period of such suspension.

“Rejection Event” means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses or will reject or refuse any application for authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register which, in each case, is required in relation to the Preference Shares, the Benchmark or the administrator or sponsor of the Benchmark under any applicable law or regulation for any of the Fund, the Determination Agent or any other entity to perform its obligations in respect of the Preference Shares.

“Suspension/Withdrawal Event” means, in respect of the Benchmark:

- (a) the relevant competent authority or other relevant official body suspends or withdraws or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Benchmark or the administrator or sponsor of the Benchmark which is required under any applicable law or regulation in order for any of the Fund, the Determination Agent or any other entity to perform its obligations in respect of the Preference Shares; or
- (b) the Benchmark or the administrator or sponsor of the Benchmark is or will be removed from any official register where inclusion in such register is or will be required under any applicable law in order for any of the Fund, the Determination Agent or any other entity to perform its obligations in respect of the Preference Shares.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is or will be suspended or where inclusion in any official register is or will be withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Benchmark is permitted in respect of the Preference Shares under the applicable law or regulation during the period of such suspension or withdrawal.

Calculations and determinations

Any calculations, determinations and adjustments to be made by the Determination Agent will, unless otherwise specified, be made by the Determination Agent and in such a manner as the Determination Agent determines is appropriate acting in its sole and absolute discretion but acting in good faith (having regard in each case to the criteria stipulated in “RISK FACTORS”, “ISSUANCE CONDITIONS” and “DIVIDEND AND REDEMPTION AMOUNTS” sections and the hedging arrangements entered into in connection with the Preference Shares including those of the relevant Fund and any Investment Counterparty’s hedging arrangements in respect of the Underlying Fund Investments attributable to the Preference Shares and allocated or notionally allocated to the relevant Fund.

Notwithstanding that certain calculations, determinations and adjustments in the Supplemental Memorandum may be expressed to be “on” a certain date, the Determination Agent may make such calculations, determinations and adjustments in respect of that date on a date after that date determined by it in its discretion.

Severability

Should Terms and Conditions become invalid, illegal or unenforceable, the validity of the remaining provisions of the Terms and Conditions will not in any way be affected thereby.

DISCLAIMER

The Determination Agent’s determination in the application of the methodology set out above will be final and binding on the Fund and holders of Preference Shares except in the case of manifest error. The Determination Agent will be free to modify such methodology from time to time as it, acting in its sole discretion, deems appropriate, in response to any market, regulatory, juridical, fiscal or other circumstances which may arise which, in the sole opinion of the Determination Agent, necessitates a modification or change of such methodology, or for the purposes of: (i) curing any ambiguity or correcting or supplementing any provision of the methodology; or (ii) mitigating any change in the basis on which any information is calculated or provided which would materially change the commercial effect of any provision of the Private Placement Memorandum; or (iii) replacing any information provider or source.

The Determination Agent makes no express or implied representations or warranties as to (a) the advisability of investing in the Preference Shares, (b) the value of the Preference Shares at any particular time on any particular date, or (c) any amounts that may become payable in respect of the Preference Shares. The Determination Agent will not act as agent or trustee for the Shareholders.

Without limiting any of the foregoing, in no event will the Determination Agent have any liability (whether in negligence or otherwise) to the Company, any Fund or any Shareholders for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

FEES AND EXPENSES

The Company will incur General Expenses (fees and expenses relating to the establishment and ongoing general corporate administration of the Company). In addition, each Fund will incur Fund Expenses (fees and expenses relating to the issue and ongoing administration attributable to Preference Shares relating to such Fund).

General Expenses

All of the General Expenses of the Company set out below, together with any other fees and expenses incurred by the Company which the Company Structuring Agent agrees, in writing, to reimburse or to pay on behalf of the Company, have been or will be reimbursed or paid (as the case may be) by the Company Structuring Agent under the terms of the Company Structuring Agreement between the Company and the Company Structuring Agent. Under the Company Structuring Agreement, the Company has given the Company Structuring Agent the exclusive right to sell to, structure for, provide to and/or procure for each Fund, Underlying Fund Investments designed to fund amounts due in respect of the Preference Shares.

To the extent that the Company Structuring Agent defaults under the Company Structuring Agreement and does not reimburse or pay the General Expenses listed below, or any other fees and expenses which it has agreed to reimburse or pay, such unreimbursed and unpaid fees and expenses will (to the extent possible) be paid out of the Non-Cellular Assets in accordance with the Memorandum and Articles.

The General Expenses that have been or will be reimbursed or paid on behalf of the Company (as the case may be) by the Company Structuring Agent comprise the following fees and expenses as relevant, to the extent that they do not relate to one or more specific Classes of Preference Shares relating to a particular Fund:

- (i) the fees for the preparation, from time to time, of an updated Principal Memorandum as required for the purposes of issues and/or listings of Preference Shares;
- (ii) any costs and charges payable to the Directors, the Investment Manager, the Corporate Administrator, the Auditor, the Distributors and the Process Agent relating to their appointments to their respective positions, as applicable, in respect of each Fund;
- (iii) the reimbursement of Directors' travelling and other out-of-pocket expenses;
- (iv) the costs of preparing, printing, publishing and distributing annual reports, financial statements and other notices and communications to Shareholders as a whole and the costs of convening and holding the annual general meetings of the Company and each Fund;
- (v) general administrative out-of-pocket expenses such as postage and telephone expenses;
- (vi) the payment of any ongoing fee of the Corporate Administrator which will, among other matters, include an amount in respect of statutory fees, permit fees, exempt company fees, fees of the process agent, auditor's fees, insurance premiums and the fees of the independent directors;
- (vii) any legal fees payable to the legal advisers of the Company and for any additional legal adviser;
- (viii) the payment of fees for regulatory filings in Jersey in relation to the Company; and the payment of regulatory fees in Jersey in connection with regulatory consents, certificates and permits obtained or to be obtained by the Company or any Fund; and
- (ix) any other fees and expenses that may be described in the relevant Supplemental Memorandum.

Fund Expenses

Except as otherwise provided in the relevant Supplemental Memorandum, the Fund Structuring Agent has agreed to reimburse or pay each Fund certain Fund Expenses. The list of such Fund Expenses is provided below. Details of the expenses relating to each Class of Preference Shares will be set out in the relevant Supplemental Memorandum relating to the relevant Class.

The Fund Expenses for the Preference Shares that will be reimbursed or paid to the Fund or paid on behalf of the Fund by the Fund Structuring Agent comprise the following fees and expenses:

(a) ***Initial Fund Expenses***

The fees and expenses of:

- (i) preparing this Principal Memorandum (including registration fees and the fees and expenses of legal advisers to the Company and the Fund Structuring Agent);
- (ii) obtaining the official listing of the Preference Shares if the listing is mentioned in the relevant Supplemental Memorandum;
- (iii) preparing the Fund Agreement in respect of the Preference Shares, and the proposal letter entered into in accordance with Company Structuring Agreement;
- (iv) the issue and initial settlement of the Preference Shares; and
- (v) the Company Structuring Agent, the Fund Structuring Agent, the Determination Agent, the Investment Manager, the Corporate Administrator, each Distributor, the Custodian, the Listing Sponsor, the Auditor, the Process Agent, the Registrar, the Principal Paying Agent, any Depositary Services Provider, each Investment Counterparty and the Collateral Agent in relation to the issue of the Preference Shares.

(b) ***Ongoing Fund Expenses***

The fees and expenses of the Company Structuring Agent, the Fund Structuring Agent, the Determination Agent, the Investment Manager, the Corporate Administrator, each Distributor, the Custodian, the Listing Sponsor, the Auditor, the Process Agent, the Registrar, the Principal Paying Agent, any Depositary Services Provider, each Investment Counterparty, the Collateral Agent and the Directors in relation to the Preference Shares, including banking and brokerage fees payable in connection with transactions relating to the assets of each Fund and the costs of calculating and publishing (if required) details of the Net Asset Value per Share and the costs of maintaining the listing of Preference Shares if they are listed and any statutory fees, filing fees or permit fees relating to each Fund.

(c) ***Fund Expenses relating to redemptions and dividends***

The administrative fees and expenses relating to the payment of the applicable Partial Redemption Amount (if any), the Redemption Amount (if any) and/or any dividend or other distribution payable in respect of the Preference Shares (but, for the avoidance of doubt, not the Partial Redemption Amount (if any), the Redemption Amount (if any) and/or any dividend or other distribution themselves (if any)) and, if the Company so elects, the subsequent cancellation of the Preference Shares.

The Fund Structuring Agent may (but will not be obliged to) reimburse a Fund for (or otherwise pay) any fees and expenses not referred to above that are incurred by the Fund in the ordinary course of its business. However, see the information under “RISK FACTORS – Expenses” section.

The amounts payable under the terms of the Underlying Fund Investments by the Investment Counterparty to a Fund will fund the Fund Expenses required to be met by Societe Generale as Fund Structuring Agent.

VALUATION OF ASSETS

The assets and liabilities of the Company and each Fund will be valued for the purposes of its accounting records in accordance with IFRS and the Laws and, subject thereto, in conformity with the valuation methods set out below.

The Determination Agent will provide calculation agency services to each Fund. The Determination Agent will provide such assistance to the Corporate Administrator as the Corporate Administrator may reasonably request in relation to the valuation of the Underlying Fund Investments of each Fund in respect of the Preference Shares for the purposes of:

- (i) preparing the financial statements of the relevant Fund; and
- (ii) (where required to be calculated by the applicable law or regulation including, where applicable, the rules of an Exchange) calculating the Net Asset Value per Class and the Net Asset Value per Share.

It is expected that Societe Generale will be the Determination Agent of each Fund. In such case, the Determination Agent will use the methodology described below.

Where the Underlying Fund Investments are traded in an active market, the fair values will be based upon quoted market prices.

Where the Underlying Fund Investments are not traded in an active market, the fair values will be determined by using valuation techniques developed by Societe Generale. The derivative financial instruments, mainly because of their many features are not subject to a direct quotation on the markets. The valuations are produced using a variety of methods and using assumptions that are based on market conditions existing at each date at which the Net Asset Value per Class is calculated, which may, or may not, be supported by prices from current market transactions or observable market data.

Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, the Black & Scholes model for some options and other valuation techniques commonly used by market participants and the use of valuation parameters for which the estimate value is based on market conditions. Prior to their use, these valuation models are validated by independent experts in/from the market risk department who complete this priori validation by a posteriori consistency checks. Besides, the parameters used in valuation models, whether they come from observable markets or not, are deeply monitored on a monthly basis by experts from the market risk department and supplemented if needed by the necessary reserves.

Some of the inputs and assumptions used in calculating the fair values were based on observable inputs. Where unobservable inputs were used in calculating the fair values, reasonably possible changes to such inputs should not materially affect the calculations of the fair values as the use of such unobservable inputs was not material to the estimated fair values. However, if independent third party prices had been available for the financial instruments, or if different methods and/or assumptions were used, the valuations might be different from those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded. The possible outcome of these uncertainties cannot be reliably determined at present.

Where required by the applicable law or regulation including, where applicable, the rules of an Exchange, the Net Asset Value per Share will be calculated and published in accordance with such applicable law or regulation.

TAXATION

The following statements are by way of a general guide only to Shareholders. They are not exhaustive and do not constitute tax advice. The tax treatment of an individual Shareholder depends on the individual circumstances of that Shareholder and may be subject to change in future. Shareholders are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Preference Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Shareholders should note that the following statements on taxation represent the understanding of the Company regarding the law and practice in force in Jersey and the UK at the date of this Principal Memorandum. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the relevant Preference Shares will endure indefinitely (and taxation law may change with retrospective effect).

JERSEY

Income tax

The Company is liable to be charged tax at a rate of 0 per cent. under Schedule D under the Income Tax (Jersey) Law 1961, as amended (the “**Income Tax Law**”) in respect of:

- (i) the income or profits of any trade carried on by the Company and each cell of the Company, in Jersey or elsewhere;
- (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Company or the Company (on behalf of any cell of the Company) as the case may be, whether such payment is made within or outside of Jersey;
- (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Company or the Company (on behalf of any cell of the Company), as the case may be;
- (iv) income arising to the Company or the Company (on behalf of any cell of the Company), from securities outside of Jersey; and
- (v) any other income that is not derived from the ownership or disposal of land in Jersey.

It is not expected that the Company will be in receipt of income charged to tax under any Schedule under the Income Tax Law other than Schedule D. The Cell is not treated as a taxable entity separate from the Company for this purpose.

The Company is not entitled to make any deduction or withholding for or on account of Jersey income tax from any dividends on any shares.

Holders of any Preference Shares (other than residents of Jersey) are not subject to any tax in Jersey in respect of the acquisition, ownership, sale, exchange or other disposition of Preference Shares.

Goods and services tax

The Company and the Cell will each be an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”) and, accordingly, they will not be required (i) to register as a taxable person pursuant to the GST Law, (ii) to charge goods and services tax in Jersey in respect of any supply made by them or (iii) subject to the following provisos, to pay goods and services tax in Jersey in respect of any supply made to them. Those provisos are as follows:

- (i) where a taxable supply made to the Company or the Cell, as the case may be, by a person registered as a taxable person under the GST Law has a value of less than £1,000, the Company or the Cell, as the case may be, will be required to pay goods and services tax in Jersey (at 5 per cent. of the value of the supply) on such supply if the supply is made under the retail scheme established under Article 43 of the GST Law and the supplier elects to charge goods and services tax on such supply. It is not expected that the Company or the Cell, as the case may be, will be in receipt of supplies made under such retail scheme and, to the extent that either is in receipt of

such supplies, the Company or the Cell, as the case may be, may be entitled to a refund of any such goods and services tax paid, subject to compliance with the relevant provisions of the GST Law; and

- (ii) where a taxable supply made to the Company or the Cell, as the case may be, by a person registered as a taxable person under the GST Law is a supply of goods for onward re-supply of such goods in Jersey in the same state in which they existed when supplied to the Company or the Cell, as the case may be, the Company or the Cell, as the case may be, will be required to pay goods and services tax in Jersey (at 5 per cent. of the value of the supply) on such supply. It is not expected that the Company or the Cell, as the case may be, will be in receipt of any taxable supplies of goods from a person registered as a taxable person under the GST Law.

Stamp duties

No stamp duties are payable in Jersey on the acquisition, ownership, exchange, sale or other disposition *inter vivos* of Preference Shares. Stamp duty of up to 0.75 per cent. is payable on the grant of probate or letters of administration in Jersey in respect of a deceased natural person (i) who died domiciled in Jersey, on the value of the entire estate (including any Preference Shares or interests therein) and (ii) otherwise, on the value of so much of the estate (including any Preference Shares or interests therein), if any, as is situated in Jersey.

Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard (“CRS”) to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Jersey has committed to implement the CRS. As a result, each Fund will be required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey. Broadly, these are that the due diligence requirements under the CRS framework as adopted by Jersey commenced on 1 January 2016, with information to be reported to the Jersey Taxes Office on or before 30 June 2017. Information exchange between the Jersey Taxes Office and partner jurisdictions is due to take place on or before 30 September 2017.

Holders of Preference Shares may be required to provide additional information to a Fund to enable that Fund to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Preference Shares.

UNITED KINGDOM

The following paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HM Revenue & Customs as at the date of this Principal Memorandum. They summarise certain limited aspects of the United Kingdom tax treatment of the Company.

If a Shareholder is in any doubt as to their taxation position, they should consult an appropriate professional adviser immediately.

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for United Kingdom taxation purposes and that all its trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Investment Manager each intend that the respective affairs of the Company and the

Investment Manager are conducted so that these requirements are met, insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the Company which have a United Kingdom source may be subject to withholding or other taxes in the United Kingdom.

If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of Preference Shares, he should seek advice from his own independent professional adviser.

THE U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the Code, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Company has registered with the U.S. Internal Revenue Service as a foreign financial institution.

A number of jurisdictions (including Jersey) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to securities such as the Preference Shares, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on securities such as the Instruments, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on securities such as the Instruments, such withholding would not apply prior to 1 January 2019 and Preference Shares issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date and/or characterised as equity for U.S. tax purposes.

Investors should consult their own tax advisors regarding how these rules may apply to their investment in the Preference Shares. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Preference Shares, no person will be required to pay additional amounts as a result of the withholding.

U.S. SECTION 871(M) WITHHOLDING

U.S. Treasury regulations issued under Section 871(m) of the Code (the “Section 871(m) Regulations”) generally impose a 30% withholding tax on “dividend equivalents” paid or deemed paid to a non-United States holder, as defined pursuant to the Section 871(m) Regulations, with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. A “dividend equivalent” payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the U.S.; (ii) a payment made pursuant to a “specified notional principal contract” that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the U.S., or (iii) any other payment determined by the U.S. Internal Revenue Service to be substantially similar to a payment described in (i) and (ii). Only Preference Shares that have an expected economic return sufficiently similar to that of the underlying U.S. securities as determined on such Preference Shares’ issue date based on tests set forth in the Section 871(m) Regulations will be subject to the Section 871(m) withholding regime. There are certain exceptions to the Section 871(m) withholding requirement, in particular for instruments linked to certain broad-based indices.

The Company believes that the Section 871(m) Regulations do not apply to the Preference Shares. However, significant aspects of the application of the Section 871(m) Regulations to the Preference Shares are uncertain. If the Company, the relevant Fund or any paying or withholding agent determines that withholding under the Section 871(m) Regulations is in fact required with respect to a particular

Class of Preference Shares, neither the Company, such Fund nor any applicable paying or withholding agent will be required to pay any additional amounts in respect of any such amounts withheld. If the Supplemental Memorandum specific to any Class of Preference Shares states that such Class of Preference Shares are Section 871(m) Securities, then any non-U.S. holder of such Preference Shares should expect payments thereunder to be subject to Section 871(m) withholding in respect of any dividend-paying U.S. securities underlying those Preference Shares.

Each Fund may enter into Swap Transactions relating to any Class of Preference Shares which it issues. To the extent that such a Swap Transaction directly or indirectly references U.S. equities, the Section 871(m) Regulations may require tax to be deducted or withheld from payments received by the relevant Fund under such Swap Transaction. Depending on the terms of the relevant Swap Transaction, such Swap Transaction generally would not require any additional payment by to be made by the Investment Counterparty or other applicable party to the Swap Transaction in respect of such withholding so the relevant Fund's net receipts under such Swap Transaction would generally be reduced. Depending on the terms of the relevant Class of Preference Shares, such a reduction in the relevant Fund's receipts under such Swap Transaction relating to such Class of Preference Shares may either reduce the amount payable under the Class of Preference Shares to which such Swap Transaction relates (if amounts payable under such Class of Preference Shares are linked to amounts received by the relevant Fund under such Swap Transaction) or cause the relevant Fund to have insufficient cash to meet its obligations under that Class of Preference Shares. In such circumstances, none of the Company, the relevant Fund or any paying agent or withholding agent would be required to pay any additional amounts in respect of any such reduction in amount payable under that Class of Preference Shares or inability to pay the full amount due under that Class of Preference Shares.

If any Swap Transaction relating to any Class of Preference Shares is a Section 871(m) Swap Transaction, investors should be aware that the relevant Fund expects to receive payments under such Swap Transaction after deduction or withholding of tax under the Section 871(m) Regulations, with consequent effect on the amounts payable or paid by the relevant Fund under such Class of Preference Shares.

The Section 871(m) Regulations require complex calculations and their application to a specific Class of Preference Shares may be uncertain. Consequently the U.S. Internal Revenue Service may determine that withholding under the Section 871(m) Regulations applies to a particular Class of Preference Shares, even if the Company initially considered or determined that the rules would not so apply. Accordingly, there is a risk that withholding under the Section 871(m) Regulations applies even where it is initially considered or determined that this is not the case. In such circumstances, none of the Company, the relevant Fund or any applicable paying agent or withholding agent will be required to pay any additional amounts in relation to such Class of Preference Shares in respect of any such withholding.

INVESTORS SHOULD CONSULT THEIR TAX ADVISER REGARDING THE POTENTIAL APPLICATION OF THE SECTION 871(M) REGULATIONS TO THEIR INVESTMENT IN THE PREFERENCE SHARES.

LEGAL IMPLICATIONS OF INVESTMENT IN THE COMPANY

The main legal implications of the contractual relationship entered into for the purpose of investment in the Company are as follows:

- (i) The interests in each Fund are represented by the Preference Shares issued by the Company on behalf of the relevant Cell.
- (ii) Upon the issue of Preference Shares, an investor becomes a member of the Company, and the Memorandum and Articles take effect as a statutory contract between the Shareholders and the Company.
- (iii) The Articles of the Company or a Cell may only be amended by way of a Special Resolution of the holders of Ordinary Shares in the Company or the relevant Cell (as applicable).
- (iv) Subject to any Side Arrangements and/or other separate contractual arrangements agreed to by a Shareholder with the Fund (including in the application form), a Shareholder's liability to the Company will generally be limited to the amount, if any, unpaid on the Preference Shares held by that Shareholder.
- (v) Each of the Memorandum and the Articles are governed by and construed in accordance with Jersey law. Each Shareholder and the Fund will be subject to the jurisdiction of the Jersey courts in connection with any matter or dispute.

A Fund may issue more than one Class of Preference Shares. The rights and obligations attaching to a particular Class of Preference Shares are set out in Section 1 of the applicable Supplemental Memorandum and the Articles of the relevant Cell.

The terms and conditions applicable to a Class of Preference Shares are:

- (A) set out in:
 - (1) the Articles of the Cell issuing those Preference Shares; and
 - (2) Section 1 of the Supplemental Memorandum relating to those Preference Shares; and
- (B) governed by and construed in accordance with Jersey law.
- (vi) The rights and restrictions that apply to a Shareholder's Preference Shares may be modified and additional terms may be agreed with a Shareholder by way of Side Arrangements (subject to such terms being consistent with the Articles). In certain cases these Side Arrangements may be governed by the laws of a different jurisdiction. However, such Side Arrangements may not contravene the terms of the Memorandum and the Articles, or Jersey law generally.
- (vii) Subject to the provisions of the Judgments (Reciprocal Enforcement) (Jersey) Law 1960 and all regulations, rules or orders made under it (together the Reciprocal Enforcement Legislation), if any final and conclusive judgment under which a sum of money is payable (that is not in respect of taxes or similar charges, a fine or a penalty) were obtained in a superior court (as defined in the Reciprocal Enforcement Legislation) in England and Wales, Scotland, Northern Ireland, the Isle of Man or Guernsey (a "**Reciprocal Enforcement Court**") against the Company or the Fund, that judgment would be recognised and enforced in Jersey without reconsidering its merits.

A judgment of a foreign court other than a Reciprocal Enforcement Court is not directly enforceable in Jersey. The Jersey courts, however, have inherent jurisdiction to recognise and enforce, without reconsidering the merits, an *in personam* judgment for a liquidated sum of money (not being in respect of taxes or similar charges, a fine or a penalty) that is final and conclusive given against the Company or the Fund on the merits by a court in such foreign jurisdiction (having jurisdiction according to Jersey rules of private international law), provided that (a) such

judgment is not for exemplary, multiple or punitive damages and is obtained without fraud, in accordance with the principles of natural justice and is not contrary to public policy and (b) the enforcement proceedings in the Jersey courts are duly served.

None of the agreements appointing the Investment Manager, the Corporate Administrator, the Depositary Services Provider, the Structuring Agent, any Distributor, the Auditor, the Process Agent or any of the Company's and/or any Fund's other service providers provides for any third party rights for investors.

In the absence of a direct contractual relationship between a Shareholder and a Service Provider, Shareholders generally have no direct rights against a Service Provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against a Service Provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company or any Fund by the relevant Service Provider is, prima facie, the Company or the relevant Fund.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will generally be available for inspection by Shareholders at the registered office of the relevant Fund during ordinary business hours. Alternatively, the Shareholders may obtain a copy of each such document upon written request to the Corporate Administrator at its registered office and subject to payment of a reasonable sum:

- this Principal Memorandum;
- the relevant Supplemental Memorandum;
- the Memorandum and the Articles of the Company;
- the most recently audited financial statements of the relevant Company and the Fund, including the annual report prepared and financial statements audited in accordance with the IFRS and the AIFMD Rules;
- the agreements described in the section “SERVICE PROVIDERS” entered into by the Company;
- the documents constituting each Fund, namely:
 - o the Memorandum and the Articles of the Fund; and
 - o the Fund Agreement which constitutes the agreements made by the Fund with each of its service providers, as described in the Section “SERVICE PROVIDERS”.

In addition, if Preference Shares are listed on TISE, copies of the Principal Memorandum and the relevant Supplemental Memorandum may be inspected at the registered office of the Listing Sponsor during normal business hours (excluding Saturdays and Sundays) for such period as specified in the notice given by the relevant Fund in accordance with the listing rules of TISEA, and copies of the most recent Annual Accounts may be obtained from TISE’s website (www.tisegroup.com).

Periodic and regular disclosures required under the AIFMD Rules

Periodic and regular disclosures required under the AIFMD Rules (as further set out in the Section DESCRIPTION OF THE COMPANY) will be disclosed for each Fund to Shareholders by way of a quarterly report made available to the Shareholders on TISE’s website (www.tisegroup.com) or from the registered office of the Corporate Administrator upon request.

All documents, notices and communications sent, made or given by the Company, the relevant Fund or the Registrar to Shareholders will only be sent, made or given to those persons whose names appear listed in the Register of the relevant Cell at the relevant time. An investor who holds interests in Preference Shares through a plan manager, bank, broker, custodian, nominee service provider, clearing system or other person (each a “relevant nominee”) must look to its relevant nominee for copies of such documents, notices and communications (described in the paragraphs above) based on the arrangements (if any) made by the investor with its relevant nominee.

DEFINITIONS

The following definitions apply to this Principal Memorandum and each Supplemental Memorandum unless the context otherwise requires.

Accountholder	any investor who maintains an account with a clearing system for the purposes of investing in the Preference Shares;
Additional Terms and Conditions	in respect of each Class of Preference Shares, the applicable additional terms and conditions (if any) set out after the “DEFINITIONS” section, as specified in the relevant Supplemental Memorandum (and as amended, varied and/or supplemented in that Supplemental Memorandum), which are incorporated by reference into the relevant Supplemental Memorandum in respect of Preference Shares of that Class;
Affiliate	has the meaning given to the term “affiliated company” in the Glossary to the FCA Handbook;
Agency Agreement	the agency agreement made between the relevant Fund and the Principal Paying Agent, pursuant to which the relevant Fund appointed the Principal Paying Agent as principal paying agent, as amended, supplemented or otherwise modified from time to time;
AIF	has the meaning given to it in Article 4(1)(a) of AIFMD;
AIF Codes	means the Codes of Practice for Alternative Investment Funds and AIF Service Business produced by the Jersey Financial Services Commission;
AIFM	has the meaning given to it in Article 4(1)(b) of AIFMD;
AIFMD	the EU Alternative Investment Fund Managers Directive (2011/61/EU), as amended;
AIFMD Rules	the provisions of: (i) Commission Delegated Regulation (EU) No 231/2013 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; and (ii) the provisions of any relevant national regulations or rules implementing AIFMD, in each case as may be altered, amended, added to or cancelled from time to time;
Articles or Articles of Association	the articles of association of the Company and/or the relevant Cell (as applicable) as the same may be amended, supplemented or otherwise modified from time to time;
Auditor	in respect of each Fund, Ernst & Young LLP or such other person or persons from time to time appointed by the Fund as auditor to the Fund;
Business Day	in respect of any Preference Shares, a day on which commercial banks are open for business (including dealing in foreign exchange and foreign currency deposits) in Paris and Jersey or as otherwise specified in the applicable Supplemental Memorandum;
Calculation Agent	the Determination Agent;
CEA	the United States Commodities Exchange Act, as amended;
Cell	in respect of any Preference Shares, the protected cell issuing such Preference Shares, being a protected cell of the Company;

Cell Type	means, with respect to a Fund, the type of protected cell as described under the heading “Cell Types and Classes” in “DESCRIPTION OF THE COMPANY” section;
Cellular Assets	in respect of a protected cell company, means the assets of the company attributable solely to the cell or cells of the company;
Cellular Liabilities	in respect of a protected cell company, means the liabilities of the company attributable solely to a cell or cells of the company;
CF Code	means the Jersey code of practice for certified funds;
CFTC	the United States Commodity Futures Trading Commission;
CFTC Rules	the rules under the CEA of the CFTC;
Class or Class of Preference Shares	any class of Preference Shares issued by a Fund;
Class Holder	a holder of a Preference Share of any Class, whose name appears in the Register in respect of such Preference Share;
Class Meeting	a meeting of holders of a Class of Preference Shares called and held by a Fund;
Class Optional Redemption Amount	as such term is defined in the applicable Supplemental Memorandum;
Class Pool	as such term is defined in the applicable Supplemental Memorandum in respect of a Segregated Cell;
Code	the United States Internal Revenue Code of 1986, as amended;
Collateral Agent	Societe Generale and, its successors and assigns, or such other person appointed to manage the collateral arrangements that apply to the relevant Fund, as specified in the relevant Supplemental Memorandum;
Collateral Agency Agreement	the collateral agency agreement between the relevant Fund, the Investment Manager and the Collateral Agent pursuant to which the Investment Manager appointed the Collateral Agent as collateral agent, as amended, supplemented or otherwise modified or replaced from time to time;
Commodity Exchange Act	the United States Commodity Exchange Act of 1936, as amended;
Companies Law	the Companies (Jersey) Law 1991, as amended from time to time;
Company	Solentis Investment Solutions PCC, a public protected cell company incorporated in Jersey under the Companies Law with the registered number 105685;
Company Secretary	in respect of the Company and each Fund, Sanne Secretaries Limited or such other person or persons from time to time appointed by the Company or the relevant Fund (as applicable) as the company secretary of the Company or the relevant Fund;
Company Structuring Agreement	the structuring agreement made between the Company and the Company Structuring Agent pursuant to which the Company appointed the Company Structuring Agent as company structuring agent, as amended, supplemented or otherwise modified or replaced from time to time;

Company Structuring Agent	in respect of the Company, Societe Generale;
Corporate Administration Agreement	in respect of the Company and each Fund (as applicable) the corporate administration agreement made between the Company or the relevant Fund (as applicable) and the Corporate Administrator, pursuant to which the Company or the relevant Fund (as applicable) appointed the Corporate Administrator as corporate administrator, as amended, supplemented or otherwise modified from time to time;
Corporate Administrator	in respect of the Company and each Fund, Sanne Fiduciary Services Limited or such other person or persons from time to time appointed by the Company or the relevant Fund (as applicable) as the corporate administrator of the Company or the relevant Fund;
CREST	Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited).
CSA	the 1995 ISDA Credit Support Annex (Bilateral Form – Transfer), governed by English law, dated on or around the date of the relevant Supplemental Memorandum and entered into between the relevant Fund and the Investment Counterparty;
Custodian	Societe Generale Bank and Trust or such other person or persons from time to time appointed by the relevant Fund as custodian of assets of the Fund;
Custodian Agreement	in respect of each Fund, the custodian agreement between the Fund and the Custodian pursuant to which the relevant Fund appointed the Custodian as custodian as amended, supplemented or otherwise modified from time to time;
Debt Securities	any debt securities issued by Investment Counterparties and purchased by the Fund including, without limitation, bonds, certificates and medium-term notes (which may be linked to any reference source (including an index) or asset category);
Depository-Lite Agreement	a depository-lite agreement between, among others, the Company and the Depository Services Provider, pursuant to which the Company appoints the Depository Services Provider to carry out the functions of a depository under AIFMD, as amended, supplemented or otherwise modified from time to time;
Depository Services Provider	if applicable, such person or persons from time to time appointed by the Fund to provide depository-lite services to the Fund;
Deposits	a cash deposit (including a deposit giving a structured return) with an Investment Counterparty or any instrument creating or acknowledging indebtedness issued or guaranteed by a government, governmental agency or instrumentality of any EU Member State or any member state of the Organisation for Economic Co-operation and Development (OECD) or by any supranational authority of which an EU Member State or a member state of the OECD is a member;
Derivative Contract	any derivative contract entered into by a Fund with an Investment Counterparty;
Determination Agency Agreement	the determination agency agreement between the relevant Fund, the Investment Manager and the Determination Agent pursuant to which the relevant Fund appointed the Determination Agent as determination agent, as amended, supplemented or otherwise modified or replaced from time to time;

Determination Agent	Societe Generale and, its successors and assigns, or such other person appointed by the Fund as determination agent in respect of the relevant Cell;
Directors	the directors of the Company and/or a Fund, including any duly constituted committee thereof;
Distribution Agreement	the distribution agreement relating to Preference Shares made between the relevant Fund, the Investment Manager and the Distributor, pursuant to which the relevant Fund appointed the Distributor as distributor, as amended, supplemented or otherwise modified from time to time;
Distributor(s)	in respect of any Preference Shares, a person or persons from time to time appointed or authorised by the relevant Fund to distribute such Preference Shares pursuant to a Distribution Agreement, as set out in the relevant Supplemental Memorandum;
Dodd Frank	the Dodd-Frank Wall Street Reform and Consumer Protection Act or the adoption of any law, regulation or rule related thereto;
EC Treaty	the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997), as further amended from time to time;
EEA	the European Economic Area;
EEA Member State	a member state of the EEA;
Eligible Collateral	as such term is defined in the applicable Supplemental Memorandum;
EMIR	the Regulation (EU) No 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC Derivatives, Central Counterparties and Trade Repositories and any technical guidelines and regulatory technical standards, further regulations, official guidance or official rules of procedures with respect thereto;
EU	the European Union;
EU Member State	a member state of the EU;
Euroclear	Euroclear Bank S.A./N.V. as the operator of the Euroclear System;
Exchange	in respect of any Class of Preference Shares, the Recognised Stock Exchange or Market (as defined in the Listed Fund Guide) on which the relevant Class will be listed, as specified in the relevant Supplemental Memorandum (expected to be The International Stock Exchange) and which is a Recognised Stock Exchange or Market for the purposes of the Listed Fund Guide;
FATCA	the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act and any technical guidelines and regulatory technical standards, further regulations, official guidance or official rules of procedures with respect thereto;
FCA	the UK Financial Conduct Authority and any successor authority;
FCA Handbook	the handbook setting out all of the FCA's rules from time to time made under powers granted to the FCA pursuant to the FSMA;

Fitch	Fitch Ratings Ltd. or any affiliate (or any relevant successor);
Final Redemption Date	as such term is defined in the Supplemental Memorandum;
FSMA	the UK Financial Services and Markets Act 2000, as amended from time to time;
Fund or Issuer	in respect of any Preference Shares, the Cell issuing such Preference Shares or (as the context requires) the Company acting in respect of such Cell;
Fund Agreement	in respect of each Fund, the agreement under which certain service providers to the relevant Fund are appointed by the Fund to perform their respective roles;
Fund Assets Pool	as such term is defined in the applicable Supplemental Memorandum in respect of a Non-Segregated Cell;
Fund Expenses	in respect of each Fund, the fees and expenses incurred or to be incurred by or on behalf of that Fund in respect of each Class, details of which will be set out in the relevant Supplemental Memorandum, as described under the heading “Fund Expenses” in “FEES AND EXPENSES” section;
Fund Meeting	a meeting of holders of the relevant Preference Shares called and held by a Fund in accordance with the Articles;
Fund Structuring Agent	in respect of each Fund, Societe Generale or such other person or persons from time appointed as Fund Structuring Agent to the Fund;
Fund Structuring Agreement	in respect of each Fund, the structuring agreement between the relevant Fund and the Fund Structuring Agent by which the relevant Fund appoints the Fund Structuring Agent as Fund Structuring Agent, as amended, supplemented or otherwise modified or replaced from time to time;
Fund Structuring Fee	the fee (if any) payable by the Fund Structuring Agent to the Fund pursuant to a Fund Structuring Agreement between such parties on the creation of the relevant Fund;
General Expenses	the fees and expenses incurred or to be incurred by or on behalf of the Company other than the Fund Expenses and certain of which will be reimbursed, or paid on behalf of the Company, by the Company Structuring Agent pursuant to the Company Structuring Agreement between the Company and the Company Structuring Agent, all as more particularly described under the heading “General Expenses” in “FEES AND EXPENSES” section;
Gross Proceeds	the gross proceeds of the Issue of the relevant Preference Shares, being an amount equal to the number of Preference Shares issued pursuant to the Issue multiplied by the Issue Price;
HMRC	has the meaning given to such term described under the heading “United Kingdom” in “TAXATION” section;
IFRS	the International Financial Reporting Standards issued from time to time by the International Accounting Standards Board;

Index Sponsor	means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant index and/or (b) announces (directly or through an index calculation agent) the level of the relevant index on a regular basis.
Intermediate Amount	the Dividend Amount or the Partial Redemption Amount, as applicable, each as defined in the applicable Supplemental Memorandum;
Intermediate Payment Date	the Dividend Payment Date or the Partial Redemption Payment Date, as applicable, each as defined in the applicable Supplemental Memorandum;
Investment Company Act	the United States Investment Company Act of 1940, as amended;
Investment Counterparties	Societe Generale or an entity (which may be an Affiliate of Societe Generale) selected by the relevant Fund with the consent of the Investment Manager that is expected to be an issuer of Debt Securities or Other Financial Instruments and/or the counterparty to or provider of any Derivative Contract or Other Financial Instrument or Deposit;
Investment Management Agreement	in respect of any Preference Shares, the agreement between the relevant Fund and the Investment Manager, pursuant to which the relevant Fund appoints the Investment Manager as investment manager, as amended, supplemented or otherwise modified from time to time;
Investment Manager	in respect of any Preference Shares, SG Kleinwort Hambros Corporate Services (CI) Limited (formerly known as SG Hambros Fund Managers (Jersey) Limited) or such other person or persons from time to time appointed by the relevant Fund as investment manager in respect of the relevant Preference Shares;
Issue	the issue of Preference Shares in the relevant Fund;
ITA 2007	the UK Income Tax Act 2007;
Jersey	the Bailiwick of Jersey;
Laws	the Collective Investment Funds (Jersey) Law 1988, the Collective Investment Funds (Certified Funds – Prospectuses) (Jersey) Order 2012, the Companies (Jersey) Law 1991, the Companies (General Provisions) (Jersey) Order 2002, the Order and any subordinate legislation passed under the Collective Investment Funds (Jersey) Law 1988 or the Companies (Jersey) Law 1991;
listed	in the context of Preference Shares being “listed” on any Recognised Stock Exchange or Market, means listed within the meaning of the Listed Fund Guide;
Listed Fund	a collective investment fund that: <ul style="list-style-type: none">(a) falls within Article 3 of the Collective Investment Funds (Jersey) Law 1988;(b) is incorporated as a company in Jersey;(c) is issued with a certificate under the Collective Investment Funds (Jersey) Law 1988;(d) has a listing on a Recognised Stock Exchange or Market (which includes TISE); and

	(e) is a closed-ended fund.
Listed Fund Guide	the Jersey Listed Fund Guide issued by the Jersey Financial Services Commission from time to time;
Listing Sponsor	in respect of any Preference Shares to be listed on the Official List of TISE or on any other exchanges, Sanne Fiduciary Services Limited or such other person or persons from time to time appointed by the Fund as the listing sponsor in respect of the Preference Shares and, in respect of any Preference Shares to be listed on another Exchange, such person specified as such in the relevant Supplemental Memorandum;
Listing Sponsor Agreement	in respect of any Preference Shares to be listed on the Official List of TISE or another Exchange, the listing sponsor agreement between the relevant Fund in respect of the relevant Preference Shares and the Listing Sponsor, as amended, supplemented or otherwise modified from time to time;
Loan	a loan by a Fund to an Investment Counterparty;
Market Maker	Societe Generale and/or one of its Affiliates or such other person selected by the relevant Fund (if any) which makes a market in respect of the Preference Shares;
Memorandum or Memorandum of Association	the memorandum of association of the Company and/or the relevant Cell (as applicable) as the same may be amended, supplemented or otherwise modified or replaced from time to time;
MiFID	the recast EU Markets in Financial Instruments Directive (2014/65/EU), as it may be amended or supplemented;
Month	a calendar month;
Moody's	Moody's Investors Service, Inc.;
Net Asset Value per Class	in respect of each Class, means the value of the assets attributable to the relevant Class less the liabilities attributable to that Class as determined in accordance with the Articles;
Net Asset Value per Share	in respect of each Class, means the relevant Net Asset Value per Class divided by the number of Preference Shares in issue with respect to that Class at the relevant time;
Non-Cellular Assets	in respect of a protected cell company, means its assets that are not its cellular assets;
Non-Cellular Liabilities	in respect of a protected cell company, means its liabilities that are not its cellular liabilities;
Non-Segregated Cell	means the type of protected cell described as a "Non-Segregated Cell" under the heading "Cell Types and Classes" in "DESCRIPTION OF THE COMPANY" section;
Offer	in respect of any Preference Shares, the basis on which the relevant Preference Shares may be made available for purchase as set out in the relevant Supplemental Memorandum;
Optional Redemption Amount	the Class Optional Redemption Amount or the Shareholder Optional Redemption Amount, as applicable;

Optional Redemption Date	the Class Optional Redemption Date or the Shareholder Optional Redemption Date;
Order	the Companies (Uncertificated Securities) (Jersey) Order 1999;
Ordinary Shares	in respect of the Company or each Cell, as applicable, the Shares of no par value designated as Ordinary Shares in the Company or in the relevant Cell;
Other Financial Instruments	any financial instruments or securities or deposits or any other type of asset or instrument specified in this Principal Memorandum in each case issued or provided by or entered into with an Investment Counterparty, other than Debt Securities or Derivative Contracts or Deposits or Loans;
Payment Business Day	a day on which commercial banks are open for business and foreign exchange markets settle payments (including dealings in foreign exchange and foreign currency deposits) in the Settlement Currency and the currencies of the Underlyings;
Preference Shares	in respect of a Fund, the Shares of no par value designated as Preference Shares and allotted and issued by that Fund in one or more Classes;
Principal Memorandum	this principal memorandum as the same may be amended, supplemented, modified or replaced from time to time;
Principal Paying Agent	Computershare Investor Services (Jersey) Limited or such other person from time to time appointed by the relevant Fund as principal paying agent to the Fund;
Private Placement Memorandum	in respect of any Preference Shares, this Principal Memorandum and the applicable Supplemental Memorandum relating to such Preference Shares including any information incorporated by reference into such documents;
Process Agent	in respect of the Company and each Fund (as applicable), Societe Generale London Branch or such other person from time to time appointed by the relevant Fund as process agent in respect of such Fund;
Process Agent Agreement	in respect of the Company and each Fund (as applicable), the process agent agreement between such Fund and the Process Agent, as amended, supplemented or otherwise modified from time to time;
Professional Client	has the meaning given to it in Article 4(i)(ii) of MiFID;
Prohibited Person	any person who by virtue of his holding of Shares might, in the opinion of the Directors, cause or be likely to cause a Regulatory Event in respect of the relevant Preference Shares or any person who is in breach of any representations or implied representation made pursuant to this Principal Memorandum, the relevant Supplemental Memorandum or any other document;
PRA	the UK Prudential Regulation Authority and any successor authority;
Recognised Stock Exchange or Market	has the meaning given to it in the Listed Fund Guide;
Record Date	the day falling 2 Payment Business Days following each Valuation Date;

Redemption Amount	the Final Redemption Amount, the Partial Redemption Amount, the Market Maker Optional Redemption Amount, the Shareholder Optional Redemption Amount, the Class Optional Redemption Amount or the Early Redemption Amount, as applicable;
Register	the register of Shareholders of the Company or the relevant Cell (as applicable) kept pursuant to the Articles of the Company or the relevant Cell (as applicable) and the Laws;
Registrar	Computershare Investor Services (Jersey) Limited or such other person from time to time appointed by the relevant Fund as registrar to that Fund;
Registrar's Agreement	the registrar's agreement between the relevant Fund and the Registrar by which the relevant Fund appoints the Registrar as registrar, as amended, supplemented or otherwise modified or replaced from time to time;
S&P	Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Service Europe Limited;
Section 871(m) Securities	any Class of Preference Shares which are treated as "Specified Equity Linked Instruments" or "Specified Notional Principal Contracts" under Section 871(m) of the Code;
Section 871(m) Swap Transaction	in respect of any Class of Preference Shares, any Swap Transaction entered into by the relevant Fund relating to such Class of Preference Shares under which that Fund reasonably expects to receive payments after deduction or withholding for on account of tax pursuant to Section 871(m) of the Code;
Securities Act	the United States Securities Act of 1933, as amended;
Segregated Cell	means the type of protected cell described as a "Segregated Cell" under the heading "Cell Types and Classes" in "DESCRIPTION OF THE COMPANY" section;
Selling Agent	in respect of any Preference Shares, the person(s) appointed by the applicable Distributor to act as selling agent(s) or sub-distributor(s) in respect of the relevant Preference Shares;
Service Provider	any manager, administrator, registrar, investment manager, investment adviser, distributor, subscription agent, redemption agent, premium receiving agent, policy proceeds paying agent, purchase agent, repurchase agent, trustee, custodian, depository, or member of a partnership (except a limited partner);
Shareholder	a person whose name is entered in the Register of the Company or the Cell as the holder of the relevant Preference Shares (as applicable);
Shareholder Optional Redemption Amount	as such term is defined in the applicable Supplemental Memorandum;
Shares	shares issued in the Company or in respect of a Cell in the Company (as applicable) unless the context otherwise requires or as otherwise defined in this Principal Memorandum;
Side Arrangements	as defined under "Risk Factors - Information, Reporting and Side Arrangements":

Societe Generale	a French bank, incorporated with limited liability as a société anonyme under the laws of France, the registered office of which is at 29, boulevard Haussmann, 75009 Paris, France. Societe Generale was incorporated following a deed approved by decree dated 4 May 1864. Societe Generale is further described in “SERVICE PROVIDERS” section under “Societe Generale” heading;
Societe Generale Group	Societe Generale and its controlled entities. Unless the context otherwise requires, the application of the definition of Societe Generale Group to any entity at any time will apply to the entity as it is constituted at that time;
Special Resolution	<p>(a) in the case of the Company, a resolution of the holders of ordinary shares in the Company passed as a special resolution in accordance with the Laws;</p> <p>(b) in the case of a Cell:</p> <p>(i) a resolution of the holders of Ordinary Shares in the Cell passed as a special resolution in accordance with the Laws; or</p> <p>(ii) a resolution of the holders of Preference Shares passed by a majority of not less than two-thirds of holders of Preference Shares who (being entitled to do so) vote in person or by attorney, proxy or (in the case of a corporate Shareholder) representative, at a Class Meeting.</p> <p>Note: The holders of Preference Shares shall not be entitled to receive notice of or to attend or vote at any general meeting of a Fund. However, Fund meetings may be held where the sanction of holders of the relevant Preference Shares is required under the Articles for the purpose of any variation or amendment to the rights attached to those Preference Shares;</p>
Structuring Agent	the Company Structuring Agent and/or the Fund Structuring Agent as the context requires;
Supplemental Memorandum	in respect of any Class or Classes of Preference Shares, the document or documents issued by the Fund in respect of the relevant Preference Shares which may set out, among other things, any cell-specific service providers, any additional risk factors applicable to Preference Shares of that Class or Classes and other information specific to Preference Shares of that Class or Classes or the Fund, and which specifies the applicable Additional Terms and Conditions;
Swap Transaction	any swap or hedging transactions relating to a particular Class of Preference Shares entered into by the relevant Fund relating to such Class of Preference Shares with an Investment Counterparty or any other party specified in the applicable Supplemental Memorandum;

Terms and Conditions	in relation to each Class of Preference Shares, the specific rights and obligations attaching to Preference Shares of that Class, in addition to, and determined in accordance with, the Articles and set out in the relevant Supplemental Memorandum, which (unless otherwise specified in the relevant Supplemental Memorandum) will incorporate by reference the general terms and conditions set out in the “ISSUANCE CONDITIONS” section and the “DIVIDEND AND REDEMPTION AMOUNTS” section (each as amended, varied and/or supplemented in the applicable Supplemental Memorandum) and which may incorporate by reference in whole or in part any applicable Additional Terms and Conditions;
UK	the United Kingdom of Great Britain and Northern Ireland;
Underlying Fund Investments	Debt Securities and/or Derivative Contracts and/or repurchase agreements and/or Deposits and/or Other Financial Instruments and/or Loans;
Underlying(s)	in respect of a Class of Preference Shares, the underlying asset(s) to which that Class is designed to offer investment exposure, which may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds (ETFs), commodities, credit, baskets of securities or indices, currencies, portfolios and trading strategies, and which may change over time as a result of performance, the exercise of investment management discretion or other factors;
United States or U.S.	the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction; and
U.S. Person	(i) a “U.S. Person” as defined in Regulation S under the Securities Act, or (ii) U.S. persons as defined in Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, or (iii) a person who comes within any definition of U.S. Person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, will be considered a U.S. Person).

References herein to “£” or “Sterling” are to pounds sterling, the lawful currency of the UK, references herein to “U.S.\$” are to U.S. dollars, the lawful currency of the United States and references herein to “Euro” or “€” are to euro, the lawful currency of the member states of the EU that adopt the single currency in accordance with the EC Treaty.

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ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED PREFERENCE SHARES

The provisions of these Additional Terms and Conditions for Share Linked Preference Shares apply if the applicable Supplemental Memorandum specifies that the clause "Type of Preference Shares" is stated as being "Share Linked Preference Shares".

The Supplemental Memorandum applicable to each Class of Share Linked Preference Shares shall supplement the Articles and be binding on the Issuer and Shareholder(s) as if contained in the Articles.

1. GENERAL DEFINITIONS

For Shares traded through the China Connect Services, apply the following definition of Affiliate:

"**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.

"**Applicable Hedge Positions**" means, at any time, Hedge Positions that Societe Generale or any of its affiliates determines that a Hypothetical Investor, acting in a commercially reasonable manner, would consider necessary to hedge the Preference Shares at that time.

"**Averaging Date**" means, in respect of a Valuation Date and a Share, each date specified as such in the applicable Supplemental Memorandum 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 Condition 2 below.

"**Basket**" means a basket composed of the Shares (each an "**Underlying**") in the relative proportions or numbers of Shares specified in the applicable Supplemental Memorandum.

"**Business Day**" has the meaning given to it in the "DEFINITIONS" section.

"**Calculation Agent**" has the meaning given to it in the "DEFINITIONS" section.

For Shares traded through the China Connect Services, apply the following definition of China Connect Business Day:

"**China Connect Business Day**" means any Scheduled Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time.

For Shares traded through the China Connect Services, apply the following definition of China Connect Service:

"**China Connect Service**" means the securities trading and clearing links programme developed by the Exchange, SEHK, CSDCC and HKSCC, through which (i) SEHK and/or its Affiliates provides order-routing and other related services for certain eligible securities traded on the Exchange and (ii) CSDCC and HKSCC provides clearing, settlement, depository and other services in relation to such securities.

"**Closing Price**" means 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; and

- C. in any other case, the official closing price of such Share on the relevant Exchange; in any case as adjusted (if applicable) pursuant to the provisions of Condition 3 below.

"**Company**" means, in respect of a Share, the issuer of such Share or, if applicable, the relevant entity (including, without limitation, a limited partnership) in which an equivalent proprietary unit is held.

For Shares traded through the China Connect Services, apply the following definition of CSDCC:

"**CSDCC**" means China Securities Depository and Clearing Corporation.

"**Disrupted Day**" means, in respect of a Share (or, in the case of a Basket of Shares, in respect of any Share comprising the Basket and observed separately), any Scheduled Trading Day on which (a) a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or (b) a Market Disruption Event has occurred.

For Shares traded through the China Connect Services, apply the following definition of Disrupted Day:

"**Disrupted Day**" means, in respect of a Share (or, in the case of a Basket of Shares, in respect of any Share comprising the Basket and observed separately), any Scheduled Trading Day on which (a) a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or (b) the China Connect Service fails to open for order-routing during its regular order-routing session, (c) a Market Disruption Event has occurred, or (d) an Additional Disruption Event has occurred.

"**Exchange(s)**" means, in respect of a Share, the corresponding exchange or quotation system specified in the applicable Supplemental Memorandum, or any successor exchange or quotation system or any substitute exchange or quotation system to which trading in the Share, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share, on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means, in respect of a Share (or, in the case of a Basket of Shares, in respect of any Share comprising the Basket and observed separately) any Scheduled Trading Day on which 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.

For Shares traded through the China Connect Services, apply the following definition of Exchange Business Day:

"**Exchange Business Day**" means, in respect of a Share (or, in the case of a Basket of Shares, in respect of any Share comprising the Basket and observed separately) any Scheduled Trading Day (i) 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 and (ii) which is a China Connect Business Day.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowing and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge, individually or on a portfolio basis, the part of Societe Generale or any of its affiliates' obligations under the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares.

For Shares traded through the China Connect Services, apply the following definition of HKSCC:

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited.

For Shares traded through the China Connect Services, apply the following definition of Hong Kong:

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**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.

"**Local Jurisdiction**" means, in respect of a Share, the jurisdiction in which the relevant Exchange is located.

"**Local Taxes**" means, in respect of a Share, taxes, duties and similar charges (in each case, including interest and penalties thereon) imposed by the taxing authority in any jurisdiction, that would be withheld from or paid or otherwise incurred by a Hypothetical Investor in connection with any Applicable Hedge Positions, excluding any corporate income taxes levied on the overall net income of the Hypothetical Investor.

"**Market Disruption Event**" means, in respect of a Share, the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption which, in either case, the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (C) an Early Closure. For the purpose hereof:

- A. "**Trading Disruption**" means, in respect of a Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange or (b) in futures or options contracts relating to the Share on any relevant Related Exchange;
- B. "**Exchange Disruption**" means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) the Share on the Exchange, or (b) futures or options contracts relating to the Share on any relevant Related Exchange; and
- C. "**Early Closure**" means, the closure on any Exchange Business Day of (a) the relevant Exchange, or (b) any Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

For Shares traded through the China Connect Services, apply the following definition of Market Disruption Event:

"**Market Disruption Event**" means, in respect of a Share, the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption, (C) a China Connect 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 (D) an Early Closure or (E) a China Connect Early Closure. For the purpose hereof:

- A. "**Trading Disruption**" means, in respect of a Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange

or (b) in futures or options contracts relating to the Share on any relevant Related Exchange;

- B. **"Exchange Disruption"** means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) the Share on the Exchange, or (b) futures or options contracts relating to the Share on any relevant Related Exchange;
- C. **"China Connect Disruption"** means (i) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service, relating to the Share on the Exchange or (ii) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of the market participants in general to enter orders in respect of Shares through the China Connect Service;
- D. **"Early Closure"** means, the closure on any Exchange Business Day of (a) the relevant Exchange, or (b) any Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- E. **"China Connect Early Closure"** means the closure on any China Connect Business Day of the China Connect Service prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day and (ii) the submission deadline for orders to be entered into the China Connect Service system for execution on the Exchange at the Valuation Time on such China Connect Business Day.

For Shares traded through the China Connect Services, apply the following definition of PRC:

"PRC" means the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"Related Exchange(s)" means, in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to such Share, any successor exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to a Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Relevant Jurisdiction" means, in respect of a Share, the relevant authorities in the jurisdiction of incorporation or organisation of the issuer of any component security.

"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.

For Shares traded through the China Connect Services, apply the following definition of Scheduled Closing Time:

"Scheduled Closing Time" means, in respect of an Exchange, Related Exchange or China Connect Service, the scheduled weekday closing time of such Exchange, Related Exchange or the China Connect Service, without regard (in the case of any Exchange or Related Exchange) to after hours or any other trading outside of the regular trading session hours or (in the case of the China Connect Service) any after hours or any other order-routing outside of the regular order-routing session hours.

"Scheduled Trading Day" means, in respect of a Share (or, in the case of a Basket of Shares, in respect of any Share comprising the Basket and observed separately), any day on which each Exchange and each Related Exchange, if any, are scheduled to be open for trading for their respective regular trading session.

For Shares traded through the China Connect Services, apply the following definition of Scheduled Trading Day:

"Scheduled Trading Day" means, in respect of a Share (or, in the case of a Basket of Shares, in respect of any Share comprising the Basket and observed separately), any day on which (i) each Exchange and each Related Exchange, if any, are scheduled to be open for trading for their respective regular trading session and (ii) the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions.

For Shares traded through the China Connect Services, apply the following definition of SEHK:

"SEHK" means The Stock Exchange of Hong Kong Limited.

"Share(s)" means a share, or other equivalent proprietary unit (including without limitation, a common unit in a limited partnership), of the Company (or the shares of the relevant Company in case of a Basket) specified as Underlying in the applicable Supplemental Memorandum, subject to adjustment pursuant to the provisions of Condition 3.1 below.

"Tax Residence Jurisdiction" means, in respect of a Share, the Local Jurisdiction or any jurisdiction of tax residence of the issuer

"Valuation Date" means, in respect of a Share, each date specified as such in the applicable Supplemental Memorandum (or, if such date is not a Scheduled Trading Day for such Share, 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 Condition 2 below.

"Valuation Time" means, in respect of a Share, 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.

2. CONSEQUENCES OF DISRUPTED DAYS

If any Valuation Date or Averaging Date specified in the applicable Supplemental Memorandum (the **"Scheduled Valuation Date"** and the **"Scheduled Averaging Date"** respectively) is a Disrupted Day for a Share, the Valuation Date or the Averaging Date for such Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or the Scheduled Averaging Date is also a Disrupted Day. In that case:

- A. that eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, for the Share notwithstanding the fact that such day is a Disrupted Day, and
- B. the Calculation Agent shall determine, its good faith estimate of the value of the Share as of the Valuation Time on that eighth Scheduled Trading Day and the good faith estimate of the value of the Share so calculated shall be deemed the Closing Price;

Provided that if the Share is included in a Basket, the hereabove provisions shall apply only to the Share affected by the occurrence of a Disrupted Day and the Valuation Date or the Averaging Date for each Share not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

Provided however that,

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if

on the eighth Scheduled Trading Day following the Scheduled Averaging Date, a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the value of the Share so calculated shall be deemed the Closing Price; and

- (b) notwithstanding the foregoing, 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 Preference Shares 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 after the fourth Business Day prior to the date of any payment to be made under the Preference Shares on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the value of the Share so calculated shall be deemed the Closing Price.

3. **ADJUSTMENTS, EXTRAORDINARY EVENTS AND HOLDING LIMIT EVENTS – MONETISATION UNTIL THE MATURITY DATE – HEDGING DISRUPTION, INCREASED COST OF HEDGING, INSOLVENCY FILING AND CONSEQUENCES – CHANGE IN LAW AND CONSEQUENCES**

3.1 **Adjustments and Extraordinary Events**

3.1.1 ***Potential Adjustment Events***

"**Potential Adjustment Event**" means, in relation to a Share, any of the following:

- A. a subdivision, consolidation or reclassification of such Share (unless resulting in a Merger Event), including, for the avoidance of doubt, a stock split or reverse stock split, or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- B. a distribution, issue or dividend to existing holders of such Share of (a) such Shares, (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, (c) share capital, other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- C. an extraordinary dividend as determined by the Calculation Agent;
- D. a call by the Company in respect of Shares that are not fully paid;
- E. a repurchase by the Company or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- F. an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

- G. any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares.

Following the occurrence of any Potential Adjustment Event as defined above, the Calculation Agent will, as soon as reasonably practicable after it becomes aware of such event determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the relevant Share used to determine any settlement or payment terms under the Preference Shares and/or adjust any other terms of the Preference Shares as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Preference Shares 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 Preference Shares, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by a Related Exchange to options on the Share traded on such Related Exchange.

For Shares traded through the China Connect Services, apply the below provision to determine the consequences of a Potential Adjustment Event:

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 Preference Shares and/or adjust any other terms of the Preference Shares as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Preference Shares 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 Preference Shares, the Calculation Agent shall take into account (i) 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 and (ii) any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such Potential Adjustment Event in respect of Shares held through the China Connect Service. 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.

Definitions applicable to this Condition 3.1.1:

"Local Taxes" shall mean taxes, duties, and similar charges imposed by the taxing authority of the country in which the Company has been incorporated or in which the Exchange on which the Share is listed is located.

"Offshore Investor" shall mean a holder of Shares who is an institutional investor not resident in the country in which the Company has been incorporated or in which the Exchange on which the Share is listed is located (the **"Local Jurisdiction"**), for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (a) shall be determined by the Calculation Agent and (b) may be the jurisdiction of Societe Generale or any of its affiliates.

3.1.2 *Extraordinary Events and consequences*

- A. Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date or the last Averaging Date of the opening of an Offering Period

relating to a Merger Event, a De-merger Event, a De-listing Event, an Insolvency or a Nationalization, in respect of the Company or issuance of Shares by the Company, as applicable (an "**Affected Share**"), then during such Offering Period, or otherwise at any time following the occurrence of a Holding Limit Event in respect of the Company or issuance of Shares by the Company, as applicable, (an "**Affected Share**"), the Calculation Agent may decide in good faith to apply Method of Substitution with respect to the Affected Share.

B. If the Calculation Agent decides not to apply Method of Substitution during the Offering Period with respect to the Affected Share, then:

(a) in respect of a Merger Event, from the Merger Date, and/or upon consummation of the Merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, shall apply either:

(i) Share-for-Share Merger Event: Alternative Obligation and/or Method of Substitution or Monetisation until the Maturity Date or Early Redemption;

(ii) Share-for-Other Merger Event: Alternative Obligation and/or Method of Substitution or Monetisation until the Maturity Date or Early Redemption;
or

(iii) Share-for-Combined Merger Event: Alternative Obligation and/or Method of Substitution or Monetisation until the Maturity Date or Early Redemption;

(b) in the case of a Merger Event affecting two Shares comprised in a Basket, the Calculation Agent will either:

(i) continue with the share resulting from the Merger Event and in order to maintain the original number of companies in the Basket, a Substitute Share or Substitute ADR (as applicable) will be elected and included in the Basket;

(ii) substitute both Shares with two Substitute Shares or Substitute ADR selected as described in the Method of Substitution;

(iii) apply the Monetisation until the Maturity Date; or

(iv) apply the Early Redemption;

(c) in respect of a De-merger Event, from the De-merger Date, and/or upon consummation of the De-merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, will either:

(i) replace the Affected Share with the shares or American depository receipts of the successor companies;

(ii) substitute one or more share(s) or American depository receipt(s) resulting from such De-merger Event pursuant to the Method of Substitution;

(iii) apply the Monetisation until the Maturity Date; or

(iv) apply the Early Redemption;

it being understood that, in the case of a Basket, the Calculation Agent shall maintain the initial number of companies in the Basket and that in the case where the Calculation Agent has elected to substitute the Affected Share with several shares or American depository receipts resulting from such De-merger Event, such shares or American depository receipts 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 Nationalization, from the effective date of such event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, may, but is not obliged to, apply the Method of Substitution or the Monetisation until the Maturity Date or the Early Redemption;
 - (e) in respect of an Insolvency or Holding Limit Event, the Calculation Agent will decide, either:
 - (i) that the Affected Share will be substituted pursuant to the Method of Substitution;
 - (ii) that the value of the relevant component in the formula used to determine the amount to be paid or whether a condition has occurred, if any, as described in the applicable Supplemental Memorandum, representing the Affected Share will be accounted by the Calculation Agent for its fair market value determined at any time as from the date of occurrence of such Insolvency or Holding Limit Event 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 affected at the time of calculation;
 - (iii) to apply the Monetisation until the Maturity Date; or
 - (iv) to apply the Early Redemption.
- C. Notwithstanding anything herein to the contrary, the Calculation Agent shall use its reasonable endeavours at all times to maintain the original number of companies in the Basket as Companies hereunder.

Definitions applicable to this Condition 3.1.2:

"Alternative Obligation" means:

- A. if, in respect of a Share-for-Share Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date the New Shares and the issuer of such New Shares will be deemed the **"Shares"** and the **"Company"**, respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Preference Shares on the basis of the number of New Shares (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares immediately prior to the occurrence of the Merger Event would be entitled upon consummation of the Merger Event;
- B. if, in respect of a Share-for-Other Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date, the Calculation Agent will adjust any relevant terms of the Preference Shares on the basis of the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares would be entitled upon consummation of the Merger Event and, if necessary, any relevant terms of the Preference Shares; and
- C. if, in respect of a Share-for-Combined Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the Merger Date the New Shares and the Other Consideration will be deemed the **"Shares"** and the issuer of the New Shares will be deemed the **"Company"** respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Preference Shares on the basis of the number of New Shares and the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares would be entitled upon consummation of the Merger Event.

"Combined Consideration" means New Shares in combination with Other Consideration.

"De-listing Event" means, in respect of a Share, that such Share: (a) ceases to be listed, traded or publicly quoted on the relevant Exchange or listing compartment of the relevant Exchange (for any reason other than a Merger Event or a tender offer) and is not immediately re-listed, re-traded or 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).

"De-merger Event" means, in respect of any Share, that the Company relevant to such Share is affected by a de-merger including, without limitation, a spin off, scission or any operation of a similar nature.

"De-merger Date" means the date on which a De-merger Event becomes effective.

"Early Redemption" means that the Calculation Agent determines an Early Redemption Event has occurred and there will be an early redemption of the Preference Shares in accordance with the provisions set out under "Early Redemption if an Early Redemption Event occurs" in the "DIVIDEND AND REDEMPTION AMOUNTS" section.

"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, Nationalization or Insolvency during which:

- A. Societe Generale or any of its affiliates sells the Affected Shares, the New Shares and/or the Other Consideration, (as the case may be), on the basis of the weighted average of the closing prices of the relevant assets traded by Societe Generale or any of its affiliates with regards to the relevant Preference Shares, as observed during such Fixing Period; and
- B. the proceeds of such sale are re-invested in the Substitute Shares, Substitute ADR and/or New Shares accordingly during the said Fixing Period on the basis of the weighted average of the closing prices of such Substitute Shares, Substitute ADR and/or New Shares traded by Societe Generale or any of its affiliates with regards to the relevant Preference Shares, as observed during such Fixing Period.

"Holding Limit Event" means, assuming the Hypothetical Investor is Societe Generale or any of its affiliates, Societe Generale any of its affiliates' aggregate interest in any Company or issuance of Shares by the Company, as applicable, will constitute, or is likely to constitute, in the reasonable opinion of the Calculation Agent, 25% or more of its total assets or value as applicable.

"Hypothetical Investor" means a hypothetical institutional investor not resident in (a) the applicable Relevant Jurisdiction, Local Jurisdiction and/or the Tax Residence Jurisdiction for the purposes of the tax laws and regulations of the Relevant Jurisdiction, Local Jurisdiction and/or the Tax Residence Jurisdiction, as applicable; or (b) a jurisdiction where any refund, credit or any other benefit, exemption or reduction in relation to any Local Taxes may arise under an applicable tax treaty or any relevant laws or arrangements.

"Insolvency" means, in respect of a Company, voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, such Company, as determined in good faith by the Calculation Agent.

"Merger Date" means, in respect of a Share, the date upon which holders of the necessary number of the relevant Shares (other than, in the case of a takeover offer,

Shares owned or controlled by the offeror) to constitute a Merger Event have agreed or have irrevocably become obliged to transfer their Shares.

"Merger Event" means, in respect of any Share:

- A. any reclassification or change of such Share (including the change of currency reference of the Share) that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person;
- B. any consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity (other than a consolidation, amalgamation or merger in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);
- C. other take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares that results in a transfer of or an irrevocable commitment to transfer all or part of such Shares (other than any of such Shares owned or controlled by the offeror);
- D. any consolidation, amalgamation, merger or binding share exchange of the relevant Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event; or
- E. take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Calculation Agent based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Method of Substitution" means that in the case of a Merger Event, De-merger Event, De-listing Event, Nationalization, Insolvency or Holding Limit Event (regardless of the consideration to be received), in respect of an Affected Share, the Calculation Agent may consider that the Affected Share, the New Shares and/or, all or part of the Other Consideration (as the case may be) is/are converted into cash and that the proceeds will be reinvested either (a) into a new share or an American depositary receipt of the same economic sector or into a share or an American depositary receipt issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share (the **"Substitute Share"** or the **"Substitute ADR"**, as the case may be) or (b) in the case of Combined Consideration into New Shares. In the event of Other Consideration to be received in cash, in the future, the Calculation Agent may consider that the cash to be received in the future is discounted in order to immediately re-invest the proceeds then procured in accordance with (a) and (b) above.

The sale of the Affected Share, the New Shares and/or the Other Consideration shall be deemed to take place during the Fixing Period. The Substitute Share or the Substitute ADR, as the case may be, and the company issuing such Substituted Share (or, in the case of an American depositary receipt, the company issuing the deposited securities related to such American depositary receipt) will be deemed a "Share" and the "Company" respectively, and the Calculation Agent will adjust any relevant terms of the Preference Shares.

For information purposes, it is understood that in all cases described herein where a Share is substituted, on any date "t", with a Substitute Share 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 Supplemental Memorandum, 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 on such date "t".

"Nationalization" 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 American depositary receipts (whether of the offeror or a third party) that are listed or quoted on a recognised exchange involved in the application of Method of Substitution or Alternative Obligation as determined by the Calculation Agent.

"Offering Period" means the period from and including the date on which the Merger Event, the De-listing Event, the De-merger Event, the Insolvency or the Nationalization is publicly and officially announced to but excluding the Merger Date or the De-merger Date or the effective date of the De-listing Event, the Insolvency or the Nationalization.

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the offeror or a third party).

"Share-for-Combined Merger Event" means, in respect of a Merger Event, that the consideration for the relevant Shares consists of Combined Consideration.

"Share-for-Other Merger Event" means, in respect of a Merger Event, that the consideration for the relevant Shares consists solely of Other Consideration.

"Share-for-Share Merger Event" means, in respect of a Merger Event, that the consideration for the relevant Shares consists (or, at the option of the holder of such Shares, may consist) solely of New Shares.

3.1.3 ***Stop-Loss Event***

If on any Exchange Business Day between the initial Valuation Date (excluded) and the last Valuation Date (included), the Closing Price of a Share is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the "**Affected Share**" and the event, the "**Stop-Loss Event**"), then

- A. the Calculation Agent may decide to substitute the Affected Share by a new share or American depositary receipt issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share (the "**Substitute Share**" or "**Substitute ADR**", as the case may be) and will adjust any relevant terms of the Preference Shares accordingly; or
- B. the Calculation Agent may decide to continue with the Affected Share; or
- C. if the Calculation Agent has neither retained any Substitute Share or Substitute ADR nor decided to continue with the Affected Share, the Calculation Agent may either:
 - (a) apply Monetisation until the Maturity Date; or
 - (b) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Stop-Loss Event, the Early Redemption Amount.

For information purposes, it is understood that in all cases described herein where a Share is substituted, on any date "t", with a Substitute Share 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 Supplemental Memorandum, 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 on such date "t".

3.1.4 ***Correction of the Closing Price***

In the event that any price or level of a Share published on the Exchange and which is utilised for any calculation or determination made under the Preference Shares 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 Supplemental Memorandum), 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 Preference Shares to account for such correction.

3.2 ***Monetisation until the Maturity Date***

Following the occurrence of an event giving rise to the Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Dividend Amount(s) initially scheduled to be paid on any Dividend Payment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount as defined in the applicable Supplemental Memorandum on the Maturity Date, but instead will, in full and final satisfaction of its obligations, pay an amount described in Conditions 3.2.1, 3.2.2 and/or 3.2.3 below.

3.2.1 ***Monetisation of any Dividend Amount(s)***

3.2.1.1 ***In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which could be as low as zero***

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend 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 Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.1.2 ***In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which cannot be in any case lower than an amount strictly positive (the "Minimum Dividend Amount")***

Pursuant to the provisions of Condition 3.2, the Issuer shall pay (1) on the Dividend Payment Date an amount per Preference Share equal to the Minimum Dividend Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the

Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and

- (ii) an amount equal to the Minimum Dividend Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.2 **Monetisation of any Optional Redemption Amount**

3.2.2.1 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.2.2 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Optional Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay (1) on the Optional Redemption Date an amount per Preference Share equal to the Optional Minimum Redemption Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating, the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation

Date is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and

- (ii) an amount equal to the Optional Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.3 **Monetisation of the Final Redemption Amount**

3.2.3.1 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.3.2 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (1) the Minimum Redemption Amount and (2) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating, the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and

- (ii) an amount equal to the Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.4 ***Definitions specific to the Monetisation until the Maturity Date***

"Adjusted Calculation Amount" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"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 Societe Generale or any of its affiliates in connection with the termination, liquidation or re-establishment of the Dividend Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be, such amount to be apportioned pro rata amongst the Nominal Amount of each outstanding Preference Share;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"Compounding Method" means 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;

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period;

"Day Count Fraction" means, for the purposes of Compounding Method, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

"Dividend Amount(s)" means the amount(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Dividend Full Liquidation Date" means, in respect of any Dividend Payment Date, the date on which the liquidation proceeds of the Dividend Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of such Dividend Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Dividend Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference

Shares linked to or indexed to the relevant Underlying(s) due on a Dividend Payment Date, apportioned pro rata to each outstanding Preference Share;

"Dividend Payment Date(s)" means the date(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on the Maturity Date apportioned pro rata to each outstanding Preference Share provided that, if the Dividend Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Dividend Hedge Positions and/or the Optional Hedge Positions;

"Maturity Date" means the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Nominal Amount" means the amount per Preference Share specified as such in the applicable Supplemental Memorandum;

"Optional Redemption Amount" means the amount specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Redemption Date" means the date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on an Optional Redemption Date, apportioned pro rata to each outstanding Preference Share;

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

3.3 Hedging Disruption, Increased Cost of Hedging, Insolvency Filing and consequences - Change in Law and consequences - China Connect Share Disqualification, China Connect Service Termination and consequences

3.3.1 *Hedging Disruption, Increased Cost of Hedging and Insolvency Filing and consequences*

"Hedging Disruption" means, in respect of Preference Shares that have one or more Share(s) as Underlying(s), that Societe Generale or any 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 Preference Shares or the agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares; or (b) freely realize, 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.

In addition, for Shares traded through the China Connect Services, the definition of Hedging Disruption is completed by adding:

For the avoidance of doubt, "using commercially reasonable efforts" to hedge the risks with respect to the transaction(s) referred to in Hedging Disruption does not include the use of any quota granted to Societe Generale or its Affiliates under the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RQFII) schemes.

"Increased Cost of Hedging" means, in respect of Preference Shares that have one or more Share(s) as Underlying(s), that Societe Generale or any of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale or any of its affiliates enters into the Hedge Positions in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares or (b) freely realize, recover or remit the proceeds of its Hedge Positions.

"Insolvency Filing" means, in respect of Preference Shares that have one or more Share(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 organization 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 or an Increased Cost of Hedging relating to a Share or of the occurrence of an Insolvency Filing relating to a Share (the **"Affected Underlying"**), the Calculation Agent may:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an **"Early Redemption Event"**). In that case, the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector; or
- C. apply the Monetisation until the Maturity Date (as defined above); or, but only in the case of Increased Cost of Hedging:
- D. deduct:
 - (i) from the Dividend Amount(s) (if any) due under one Preference Share on the Dividend Payment Date(s) following the occurrence of the Increased Cost of

Hedging, the amount of any new or any increase of, any tax, duty, expense or fee that triggered the occurrence of the Increased Cost of Hedging incurred by Societe Generale or any of its affiliates, in relation to the Hedge Positions hedging the payment obligation of the Issuer under the Preference Shares and such amount to be apportioned pro rata amongst the outstanding Preference Shares (the "**Reduction Amount**"); provided however that if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of one Preference Share is higher than such Dividend Amount due under one Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount shall be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount), shall be deducted from the Dividend Amount(s) due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in all or in part after the occurrence of the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount shall be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount whichever comes first (the result of such deduction being floored at zero); or

- (ii) in the absence of any Dividend Amount in respect of the Preference Shares, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any) due under one Preference Share on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount due under one Preference Share on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

3.3.2 *Change in Law and consequences*

"**Change in Law**" means in respect of Preference Shares that have one or more Share(s) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Preference Shares (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Societe Generale or any of its affiliates to hold, acquire or dispose of Hedge Positions or to maintain the agreement entered into with Societe Generale or any of its affiliates by the Issuer of the Preference Shares relating to the Underlying of the Preference Shares (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, the Calculation Agent will decide either:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In that case, the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector; or
- C. apply the Monetisation until the Maturity Date.

For Shares traded through the China Connect Services, apply the 2 following sections:

3.3.3 ***China Connect Share Disqualification and China Connect Service Termination and consequences***

"**China Connect Share Disqualification**" means, on or after the Trade Date, the Shares cease to be accepted as "**China Connect Securities**" (as defined in the rules of the exchange of SEHK) for the purpose of the China Connect Service;

"**China Connect Service Termination**" means, on or after the Trade Date, the announcement by one or more of the Exchange, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Shares through the China Connect Service and the Calculation Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary,

unless China Connect Share Disqualification or China Connect Service Termination is specified to be not applicable, upon the occurrence of such events, either party (or, if specified in the applicable Supplemental Memorandum, the Calculation Agent only) may elect, while China Connect Share Disqualification or China Connect Service Termination is continuing, to terminate the transaction(s), upon at least two Scheduled Trading Days' notice specifying the date of such termination, in which event the Calculation Agent will apply the Early Redemption.

3.3.4 ***Consent to Regulatory Disclosure***

Without prejudice to the generality of any applicable law, each party ("X") expressly consents to the disclosure by the other party ("Y") or its Affiliates to the relevant authorities in the jurisdiction of the incorporation or organisation of the Issuer (a "**Relevant Jurisdiction**"), the jurisdiction in which the Exchange is located (the "**Local Jurisdiction**"), a jurisdiction in which the SEHK is located (a "**CCS Jurisdiction**") or any jurisdiction of tax residence of the Issuer (a "**Tax Residence Jurisdiction**"), information relating to the transaction(s), including the name of X in order for Y or any of its Affiliates to comply with laws and regulations of the Relevant Jurisdiction, the Local Jurisdiction, the CCS Jurisdiction or Tax Residence Jurisdiction that are applicable to Y or its Affiliate in connection with their dealings in the relevant Underlying.

ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED PREFERENCE SHARES

The provisions of these Additional Terms and Conditions for Index Linked Preference Shares apply if the applicable Supplemental Memorandum specifies that the clause "Type of Preference Shares" is stated as being "Index Linked Preference Shares".

The Supplemental Memorandum applicable to each Class of Index Linked Preference Shares shall supplement the Articles and be binding on the Issuer and Shareholder(s) as if contained in the Articles.

1. GENERAL DEFINITIONS

"Applicable Hedge Positions" means, at any time, Hedge Positions that Societe Generale or any of its affiliates determines that a Hypothetical Investor, acting in a commercially reasonable manner, would consider necessary to hedge the Preference Shares at that time.

"Averaging Date" means, in respect of a Valuation Date and an Index, each date specified as such in the applicable Supplemental Memorandum 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 Condition 2 below.

"Basket" means a basket composed of the Indices (each an Underlying) in the relative proportions or numbers of Indices specified in the applicable Supplemental Memorandum.

"Business Day" has the meaning given to it in the "DEFINITIONS" section.

"Calculation Agent" has the meaning given to it in the "DEFINITIONS" section.

"Closing Price" means in respect of an Index, the official closing level of the Index published and announced by the Index Sponsor, as adjusted (if applicable) pursuant to the provisions of Condition 3 below, provided that if (a) for any day, the option **"Daily Settlement Price"** is specified as being applicable in the applicable Supplemental Memorandum and (b) that day falls on the last day of quotation of the principal futures contract on the Index maturing in the month of such day, then the Closing Price means, for that day, the official settlement price of the principal futures contract on the Index on such day.

"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(s)" means, in respect of an Index, the corresponding exchange or quotation system specified in the applicable Supplemental Memorandum, or any successor exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying such Index, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such shares underlying an Index, on such temporary substitute exchange or quotation system as on the original Exchange).

"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.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowing and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge, individually or on a portfolio basis, the part of Societe Generale or any of its affiliates'

obligations under the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares.

"Holding Limit Event" means assuming the Hypothetical Investor is Societe Generale or any of its affiliates, that Societe Generale and any of its affiliates' aggregate interest in any one component of an Index will constitute, or is likely to constitute, in the reasonable opinion of the Calculation Agent, 25% or more of its total assets or value as applicable.

"Hypothetical Investor" means a hypothetical institutional investor not resident in (a) the applicable Relevant Jurisdiction, Local Jurisdiction and/or the Tax Residence Jurisdiction for the purposes of the tax laws and regulations of the Relevant Jurisdiction, Local Jurisdiction and/or the Tax Residence Jurisdiction, as applicable; or (b) a jurisdiction where any refund, credit or any other benefit, exemption or reduction in relation to any Local Taxes may arise under an applicable tax treaty or any relevant laws or arrangements.

"Index" means the index (or the indices in case of a Basket) specified as Underlying in the applicable Supplemental Memorandum, subject to adjustment pursuant to the provisions of Condition 3.1 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 Supplemental Memorandum) 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.

"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.

"Local Jurisdiction" means, in respect of an Index, the jurisdiction in which the Exchange is located.

"Local Taxes" means, in respect of an Index, taxes, duties and similar charges (in each case, including interest and penalties thereon) imposed by the taxing authority in any jurisdiction, that would be withheld from or paid or otherwise incurred by a Hypothetical Investor in connection with any Applicable Hedge Positions, excluding any corporate income taxes levied on the overall net income of the Hypothetical Investor.

"Market Disruption Event" means, in respect of an Index, the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption which, in either case, the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (C) an Early Closure. For the purpose hereof:

- A. **"Trading Disruption"** means, in respect of an Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) on the relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange;
- B. **"Exchange Disruption"** means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) the share on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (b) futures or options contracts relating to the relevant Index on any relevant Related Exchange; and

- C. **"Early Closure"** means, the closure on any Exchange Business Day of (a) any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (b) any Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"Opening Price" means:

- (i) in respect of the FTSE MIB index, the value of the index calculated on the Opening Auction Prices (as defined under the rules of the markets organised and managed by Borsa Italiana S.p.A.) recorded on a given day, provided that such day is a trading day on the Borsa Italiana S.p.A. of the financial instruments making up the Index, having the meaning ascribed thereto in the rules of the markets organised and managed by Borsa Italiana S.p.A., as such rules must be amended by Borsa Italiana S.p.A. from time to time, and calculated following the rules of the markets organised and managed by Borsa Italiana S.p.A., as such rules must be amended by Borsa Italiana S.p.A. from time to time;
- (ii) in respect of any other index, the official opening level of such index published and announced by the Index Sponsor, as adjusted (if applicable) pursuant to the provisions of Condition 3 below.

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.

"Related Exchange(s)" means, in respect of an Index, 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 Index, any successor exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to an Index, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating such Index, on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Relevant Jurisdiction" means, in respect of an Index, the relevant authorities in the jurisdiction of incorporation or organisation of the issuer of any component security.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange, the scheduled weekday closing time of such Exchange or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means, in respect of an Index (or, in the case of a Basket of Indices, each Index comprising the Basket and observed separately), 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.

"Tax Residence Jurisdiction" means, in respect of an Index, the Local Jurisdiction or any jurisdiction of tax residence of any issuer of a component security.

"Valuation Date" means, in respect of an Index, each date specified as such in the applicable Supplemental Memorandum (or, if such date is not a Scheduled Trading Day for such 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 Condition 2 below.

"**Valuation Time**" means, in respect of 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.

2. **CONSEQUENCES OF DISRUPTED DAYS**

If a Valuation Date or an Averaging Date specified in the applicable Supplemental Memorandum (the "**Scheduled Valuation Date**" and the "**Scheduled Averaging Date**" respectively), is a Disrupted Day for an Index, the Valuation Date or the Averaging Date for such Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or the Scheduled Averaging Date is also a Disrupted Day. In that case:

- A. that eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, for the Index notwithstanding the fact that such day is a Disrupted Day, and
- B. the Calculation Agent shall determine in good faith 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 level of the Index so calculated shall be deemed the Closing Price;

Provided that if the Index is included in a Basket, the hereabove provisions shall apply only to the Index affected by the occurrence of a Disrupted Day and the Valuation Date or the Averaging Date for each Index not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

Provided however that,

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date, a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the level of the Index so calculated shall be deemed the Closing Price; and
- (b) notwithstanding the foregoing, 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 Preference Shares 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 after the fourth Business Day prior to the date of any payment to be made under the Preference Shares on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the level of the Index so calculated shall be deemed the Closing Price.

3. **ADJUSTMENTS AND EVENTS - MONETISATION UNTIL THE MATURITY DATE - HEDGING DISRUPTION, INCREASED COST OF HEDGING AND CONSEQUENCES - CHANGE IN LAW AND CONSEQUENCES**

3.1 **Adjustments and Events**

3.1.1 *Adjustments*

A. If an Index is:

- (a) not calculated and announced by the relevant Index Sponsor or the Index Calculation Agent as the case may be, but is calculated and announced by a relevant successor sponsor (the "**Successor Index Sponsor**") or a successor calculation agent (the "**Successor Index Calculation Agent**") acceptable to the Calculation Agent; or
- (b) replaced by a successor index (the "**Successor Index**") using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index;

then the Index will be deemed to be the index so calculated and announced by the relevant Successor Index Sponsor or Successor Index Calculation Agent or that Successor Index (as the case may be).

B. If, in the determination of the Calculation Agent:

- (a) on or prior to a Valuation Date or an Averaging Date, the relevant Index Sponsor (or if applicable the Successor Index 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. For the avoidance of doubt the following events do not constitute "routine events": a sub-division (split) of the level of the Index or a consolidation (reverse split) of the level of the Index, or any other event linked to either the performance or the level of the Index);
- (b) on or prior to any Valuation Date or Averaging Date, the relevant Index Sponsor (or, if applicable, the relevant Successor Index 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 Societe Generale or one of its affiliates in connection with the Preference Shares; or
- (c) the Index Sponsor (or, if applicable, the Successor Index Sponsor) permanently cancels the Index and no Successor Index exists;

then the Calculation Agent shall either:

- (x) calculate the relevant formula used to determine an amount to be paid or whether a condition has occurred, if any, as described in the applicable Supplemental Memorandum using, in lieu of a published level for the Index, the level of that Index as at the Valuation Time on the relevant Valuation Date or Averaging Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that change, failure or cancellation (other than those securities that have since ceased to be listed on any relevant Exchange); or
- (y) replace the Index by a new index provided that such index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent

possible, representative of shares listed on one or more Exchanges of one or more OECD countries.

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 Calculation Agent may either:

- (i) apply Monetisation until the Maturity Date; or
 - (ii) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of any of the events described in B(a), B(b) or B(c) above, the Early Redemption Amount.
- C. If an Index merges with another index or if an Index which forms part of the Basket merges with another index which does not form part of the Basket (the "**Event**"), the Calculation Agent will either:
- (x) continue using the index resulting from the merger; or
 - (y) 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 (x) and if in (y) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Calculation Agent may either:

- (i) apply Monetisation until the Maturity Date; or
 - (ii) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Event described in (C) above, the Early Redemption Amount.
- D. In the case of a merger affecting two Indices comprised in a Basket (the "**Event**"), the Calculation Agent will either:
- (a) continue using the index resulting from the merger and, in order to maintain the same number of indices within the Basket, the Calculation Agent will select a further index (a "**New Index**") to be included in the Basket, as long as such New Index is (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more 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 (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries.

If the Calculation Agent has not retained (a) and if in (b) no index meeting the criteria (i) and (ii) can be selected by the Calculation Agent, then the Calculation Agent may either:

- (i) apply Monetisation until the Maturity Date; or
- (ii) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as

possible after the occurrence of the Event described in (D) above, the Early Redemption Amount.

- E. If an Index is split into two or more new indices (the "**Event**"), the Calculation Agent will, either:
- (a) use the indices resulting from the split to determine an index equivalent to the one existing prior to the split (provided that the indices resulting from the split will be deemed to form together the "New Index"); or
 - (b) replace the split Index with a new index (a "**New Index**") as long as such New Index is (i) representative of the same economic or geographic sector (as the case may be), and (ii) to the extent possible representative of shares listed on one or more Exchanges of one or more OECD countries.

If the Calculation Agent has not retained (a) and if in (b) no index meeting the criteria (i) and (ii) can be selected by the Calculation Agent, then the Calculation Agent may either:

- (i) apply Monetisation until the Maturity Date; or
 - (ii) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Event described in (E) above, the Early Redemption Amount.
- F. In the case of a Basket of Indices, in the event that shares forming part of one Index comprising the Basket represent at least 20 per cent. of the capitalisation of another Index forming part of the Basket (the "**Affected Index**") (the "**Event**"), the Calculation Agent may, but is not obliged to, replace such Affected Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more 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 Calculation Agent may either:
- (i) apply Monetisation until the Maturity Date; or
 - (ii) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Event, described in this (F), the Early Redemption Amount.
- G. In the event that an Index ceases to be the underlying of a futures and/or option contract (as the case may be) (the "**Event**"), the Calculation Agent may, but is not obliged to, replace such Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more 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 Calculation Agent may either:
- (i)
 - (ii) apply Monetisation until the Maturity Date; or
 - (iii) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Event described in this (G), the Early Redemption Amount.
- H. Following the occurrence of a Holding Limit Event (the "**Event**"), the Calculation Agent may, but is not obliged to, replace the relevant 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 Calculation Agent may either:

- (i) apply Monetisation until the Maturity Date; or
- (ii) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Event described in this (H), the Early Redemption Amount.

3.1.2 ***Stop-Loss Event***

If on an Exchange Business Day after the initial Valuation Date (excluded) and before the last Valuation Date (included), the Closing Price of an Index is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the "**Affected Index**" and the event, the "**Stop-Loss Event**"), then:

- A. the Calculation Agent may decide to substitute the Affected Index by a new index representative of the same economic or geographic sector (as the case may be), and to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries (the "**Substitute Index**") and will adjust any relevant terms of the Preference Shares accordingly; or
- B. the Calculation Agent may decide to continue with the Affected Index; or
- C. if the Calculation Agent has neither retained any Substitute Index nor decided to continue with the Affected Index, the Calculation Agent may either:
 - (a) apply Monetisation until the Maturity Date; or
 - (b) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Stop-Loss Event, the Early Redemption Amount.

3.1.3 ***Correction of the Closing Price***

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 Preference Shares is subsequently corrected and the correction is published and made available to the public by the Exchange or the Index Sponsor after the original publication but no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Supplemental Memorandum), 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 Preference Shares to account for such correction.

3.2 **Monetisation until the Maturity Date**

Following the occurrence of an event giving rise to the Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Dividend Amount(s) initially scheduled to be paid on any Dividend Payment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount as defined in the applicable Supplemental Memorandum on the Maturity Date, but instead will, in full and final satisfaction of its obligations, pay an amount described in Conditions 3.2.1, 3.2.2 and/or 3.2.3 below.

3.2.1 ***Monetisation of any Dividend Amount***

3.2.1.1 *In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend 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 Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.1.2 *In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which cannot be in any case lower than an amount strictly positive (the "**Minimum Dividend Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay (1) on the Dividend Payment Date an amount per Preference Share equal to the Minimum Dividend Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date is a Calculation Amount for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a Calculation Period) between (x) the Dividend Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Dividend Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.2 **Monetisation of any Optional Redemption Amount**

3.2.2.1 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.2.2 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Optional Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay (1) on the Optional Redemption Date an amount per Preference Share equal to the Optional Minimum Redemption Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating, the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Optional Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

3.2.3 *Monetisation of the Final Redemption Amount*

3.2.3.1 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (inter alia by satisfying any obligations or

liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.3.2 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (1) the Minimum Redemption Amount and (2) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating, the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.4 ***Definitions specific to the Monetisation until the Maturity Date***

"**Adjusted Calculation Amount**" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"**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 Societe Generale or any of its affiliates in connection with the termination, liquidation or re-establishment of the Dividend Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be, such amount to be apportioned pro rata amongst the Nominal Amount of each outstanding Preference Share;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"Compounding Method" means 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;

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period;

"Day Count Fraction" means, for the purposes of Compounding Method, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

"Dividend Amount(s)" means the amount(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Dividend Full Liquidation Date" means, in respect of any Dividend Payment Date, the date on which the liquidation proceeds of the Dividend Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of such Dividend Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Dividend Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on a Dividend Payment Date, apportioned pro rata to each outstanding Preference Share;

"Dividend Payment Date(s)" means the date(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on the Maturity Date apportioned pro rata to each outstanding Preference Share provided that, if the Dividend Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business

Day preceding the Maturity Date, then Hedge Positions will include the Dividend Hedge Positions and/or the Optional Hedge Positions;

"Maturity Date" means the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Nominal Amount" means the amount per Preference Share specified as such in the applicable Supplemental Memorandum;

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on an Optional Redemption Date, apportioned pro rata to each outstanding Preference Share;

"Optional Redemption Amount" means the amount specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Redemption Date" means the date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares; and

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

3.3 **Hedging Disruption, Increased Cost of Hedging and consequences - Change in Law and consequences**

3.3.1 ***Hedging Disruption, Increased Cost of Hedging and consequences***

"Hedging Disruption" means, in respect of Preference Shares that have one or more Index(ices) as Underlying(s), that Societe Generale or any 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 Preference Shares or the agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions as the case may be between accounts within the jurisdiction of the Hedge Positions (the **"Affected Jurisdiction"**) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

"Increased Cost of Hedging" means, in respect of Preference Shares that have one or more Index(ices) as Underlying(s), that Societe Generale or any of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale or any of its affiliates enters into the Hedge Positions in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations

with respect to the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares or (b) freely realize, recover or remit the proceeds of its Hedge Positions.

In case of the occurrence of a Hedging Disruption or an Increased Cost of Hedging relating to an Index (the "**Affected Underlying**"), the Calculation Agent may:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In such case the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector; or
- C. apply the Monetisation until the Maturity Date (as defined above); or, but only in the case of Increased Cost of Hedging:
- D. deduct:
 - (i) from the Dividend Amount(s) (if any) due under one Preference Share on the Dividend Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new or any increase of, any tax, duty, expense or fee that triggered the occurrence of the Increased Cost of Hedging incurred by Societe Generale or any of its affiliates, in relation to the Hedge Positions hedging the payment obligation of the Issuer under the Preference Shares and such amount to be apportioned pro rata amongst the outstanding Preference Shares (the "**Reduction Amount**"); provided however that if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of one Preference Share is higher than such Dividend Amount due under one Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount shall be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount), shall be deducted from the Dividend Amount(s) due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in all or in part after the occurrence of the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount shall be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount whichever comes first (the result of such deduction being floored at zero); or
 - (ii) in the absence of any Dividend Amount in respect of the Preference Shares, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any) due under one Preference Share on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount due under one Preference Share on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

3.3.2 *Change in Law and consequences*

"**Change in Law**" means in respect of Preference Shares that have one or more Index(ices) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Preference Shares (i) due to the adoption of any change in any applicable law or

regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Societe Generale or any of its affiliates to hold, acquire or dispose of Hedge Positions or to maintain the agreement entered into with Societe Generale or any of its affiliates by the Issuer of the Preference Shares, relating to the Underlying of the Preference Shares (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, the Calculation Agent will decide either:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In such case the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount;
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector; or
- C. apply the Monetisation until the Maturity Date (as defined above).

ADDITIONAL TERMS AND CONDITIONS FOR SGI INDEX LINKED PREFERENCE SHARES

The provisions of these Additional Terms and Conditions for SGI Index Linked Preference Shares apply if the applicable Supplemental Memorandum specifies that the clause "Type of Preference Shares" is stated as being "SGI Index Linked Preference Shares".

The Supplemental Memorandum applicable to each Class of SGI Index Linked Preference Shares shall supplement the Articles and be binding on the Issuer and Shareholder(s) as if contained in the Articles.

1. GENERAL DEFINITIONS

"Averaging Date" means, in respect of a Valuation Date and an SGI Index, each date specified as such in the applicable Supplemental Memorandum 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 Condition 2 below.

"Basket" means a basket composed of the SGI Indices (each an **"Underlying"**) in the relative proportions or numbers of SGI Indices specified in the applicable Supplemental Memorandum.

"Business Day" means a "Business Day" as defined in the "DEFINITIONS" section, determined on the basis of the Specified Currency of the relevant Preference Shares.

"Calculation Agent" has the meaning given to it in the "DEFINITIONS" section.

"Closing Price" means the official closing level of the SGI Index published by the Index Calculation Agent on the relevant Valuation Date.

"Commodity Instrument Disruption Event" means, with respect to a Commodity Instrument, any event that, in the reasonable opinion of the Calculation Agent, disrupts or impairs the determination of the price of such Commodity Instrument for a Valuation Date, and includes, without limitation:

- A. the failure by the relevant price source to make public the relevant price for a Valuation Date, or the temporary or permanent discontinuance or unavailability of the price source; and
- B. the material suspension of trading or the material limitation imposed on trading (whether by reason of movements in price reaching the limits established by the relevant Exchange within which the price of the relevant futures contract may fluctuate or otherwise) in the relevant Commodity Instrument on the relevant Exchange.

"Commodity Instrument" means an article of trade or commerce such as aluminium, crude oil, cocoa, corn, cotton, copper, milk, emissions allowances, cattle, gas oil, gold, silver, heating oil, coffee, wheat, lean hogs, natural gas, nickel, orange juice, lead, palladium, platinum, sugar, soybean, and more generally any commodity, any index on the aforementioned or any other similar instrument specified in the Index Rules.

"Debt Instrument" means a bond (including a structured bond), a note (including an Euro Medium Term Note), a money market instrument such as a certificate of deposit, a promissory note, a bill, a deposit, and more generally any other debt instrument representing a debt of an issuer, any index on the aforementioned or any other similar instrument specified in the Index Rules.

"Debt Instrument Disruption Event" or "Derivatives and Other Instrument Disruption Event" means the occurrence of any of the following events (a) the non-publication of the closing levels or market value of the relevant Debt Instrument or Derivatives and Other Instrument, (b) the suspension or limitation imposed on trading on the over-the-counter, organized or Regulated Market(s) on which the relevant Debt Instrument or Derivatives and Other Instrument is traded, (c) any event that disrupts or impairs the ability of market

participants in general to effect transactions in, or obtain market values for, the Debt Instrument or Derivatives and Other Instrument on the over-the-counter, organized or Regulated Market(s) on which the relevant Debt Instrument or Derivatives and Other Instrument is traded, (d) the unforeseen early closure of the organized market(s) or Regulated Market(s) on which the relevant Debt Instrument or Derivatives and Other Instrument is traded, or (e) the redemption, cancellation or permanent discontinuance of the relevant Debt Instrument or Derivatives and Other Instrument.

"Derivatives and Other Instrument" means a warrant, an over-the-counter swap, a future or option, a future or option or other contract traded on a regulated or organized market, an index on the aforementioned regardless of the underlying of such Derivatives and Other Instrument, or any other similar instrument specified in the Index Rules.

"Disrupted Day" means any Scheduled Trading Day on which a Market Disruption Event occurs.

"Dividend Full Liquidation Date" means, in respect of any Dividend Payment Date, the date on which the liquidation proceeds of the Dividend Hypothetical Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Dividend Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

"Dividend Hypothetical Hedge Positions" means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) positions or contracts in Fund Units, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Fund Unit due on a Dividend Payment Date, apportioned pro rata to each outstanding Preference Share.

"Dividend Payment Date(s)" means the date(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares.

"Equity Instrument Disruption Event" means:

- in respect of an Equity Instrument that is a Share or an ETF Share or an index on the aforementioned or any other similar instrument specified in the Index Rules, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption which, in either case, the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (c) an Early Closure. For the purpose hereof:
 - A. **"Trading Disruption"** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to Shares or ETF Shares on the relevant Exchange(s), or (b) futures or options contracts on any relevant Related Exchange relating to (i) Shares or ETF Shares or (ii) one or more Underlying Indices or one or more indices that is/are Index Component(s) of an Underlying Index;
 - B. **"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) Shares or ETF Shares on the relevant Exchange(s) or (b) futures or options contracts on any relevant Related Exchange, relating to (i) Shares or ETF Shares or (ii) one or more Underlying Indices or one or more indices that is/are Index Component(s) of an Underlying Index;

C. **"Early Closure"** means in relation to Share or an ETF Share the closure on any Exchange Business Day of:

- (a) any relevant Exchange(s) relating to Shares or ETF Shares; or
- (b) any Related Exchange for futures or options contracts relating to (i) Shares or ETF Shares or (ii) one or more Underlying Indices or one or more indices that is/are Index Component(s) of an Underlying Index,

prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and,

- in respect of an Equity Instrument that is a Fund Unit or an index on the aforementioned or any other similar instrument specified in the Index Rules, the occurrence or the likely occurrence, as determined by the Calculation Agent, of (a) Calculation and/or Publication Disruption, (b) Fund Settlement Disruption, or (c) NAV Determination Disruption Event. For the purpose hereof:

A. **"Calculation and/or Publication Disruption"** means the occurrence of an event, beyond the control of a Hypothetical Investor (including in case of any gate, deferral, suspension or other provisions in the Fund Documents permitting the Fund to delay or refuse subscription and/or redemption orders) which precludes the calculation and/or publication of the official net asset value per Fund Unit by the Fund (or the Fund Service Provider generally in charge of calculating such official net asset value); or

B. **"Fund Settlement Disruption"** means a failure by the Fund to pay in cash the full amount of the redemption proceeds on the date by which the Fund was scheduled to have paid such amount and which, in the determination of the Calculation Agent, makes it impossible or impracticable for the Calculation Agent to determine the net asset value of such Fund, including without limitation due to (a) the transfer of all illiquid assets of such Fund to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units (side pocket), (b) the restriction on the amount or number of redemptions orders that the Fund (or the Fund Service Provider generally in charge of accepting redemption orders) will accept in relation to a single date on which the Fund normally accepts redemption orders (a gate), (c) the suspension for any reason of the subscription or redemption orders by the Fund (or the Fund Service Provider generally in charge of accepting subscription and redemption orders), or (d) the postponement of the payment of the balance of redemption proceeds to a date occurring after the financial statements of the Fund have been reviewed by the Fund's statutory auditors (holdback), in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Preference Shares or are already envisaged by the Fund Documents on the Issue Date of the Preference Shares and are solely implemented by the Fund after such date; or

C. **"NAV Determination Disruption Event"** means the occurrence of any event (beyond the control of a Hypothetical Investor) other than the events mentioned in *"Calculation and/or Publication Disruption"* in (a) above or *"Fund Settlement Disruption"* in (b) above affecting such Fund which, in the determination of the Calculation Agent, makes it impossible or impracticable for the Calculation Agent to determine the net asset value of such Fund.

"Equity Instrument" means (i) a Share or (ii) a Fund Unit or (iii) an ETF Share or (iv) an index on the aforementioned or any other similar instrument specified in the Index Rules.

"ETF" means a Fund that is traded on an Exchange.

"ETF Share" means, in respect of any ETF, a share of such Fund.

"Exchange" means the principal exchange or quotation system on which, in the good faith determination of the Calculation Agent, the relevant Index Components are traded and which offers the highest liquidity for such components, or any successor or substitute exchange or quotation system.

"Exchange Business Day" means, in respect of an SGI Index (or, in the case of a Basket of SGI Indices, each SGI Index observed separately), any Scheduled Trading Day on which the Index Calculation Agent publishes the Closing Price.

"Fund" means any investment company or other pooled investment vehicle that issues Fund Units.

"Fund Documents" means, in respect of any Fund, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund.

"Fund Service Provider" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents, including any fund investment adviser, fund administrator, manager, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary manager or another non-discretionary investment adviser) for such Fund (the **"Fund Adviser"**), trustee or similar person with the primary administrative responsibilities for such Fund, operator, management company, depository, custodian, sub-custodian, prime broker, registrar and transfer agent or domiciliary agent.

"Fund Unit" or **"Unit"** means, in respect of any Fund, a share of such Fund or, if interests in such Fund are not denominated as shares, a unit of account of ownership in such Fund.

"Global Index Methodology" means the document titled "SGI Indices Global Methodology" used by Societe Generale to compute SGI Indices. The SGI Indices Global Methodology is available from the SGI website (<http://www.sginindex.com>). For the avoidance of doubt, terms not defined in the Index Rules shall have the meaning given thereto in the SGI Indices Global Methodology. In case of any inconsistency between the Index Rules and the SGI Indices Global Methodology, the Index Rules shall prevail.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliate, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowing and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge, individually or on a portfolio basis, the part of Societe Generale or any of its affiliates' obligations under the Preference Shares.

"Holding Limit Event" means, assuming the Hypothetical Investor is Societe Generale or any of its affiliates, Societe Generale and any of its affiliates' aggregate interest in any one Index Component will constitute, or is likely to constitute, in the reasonable opinion of the Calculation Agent, 25% or more of its total assets or value as applicable.

"Hypothetical Hedge Positions" means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) positions or contracts in Fund Units, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other

instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Fund Unit due on the Maturity Date apportioned pro rata to each outstanding Preference Share provided that, if the Dividend 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 Dividend 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 Societe Generale or any 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.

"Index Calculation Agent" means the entity in charge of calculating and publishing the SGI Index, if different from the Index Sponsor.

"Index Component" means an Equity Instrument, a Debt Instrument, a Commodity Instrument, a Derivatives and Other Instrument and/or a Market Data, as specified in the Index Rules. For the purposes of the Preference Shares, the relevant Index Component(s) is/are an Equity Instrument, a Debt Instrument, a Commodity Instrument, a Derivatives and Other Instrument, Market Data, or any combination thereof as specified in the Index Rules, which Index Component(s) may be modified from time to time pursuant to such Index Rules.

"Index Component Event" means the occurrence of any of the following events:

- A. for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Equity Instruments: the occurrence of an Equity Instrument Disruption Event in respect of one or more of these Equity Instruments; and
- B. for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Commodity Instruments: the occurrence of a Commodity Instrument Disruption Event in respect of one or more of these Commodity Instruments; and
- C. for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Debt Instruments: the occurrence of a Debt Instrument Disruption Event in respect of one or more of these Debt Instruments; and
- D. for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Derivatives and Other Instruments: the occurrence of a Derivatives and Other Instrument Disruption Event in respect of one or more of these Derivatives and Other Instruments; and
- E. for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Market Data: the occurrence of a Market Data Disruption Event in respect of one or more of these Market Data; and
- F. for an SGI Index in respect of which the Index Components comprise, without limitation, one or more indices (each an **"Underlying Index"**) and:
 - (a) if the Underlying Index comprises, without limitation, one or more Equity Instruments: the occurrence of an Equity Instrument Disruption Event in respect of one or more of these Equity Instruments; and
 - (b) if the Underlying Index comprises, without limitation, one or more Commodity Instruments: the occurrence of a Commodity Instrument Disruption Event in respect of one or more of these Commodity Instruments; and

- (c) if the Underlying Index comprises, without limitation, one or more Debt Instruments: the occurrence of a Debt Instrument Disruption Event in respect of one or more of these Debt Instruments; and
- (d) if the Underlying Index comprises, without limitation, one or more Derivatives and Other Instruments: the occurrence of a Derivatives and Other Instrument Disruption Event in respect of one or more of these Derivatives and Other Instruments; and
- (e) if the Underlying Index comprises, without limitation, one or more Market Data: the occurrence of a Market Data Disruption Event in respect of one or more of these Market Data;

even if the Closing Price of the SGI Index is published by the Index Calculation Agent on the day on which such event(s) occur(s).

"Index Rules" means the relevant SGI Index rules, as supplemented as the case may be, by the Global Index Methodology, both as may be amended, supplemented or superseded from time to time. The Index Rules applicable to the SGI Index are available either on the website www.sgindex.com, or if not online, upon request made to the Index Sponsor.

"Index Sponsor" means the entity specified in the applicable Supplemental Memorandum or in the Index Rules that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant SGI Index and/or (b) announces (directly or through an Index Calculation Agent) the level of the relevant SGI Index on a regular basis.

"Market Data" means a rate (including an interest rate, a foreign exchange rate or a swap rate), a spread, or any other data specified in the Index Rules.

"Market Data Disruption Event" means the non-publication of the level of the relevant Market Data.

"Market Disruption Event" means the occurrence of any Index Component Event which has a material effect on the Preference Shares as determined by the Calculation Agent.

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hypothetical Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

"Optional Hypothetical Hedge Positions" means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) positions or contracts in Fund Units, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Fund Unit due on an Optional Redemption Date, apportioned pro rata to each outstanding Preference Share.

"Optional Redemption Date" means the date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares.

"Regulated Market(s)" means a regulated market for the purposes of the Markets in Financial Instrument Directive 2004/39/EC of 21 April 2004 as amended.

"Related Exchange" means each exchange or quotation system where, in the good faith determination of the Calculation Agent, trading has a material effect on the overall market for

futures and options relating to the relevant Index Components, or any successor or substitute exchange or quotation system.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange, the scheduled weekday closing time of such Exchange or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means, in respect of an SGI Index, any day on which the Index Calculation Agent is scheduled to publish the Closing Price pursuant to the Index Rules.

"SGI Index" means the Societe Generale index (or the Societe Generale indices in case of a Basket) specified as Underlying in the applicable Supplemental Memorandum, subject to adjustments pursuant to the provisions of "*Adjustments and Events relating to SGI Indices*" below.

"Share" means a share of a company.

"Similar Index" means an index whose "main characteristics" are similar to those of the SGI Index, in the determination of the Calculation Agent. The "main characteristics" of an index comprise, without limitation, its strategy, its currency, the asset class and the geographical or economic sectors reflected in such index.

"Type of Return" means "Excess Return", "Modified Price Return", "Net Total Return", "Price Return", "Total Return", "Total Return – Synthetic Dividend" or "Other Return", as specified in the Index Rules where:

"Excess Return" means that the SGI Index reflects:

- (i) the performance differential (whether positive or negative) of its underlying portfolio relative to the money market rate, which namely means that in case of a portfolio performance in line with the money market rate, the SGI Index performance will be zero; or
- (ii) the performance of its underlying portfolio, being a net cash neutral portfolio of purchasing and/or selling positions, which namely means that in case of the absence of performance from these aggregated positions, the SGI Index performance will be zero and the SGI Index will not deliver the money market rate.

"Modified Price Return" means that the SGI Index reflects the performance of a variable exposure (which can be higher or lower than 100%) to an index where the Type of Return of such index is Price Return.

"Net Total Return" means that the SGI Index reflects the performance of its underlying portfolio including reinvestment of any dividends, interests and other income after the deduction of any tax in respect such dividends, interests and other income.

"Price Return" means that the SGI Index reflects the performance of its underlying portfolio excluding reinvestment of any dividends, interests and other income.

"Total Return" means that the SGI Index reflects the performance of its underlying portfolio including reinvestment of any dividends, interests and other income before the deduction of any tax in respect such dividends, interests and other income.

"Total Return – Synthetic Dividend" means that the SGI Index reflects the performance of its underlying portfolio including reinvestment of all dividends, interests and other income after the deduction of a fixed or formula-based dividend.

"Other Return" means the return as described in the Index Rules.

"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 each date specified as such in the applicable Supplemental Memorandum (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 Condition 2 below.

"Valuation Time" means the time on the relevant Valuation Date at which the Closing Price is published by the Index Calculation Agent pursuant to the Index Rules.

2. **CONSEQUENCES OF DISRUPTED DAYS FOR AN SGI INDEX**

If any Valuation Date or Averaging Date specified in the applicable Supplemental Memorandum (the **"Scheduled Valuation Date"** or the **"Scheduled Averaging Date"**) is a Disrupted Day for an SGI Index, then the Valuation Date or Averaging Date for such SGI Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that SGI Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or Averaging Date is a Disrupted Day. In that case:

- A. the eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, notwithstanding the fact that such day is a Disrupted Day, and
- B. the Calculation Agent shall determine the level of the SGI Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that SGI Index last in effect prior to the occurrence of the first Disrupted Day, notwithstanding the fact that the Index Calculation Agent has published a Closing Price on such date.

Provided that if the SGI Index is included in a Basket, the hereabove provisions shall apply only to the SGI Index affected by the occurrence of a Disrupted Day and the Valuation Date or Averaging Date for each other underlying comprised in the Basket and not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

Provided however that,

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the level of the SGI Index so calculated shall be deemed the Closing Price;
- (b) notwithstanding the foregoing, 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 Preference Shares 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 after the fourth Business Day prior to the date of any payment to be made under the Preference Shares on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the level of the SGI Index so calculated shall be deemed the Closing Price.

3. **ADJUSTMENTS, EVENTS, MONETISATION UNTIL THE MATURITY DATE, HEDGING DISRUPTION, INCREASED COST OF HEDGING AND CHANGE IN LAW RELATING TO SGI INDICES**

3.1 **Adjustments and Events relating to SGI Indices**

3.1.1 *Adjustments*

- A. If on any Scheduled Trading Day, an SGI Index is:
- (a) not published by the relevant Index Calculation Agent, but is published by a successor index calculation agent (the "**Successor Index Calculation Agent**"), acceptable to the Calculation Agent; or

- (b) replaced by a Similar Index,

then in each case that index published by the Successor Index Calculation Agent or Similar Index will be deemed to be the SGI Index so calculated and announced.

- B. If, in the determination of the Calculation Agent:

- (a) on or prior to any Valuation Date or Averaging Date, the relevant Index Sponsor and/or Index Calculation Agent announce(s) that it/they will make a material change in the formula for or the method of calculating that SGI Index or in any other way materially modifies that SGI Index (other than a modification prescribed in that formula or method to maintain that SGI Index in the event of changes in Index Components and other routine events) (an "**Index Modification**"); or

- (b) the Index Sponsor permanently cancels the SGI Index and no Similar Index exists or the agreement between the Index Calculation Agent and the Index Sponsor is terminated (an "**Index Cancellation**"); or

- (c) on any Valuation Date or Averaging Date, the Index Calculation Agent fails to publish the Closing Price of the SGI Index other than as a result of the occurrence of a Market Disruption Event (an "**Index Disruption**" and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**");

then the Calculation Agent shall either:

- (i) 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 Supplemental Memorandum using, in lieu of a published level for the SGI Index, the level of that SGI Index on the relevant Valuation Date or Averaging Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that SGI Index last in effect prior to that Index Adjustment Event, but using only those Index Components that comprised the SGI Index immediately prior to that Index Adjustment Event (other than those Index Components that have since then ceased to be listed on any relevant Exchange), and adjust, as the case may be, any of the relevant terms of the Preference Shares; or

- (ii) replace the SGI Index by a Similar Index (except for the case described in (b) above); or

- (iii) consider such Index Adjustment Event as an event triggering an early redemption of the Preference Shares (hereafter an "**Early Redemption Event**"). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder as soon as possible after the occurrence of any of the events described in B(a), B(b) or B(c) above, the Early Redemption Amount; or

- (iv) apply the Monetisation until the Maturity Date (as defined below).
- C. Following the occurrence of a Holding Limit Event the Calculation Agent shall either:
- (a) 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 Supplemental Memorandum using, in lieu of a published level for the SGI Index, the level of that SGI Index on the relevant Valuation Date or Averaging Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that SGI Index last in effect prior to that Holding Limit Event, but using only those Index Components that comprised the SGI Index immediately prior to that Holding Limit Event (other than those Index Components that have since then ceased to be listed on any relevant Exchange), and adjust, as the case may be, any of the relevant terms of the Preference Shares; or
 - (b) replace the SGI Index by a Similar Index; or
 - (c) consider such Holding Limit Event as an event triggering an early redemption of the Preference Shares (hereafter an "**Early Redemption Event**"). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder as soon as possible after the occurrence of the Holding Limit Event, the Early Redemption Amount; or
 - (d) apply the Monetisation until the Maturity Date (as defined below).

3.1.2 ***Stop-Loss Event relating to an SGI Index***

If, on any Exchange Business Day after the initial Valuation Date (excluded) and before the last Valuation Date (included), the Closing Price of an SGI Index is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the "**Affected SGI Index**" and the event, the "**Stop-Loss Event**"), then the Calculation Agent may decide to:

- A. substitute the Affected SGI Index by a Similar Index and will adjust any relevant terms of the Preference Shares accordingly; or
- B. continue with the Affected SGI Index; or
- C. consider such event as an event triggering an early redemption of the Preference Shares (hereafter an "**Early Redemption Event**"). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Stop-Loss Event, the Early Redemption Amount.

3.1.3 ***Correction of the Closing Price of an SGI Index***

In the event that any price or level published by the Index Calculation Agent and which is used for any calculation or determination made under the Preference Shares is subsequently corrected and the correction is published and made available to the public by the Index Calculation Agent after the original publication but no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Supplemental Memorandum), 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 Preference Shares to account for such correction.

3.2 **Monetisation until the Maturity Date**

Following the occurrence of an event giving rise to the Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Dividend Amount(s) initially scheduled to be paid on any Dividend Payment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount as defined in the applicable Supplemental Memorandum on the Maturity Date, but instead will, in full and

final satisfaction of its obligations, pay an amount described in Conditions 3.2.1, 3.2.2 and/or 3.2.3 below.

3.2.1 Monetisation of any Dividend Amount

3.2.1.1 In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which could be as low as zero

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend 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 Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.1.2 In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which cannot be in any case lower than an amount strictly positive (the "Minimum Dividend Amount")

Pursuant to the provisions of Condition 3.2, the Issuer shall pay (1) on the Dividend Payment Date an amount per Preference Share equal to the Minimum Dividend Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Dividend Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.2 Monetisation of any Optional Redemption Amount

3.2.2.1 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.2.2 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Optional Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay (1) on the Optional Redemption Date an amount per Preference Share equal to the Optional Minimum Redemption Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating, the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a Calculation Amount for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a Calculation Period) between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Optional Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

3.2.3 **Monetisation of the Final Redemption Amount**

3.2.3.1 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash

amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.3.2 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (1) the Minimum Redemption Amount and (2) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating, the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); and
- (ii) an amount equal to the Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.4 *Definitions specific to the Monetisation until the Maturity Date*

"**Adjusted Calculation Amount**" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"**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 Societe Generale or any of its affiliates in connection with the termination, liquidation or re-establishment of the Dividend Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be, such amount to be apportioned pro rata amongst the Nominal Amount of each outstanding Preference Share;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"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;

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period;

"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;

"Dividend Amount(s)" means the amount(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Dividend Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on a Dividend Payment Date, apportioned pro rata to each outstanding Preference Share;

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on the Maturity Date apportioned pro rata to each outstanding Preference Share provided that, if the Dividend Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Dividend Hedge Positions and/or the Optional Hedge Positions;

"Maturity Date" means the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Nominal Amount" means the amount per Preference Share specified as such in the applicable Supplemental Memorandum;

"Optional Redemption Amount" means the amount specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Redemption Date" means the date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on an Optional Redemption Date, apportioned pro rata to each outstanding Preference Share; and

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

3.3 Hedging Disruption, Increased Cost of Hedging and consequences - Change in Law and consequences

3.3.1 Hedging Disruption and Increased Cost of Hedging and consequences

"Hedging Disruption" means, in respect of Preference Shares that have one or more SGI Index(ices) as Underlying(s), that Societe Generale or any 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 Preference Shares or the agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions as the case may be between accounts within the jurisdiction of the Hedge Positions (the **"Affected Jurisdiction"**) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

"Increased Cost of Hedging" means, in respect of Preference Shares that have one or more SGI Index(ices) as Underlying(s), that Societe Generale or any of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale or any of its affiliates enters into the Hedge Positions in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) or costs specified in the Index Rules to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares or (b) freely realize, recover or remit the proceeds of its Hedge Positions.

In case of the occurrence of a Hedging Disruption or an Increased Cost of Hedging relating to an SGI Index (the **"Affected Underlying"**), the Calculation Agent may:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an **"Early Redemption Event"**). In that case the Issuer shall terminate its

obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or

- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector and which will be a Similar Index; or
- C. apply the Monetisation until the Maturity Date (as defined above); but only in the case of Increased Cost of Hedging; or
- D. deduct:
 - (i) from the Dividend Amount(s) (if any) due under one Preference Share on the Dividend Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new or any increase of, any tax, duty, expense, fee or costs specified in the Index Rules that triggered the occurrence of the Increased Cost of Hedging incurred by Societe Generale or any of its affiliates, in relation to the Hedge Positions hedging the payment obligation of the Issuer under the Preference Shares and such amount to be apportioned pro rata amongst the outstanding Preference Shares (the "**Reduction Amount**"); provided however that if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of one Preference Share is higher than such Dividend Amount due under one Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount shall be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount), shall be deducted from the Dividend Amount(s) due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in all or in part after the occurrence of the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount shall be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount whichever comes first (the result of such deduction being floored at zero); or
 - (ii) in the absence of any Dividend Amount in respect of the Preference Shares, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any) due under one Preference Share on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount due under one Preference Share on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

3.3.2 *Change in Law and consequences*

"**Change in Law**" means in respect of Preference Shares that have one or more SGI Index(ices) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Preference Shares (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Societe Generale or any of its affiliates to hold, acquire or dispose of Hedge Positions or to maintain the agreement entered into with Societe Generale or any of its affiliates by the Issuer of the Preference Shares, relating to the Underlying of the Preference Shares (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, the Calculation Agent will decide either:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In that case the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector and which will be a Similar Index; or
- C. apply the Monetisation until the Maturity Date (as defined above).

ADDITIONAL TERMS AND CONDITIONS FOR DEPOSITARY RECEIPTS LINKED PREFERENCE SHARES

The provisions of these Additional Terms and Conditions for Depositary Receipts Linked Preference Shares apply if the applicable Supplemental Memorandum specifies that the clause "Type of Preference Shares" is stated as being "Depositary Receipts Linked Preference Shares".

The Supplemental Memorandum applicable to each Class of Depositary Receipts Linked Preference Shares shall supplement the Articles and be binding on the Issuer and Shareholder(s) as if contained in the Articles.

1. **GENERAL DEFINITIONS**

"**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 Supplemental Memorandum, subject to adjustment pursuant to the provisions of Condition 3.1 below.

"**Averaging Date**" means, in respect of a Valuation Date and a Depositary Receipt, each date specified as such in the applicable Supplemental Memorandum 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 Condition 2 below.

"**Basket**" means a basket composed of the Depositary Receipts (each an Underlying) in the relative proportions or numbers of Depositary Receipts specified in the applicable Supplemental Memorandum.

"**Business Day**" has the meaning given to it in the "DEFINITIONS" section.

"**Calculation Agent**" has the meaning given to it in the "DEFINITIONS" section.

"**Closing Price**" means, in respect of a Depositary Receipt, the official closing price of such Depositary Receipt on the relevant Exchange, as adjusted (if applicable) pursuant to the provisions of Condition 3 below.

"**Company**" means, in respect of a Depositary Receipt, the issuer of the Deposited Securities related to such Depositary Receipt.

"**Deposit Agreement**" means the deposit agreement between the Company that has issued the shares that are Deposited Securities and the "Depositary" pursuant to which a Depositary Receipt was issued.

"**Depositary Receipts**" means the depositary receipts (including an ADR and/or a GDR) representing shares or other interests issued by a Company and which constitute Deposited Securities, specified as Underlying in the applicable Supplemental Memorandum, subject to adjustment pursuant to the provisions of Condition 3.1 below.

"**Deposited Securities**" means the shares issued by a Company held by the Depositary under the Deposit Agreement pursuant to which a Depositary Receipt evidencing such Deposited Securities was issued.

"**Disrupted Day**" means, in respect of a Depositary Receipt (or, in the case of a Basket of Depositary Receipts, in respect of any Depositary Receipt comprising the Basket and observed separately), any Scheduled Trading Day on which (a) a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or (b) a Market Disruption Event has occurred.

"**Exchange(s)**" means, in respect of a Depositary Receipt, the corresponding exchange or quotation system specified in the applicable Supplemental Memorandum, or any successor exchange or quotation system or any substitute exchange or quotation system to which trading

in the Depositary Receipt, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Depositary Receipt, 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.

"Exchange Business Day" means, in respect of a Depositary Receipt, (or, in the case of a Basket of Depositary Receipts, in respect of any Depositary Receipt 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.

"GDR" means a global depositary receipt (or the global depositary receipts in the case of a Basket) representing shares issued by a Company and which constitute Deposited Securities, specified as Underlying in the applicable Supplemental Memorandum, subject to adjustment pursuant to the provisions of Condition 3.1 below.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowing and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge, individually or on a portfolio basis, on the part of Societe Generale or any of its affiliates' obligations under the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares.

"Intraday Price" means, in respect of a Depositary Receipt, the price of such Depositary Receipt on the relevant Exchange at any time during a trading session on an Exchange Business Day, including the Closing Price.

"Market Disruption Event" means, in respect of a Depositary Receipt issued pursuant to a Deposit Agreement, the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption which, in either case, the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (C) an Early Closure. For the purpose hereof:

- A. **"Trading Disruption"** means, in respect of a Depositary Receipt and the Deposited Securities relating to such Depositary Receipt, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Depositary Receipt or the Deposited Securities relating to such Depositary Receipt on the Exchange or (b) in futures or options contracts relating to the Depositary Receipt or the Deposited Securities relating to such Depositary Receipt on any relevant Related Exchange;
- B. **"Exchange Disruption"** means, in respect of a Depositary Receipt and the Deposited Securities relating to such Depositary Receipt, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) the Depositary Receipts or the Deposited Securities relating to such Depositary Receipts on the Exchange, or (b) futures or options contracts relating to the Depositary Receipts or the Deposited Securities relating to such Depositary Receipts on any relevant Related Exchange; and
- C. **"Early Closure"** means, the closure on any Exchange Business Day of (a) the relevant Exchange, or (b) any Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange

or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

For the avoidance of doubt, a Disrupted Day will be deemed to have occurred with respect to a Depositary Receipt if a Disrupted Day has occurred with respect to the related Deposited Securities.

"Related Exchange(s)" means, in respect of a Depositary Receipt (and 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 Depositary Receipts 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 Depositary Receipt 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 Depositary Receipts 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.

"Scheduled Trading Day" means, in respect of a Depositary Receipt (or, in the case of a Basket of Depositary Receipts, in respect of any Depositary Receipt 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.

"Valuation Date" means, in respect of a Depositary Receipt, each date specified as such in the applicable Supplemental Memorandum (or, if such date is not a Scheduled Trading Day for such Depositary Receipt, 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 Condition 2 below.

"Valuation Time" means, in respect of a Depositary Receipt, 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.

2. **CONSEQUENCES OF DISRUPTED DAYS**

If any Valuation Date or Averaging Date specified in the applicable Supplemental Memorandum (the **"Scheduled Valuation Date"** and the **"Scheduled Averaging Date"** respectively), is a Disrupted Day for a Depositary Receipt, the Valuation Date or the Averaging Date for such Depositary Receipts shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Depositary Receipt, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or the Scheduled Averaging Date is also a Disrupted Day. In that case:

- A. that eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, for the Depositary Receipts notwithstanding the fact that such day is a Disrupted Day, and
- B. the Calculation Agent shall determine its good faith estimate of the value of the Depositary Receipts as of the Valuation Time on that eighth Scheduled Trading Day and the good faith estimate of the value of the Depositary Receipt so calculated shall be deemed the Closing Price;

Provided that if the Depositary Receipt is included in a Basket, the hereabove provisions shall apply only to the Depositary Receipts affected by the occurrence of a Disrupted Day and the Valuation Date or the Averaging Date for each Depositary Receipt not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

Provided however that

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date, a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the value of the Depositary Receipts so calculated shall be deemed the Closing Price; and
- (b) notwithstanding the foregoing, 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 Preference Shares 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 after the fourth Business Day prior to the date of any payment to be made under the Preference Shares on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the value of the Depositary Receipts so calculated shall be deemed the Closing Price.

3. **ADJUSTMENTS AND EXTRAORDINARY EVENTS – MONETISATION UNTIL THE MATURITY DATE, HEDGING DISRUPTION, INCREASED COST OF HEDGING, INSOLVENCY FILING AND CONSEQUENCES – CHANGE IN LAW AND CONSEQUENCES**

3.1 **Adjustments and Extraordinary Events**

3.1.1 ***Potential Adjustment Events***

"Potential Adjustment Event" means, in relation to a Depositary Receipt, any of the following:

- A. a subdivision, consolidation or reclassification of the Deposited Securities underlying such Depositary Receipt (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 Deposited Securities to existing holders by way of bonus, capitalisation or similar issue;
- C. a distribution, issue or dividend to existing holders of the Deposited Securities underlying such Depositary Receipt of (a) such Deposited Securities, (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 Deposited Securities, (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;
- D. an extraordinary dividend as determined by the Calculation Agent;
- E. a call by the Company in respect of Deposited Securities underlying such Depositary Receipts that are not fully paid;

- F. a repurchase by the Company or any of its subsidiaries of Deposited Securities underlying such Depositary Receipts whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- G. 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
- H. any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the Deposited Securities that affects theoretical value of the Depositary Receipts.

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 Deposited Securities that affects the theoretical value of the Depositary Receipts.

An event that has a diluting or concentrative effect on the Deposited Securities will affect the theoretical value of the Depositary Receipts unless (and to the extent that) the Company or the Depositary, pursuant to its authority (if any) under the Deposit Agreement, elects to adjust the number of the Deposited Securities that are represented by each Depositary Receipt such that the price of the Depositary Receipts will not be affected by any such event (as determined by the Calculation Agent), in which case the Calculation Agent will make no adjustment. If the Company or the Depositary elects not to adjust the number of Deposited Securities that are represented by a Depositary Receipt 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 Preference Shares and/or any other terms of the Preference Shares as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Preference Shares and determine the effective date of that adjustment. The Depositary may also have the ability pursuant to the Deposit Agreement to make adjustments in respect of the Depositary Receipts for share distributions, rights distributions, cash distributions and distributions other than shares, rights and cash. Upon any such adjustment by the Depositary, the Calculation Agent may, in its discretion, make the necessary adjustments as the Calculation Agent deems appropriate to account for such event.

In its determinations of the existence and extent of any dilutive or concentrative effect on the Deposited Securities that affects the theoretical value of the Depositary Receipts of any Potential Adjustment Event, and any related adjustments to the terms of the Preference Shares, 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 Deposited Securities traded on such Related Exchange.

Definitions applicable to this Condition 3.1.1:

"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 Deposited Securities are listed is located.

"Offshore Investor" shall mean a holder of Deposited Securities 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 Deposited Securities are listed is located (the Local Jurisdiction), for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of

doubt, whose jurisdiction of residence (a) shall be determined by the Calculation Agent and (b) may be the jurisdiction of Societe Generale or any of its affiliates.

3.1.2 Extraordinary Events and consequences

- A. Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date or the last Averaging Date of the opening of an Offering Period relating to a Merger Event, a De-merger Event, a De-listing Event, an Insolvency or a Nationalization, in respect of a Depositary Receipt (an "**Affected Depositary Receipt**"), then during such Offering Period, the Calculation Agent may decide in good faith to apply Method of Substitution with respect to the Affected Depositary Receipt.
- B. If the Calculation Agent decides not to apply Method of Substitution during the Offering Period with respect to the Affected Depositary Receipt, then:
- (a) in respect of a Merger Event, from the Merger Date, and/or upon consummation of the Merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, shall apply either:
 - (i) Share-for-Share Merger Event: Alternative Obligation and/or Method of Substitution or Monetisation until the Maturity Date or Early Redemption;
 - (ii) Share-for-Other Merger Event: Alternative Obligation and/or Method of Substitution or Monetisation until the Maturity Date or Early Redemption;
or
 - (iii) Share-for-Combined Merger Event: Alternative Obligation and/or Method of Substitution or Monetisation until the Maturity Date or Early Redemption;
 - (b) in the case of a Merger Event affecting two Depositary Receipts comprised in a Basket, the Calculation Agent will either:
 - (i) continue with the American depositary receipt, the depositary receipt or the global depositary receipt resulting from the Merger Event and in order to maintain the original number of companies in the Basket, a Substitute Share or Substitute Depositary Receipt will be elected and included in the Basket;
 - (ii) substitute both Depositary Receipts with two Substitute Shares or Substitute Depositary Receipts selected as described in the Method of Substitution;
 - (iii) apply the Monetisation until the Maturity Date; or
 - (iv) apply the Early Redemption;
 - (c) in respect of a De-merger Event, from the De-merger Date, and/or upon consummation of the De-merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, will either:
 - (i) replace the Affected Depositary Receipt with the shares or American depositary receipts, depositary receipt or global depositary receipts of the successor companies;
 - (ii) substitute one or more share(s) or American depositary receipt(s) or depositary receipt or global depositary receipt(s) resulting from such De-merger Event pursuant to the Method of Substitution;
 - (iii) apply the Monetisation until the Maturity Date; or

- (iv) apply the Early Redemption;

it being understood that, in the case of a Basket, the Calculation Agent shall maintain the initial number of companies in the Basket and that in the case where the Calculation Agent has elected to substitute the Affected Depositary Receipt with several shares or American depositary receipts or depositary receipt or global depositary receipts resulting from such De-merger Event, such shares or American depositary receipts or global depositary receipts 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 Nationalization, from the effective date of such event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, may, but is not obliged to, apply the Method of Substitution or the Monetisation until the Maturity Date or the Early Redemption;
- (e) in respect of an Insolvency, the Calculation Agent will decide, either:
 - (i) that the Affected Depositary Receipt will be substituted pursuant to the Method of Substitution;
 - (ii) that the value of the relevant component in the formula used to determine the amount to be paid or whether a condition has occurred, if any, as described in the applicable Supplemental Memorandum, representing the Affected Depositary Receipt 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 Depositary Receipt affected at the time of calculation;
 - (iii) to apply the Monetisation until the Maturity Date; or
 - (iv) to apply the Early Redemption.
- C. Notwithstanding anything herein to the contrary, the Calculation Agent shall use its reasonable endeavours at all times to maintain the original number of companies in the Basket as Companies hereunder.

Definitions applicable to this Condition 3.1.2:

"Alternative Obligation" means:

- A. if, in respect of a Share-for-Share Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date the New Shares and the issuer of the Deposited Securities related to such New Shares will be deemed the **"Depositary Receipt"** and the **"Company"**, respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Preference Shares 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 Depositary Receipts immediately prior to the occurrence of the Merger Event would be entitled upon consummation of the Merger Event;
- B. if, in respect of a Share-for-Other Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date, the Calculation Agent will adjust any relevant terms of the Preference Shares 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 Depositary Receipts would be entitled upon consummation of the Merger Event and, if necessary, any relevant terms of the Preference Shares; and

- C. if, in respect of a Share-for-Combined Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the Merger Date the New Shares and the Other Consideration will be deemed the Depositary Receipt and the issuer of the Deposited Securities related to such New Shares will be deemed the Company respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Preference Shares 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 Depositary Receipt 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 Depositary Receipt, that such Depositary Receipt (or Deposited Securities related to such Depositary Receipt): (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 Depositary Receipt (or Deposited Securities related to such Depositary Receipt)) or (c) the Deposit Agreement is terminated.

"De-merger Event" means, in respect of any Depositary Receipt, that the Company relevant to such Depositary Receipt 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 Preference Shares in accordance with the provisions set out under "Early Redemption if an Early Redemption Event occurs" in the "DIVIDEND AND REDEMPTION AMOUNTS" section.

"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, Nationalization or Insolvency during which:

- A. Societe Generale or any of its affiliates sells the Affected Depositary Receipt, 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 Societe Generale or any of its affiliates with regards to the relevant Preference Shares, as observed during such Fixing Period; and
- B. the proceeds of such sale are re-invested in the Substitute Shares, Substitute Depositary Receipt 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 Depositary Receipt and/or New Shares traded by Societe Generale or any of its affiliates with regards to the relevant Preference Shares, 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 Deposited Securities underlying a Depositary Receipt, the date upon which holders of the necessary number of the relevant Deposited Securities (other than, in the case of a takeover offer, Deposited Securities owned or controlled by the offeror) to constitute a Merger Event have agreed or have irrevocably become obliged to transfer their Deposited Securities.

"Merger Event" means, in respect of any Depositary Receipt issued pursuant to a Deposit Agreement:

- A. any reclassification or change of the Deposited Securities underlying such Depositary Receipt (including the change of currency reference of such Deposited Securities) that results in a transfer of or an irrevocable commitment to transfer all of such Deposited Securities outstanding to another entity or person;
- B. any consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity (other than a consolidation, amalgamation or merger in which such Company is the continuing entity and which does not result in a reclassification or change of all of the outstanding Deposited Securities underlying such Depositary Receipt);
- C. other take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Deposited Securities underlying such Depositary Receipt that results in a transfer of or an irrevocable commitment to transfer all or part of such Deposited Securities (other than any of such Deposited Securities owned or controlled by the offeror);
- D. any consolidation, amalgamation, merger or binding share exchange of the relevant Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all of the outstanding Deposited Securities underlying such Depositary Receipt but results in the outstanding Deposited Securities (other than Deposited Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Deposited Securities immediately following such event;
or
- E. take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Calculation Agent based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Method of Substitution" means that in the case of a Merger Event, De merger Event, De-listing Event, Nationalization or Insolvency (regardless of the consideration to be received), in respect of an Affected Depositary Receipt, the Calculation Agent may consider that the Affected Depositary Receipt, 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 share or a new American depositary receipt or a new global depositary receipt of the same economic sector or into a share or an American depositary receipt or a global depositary receipt issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Depositary Receipt (the "**Substitute Share**" or the "**Substitute Depositary Receipt**") 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 Depositary Receipt, the New Shares and/or the Other Consideration shall be deemed to take place during the Fixing Period. The Substitute Share or the Substitute Depositary Receipt, as the case may be, and the company issuing such Substituted Share (or, in the case of a Depositary Receipt, the company issuing the Deposited Securities related to such Depositary Receipt) will be deemed a Depositary Receipt and the Company respectively, and the Calculation Agent will adjust any relevant terms of the Preference Shares.

For information purposes, it is understood that in all cases described herein where a Depositary Receipt is substituted, on any date "t", with a Substitute Share or Substitute Depositary Receipt, the value of the relevant component in the formula used to determine the amount to be paid as

described in the applicable Supplemental Memorandum, shall not be affected by the substitution on such date "t" in respect of the Substitute Share or Substitute Depositary Receipt and would mean the closing price of such Substitute Share or Substitute Depositary Receipt 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 Depositary Receipt on such date "t".

"Nationalization" means that all the Deposited Securities related to a Depositary Receipt 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 a Depositary Receipts (whether of the offeror or a third party) that are listed or quoted on a recognised exchange involved in the application of Method of Substitution or Alternative Obligation as determined by the Calculation Agent.

"Offering Period" means the period from and including the date on which the Merger Event, the De-listing Event, the De-merger Event, the Insolvency or the Nationalization is publicly and officially announced to but excluding the Merger Date or the De-merger Date or the effective date of the De-listing Event, the Insolvency or the Nationalization.

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the offeror or a third party).

"Share-for-Combined Merger Event" means, in respect of a Merger Event, that the consideration for the relevant Depositary Receipts consists of Combined Consideration.

"Share-for-Other Merger Event" means, in respect of a Merger Event, that the consideration for the relevant Depositary Receipts consists solely of Other Consideration.

"Share-for-Share Merger Event" means, in respect of a Merger Event, that the consideration for the relevant Depositary Receipts consists (or, at the option of the holder of such Depositary Receipt, may consist) solely of New Shares.

3.1.3 ***Stop-Loss Event***

If on any Exchange Business Day between the initial Valuation Date (excluded) and the last Valuation Date (included), the Closing Price of a Depositary Receipt is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **"Affected Depositary Receipt"** and the event, the **"Stop-Loss Event"**), then

- A. the Calculation Agent may decide to substitute the Affected Depositary Receipt by a new share or American depositary receipt or global depositary receipt issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Depositary Receipt (the **"Substitute Share"** or the **"Substitute Depositary Receipt"**, as the case may be) and will adjust any relevant terms of the Preference Shares accordingly; or
- B. the Calculation Agent may decide to continue with the Affected Depositary Receipt; or
- C. if the Calculation Agent has neither retained any Substitute Share or Substitute Depositary Receipt nor decided to continue with the Affected Depositary Receipt, the Calculation Agent may either:
 - (a) apply Monetisation until the Maturity Date; or
 - (b) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the Stop-Loss Event, the Early Redemption Amount.

For information purposes, it is understood that in all cases described herein where a Depositary Receipt is substituted, on any date "t", with a Substitute Share, Substitute Depositary Receipt, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Supplemental Memorandum, shall not be affected by the substitution on such date "t" in respect of the Substitute Share or Substitute Depositary Receipt and would mean that the closing price of such Substitute Share or Substitute Depositary Receipt 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 Depositary Receipt on such date "t".

3.1.4 ***Correction of the Closing Price***

In the event that the price or level of any Depositary Receipt published on the Exchange and which is utilised for any calculation or determination made under the Preference Shares 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 Supplemental Memorandum), 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 Preference Shares to account for such correction.

3.2 ***Monetisation until the Maturity Date***

Following the occurrence of an event giving rise to the Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Dividend Amount(s) initially scheduled to be paid on any Dividend Payment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount as defined in the applicable Supplemental Memorandum on the Maturity Date, but instead will, in full and final satisfaction of its obligations, pay an amount described in Conditions 3.2.1, 3.2.2 and/or 3.2.3 below.

3.2.1 ***Monetisation of any Dividend Amount(s)***

3.2.1.1 *In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend 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 Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.1.2 *In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which cannot be in any case lower than an amount strictly positive (the "**Minimum Dividend Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay (1) on the Dividend Payment Date an amount per Preference Share equal to the Minimum Dividend Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Dividend Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Dividend Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.2 *Monetisation of any Optional Redemption Amount*

3.2.2.1 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.2.2 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "Optional Minimum Redemption Amount")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay (1) on the Optional Redemption Date an amount per Preference Share equal to the Optional Minimum Redemption Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating, the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Optional Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.3 **Monetisation of the Final Redemption Amount**

3.2.3.1 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.3.2 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 3.2, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (1) the Minimum Redemption Amount and (2) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating, the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot

Exchange Rate on the Full Liquidation Date, is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and

- (ii) an amount equal to the Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2.4 *Definitions specific to the Monetisation until the Maturity Date*

"Adjusted Calculation Amount" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"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 Societe Generale or any of its affiliates in connection with the termination, liquidation or re-establishment of the Dividend Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be, such amount to be apportioned pro rata amongst the Nominal Amount of each outstanding Preference Share;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"Compounding Method" means 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;

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period;

"Day Count Fraction" means, for the purposes of Compounding Method, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

"Dividend Amount(s)" means the amount(s) specified as such in the applicable Supplemental Memorandum;

"Dividend Full Liquidation Date" means, in respect of any Dividend Payment Date, the date on which the liquidation proceeds of the Dividend Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge

Positions, if any, with the liquidation proceeds of the assets of such Dividend Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Dividend Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on a Dividend Payment Date, apportioned pro rata to each outstanding Preference Share;

"Dividend Payment Date(s)" means the date(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on the Maturity Date apportioned pro rata to each outstanding Preference Share provided that, if the Dividend Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Dividend Hedge Positions and/or the Optional Hedge Positions;

"Maturity Date" means the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Nominal Amount " means the amount per Preference Share specified as such in the applicable Supplemental Memorandum;

"Optional Redemption Amount" means the amount specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Redemption Date" means the date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference

Shares linked to or indexed to the relevant Underlying(s) due on an Optional Redemption Date, apportioned pro rata to each outstanding Preference Share; and

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

3.3 **Hedging Disruption, Increased Cost of Hedging, Insolvency Filing and consequences - Change in Law and consequences**

3.3.1 ***Hedging Disruption, Increased Cost of Hedging, Insolvency Filing and consequences***

"Hedging Disruption" means, in respect of Preference Shares that have one or more Depositary Receipts as Underlying(s), that Societe Generale or any 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 Preference Shares or the agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions as the case may be between accounts within the jurisdiction of the Hedge Positions (the **"Affected Jurisdiction"**) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

"Increased Cost of Hedging" means, in respect of Preference Shares that have one or more Depositary Receipts as Underlying(s), that Societe Generale or any of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale or any of its affiliates enters into the Hedge Positions in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares or (b) freely realize, recover or remit the proceeds of its Hedge Positions.

"Insolvency Filing" means, in respect of Preference Shares that have one or more Depositary Receipts 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 organization 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 or an Increased Cost of Hedging or an Insolvency Filing relating to a Depositary Receipt (the **"Affected Underlying"**), the Calculation Agent may:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an **"Early Redemption Event"**). In that case the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount;
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector;

- C. apply the Monetisation until the Maturity Date (as defined above); but only in the case of Increased Cost of Hedging; or
- D. deduct:
- (i) from the Dividend Amount(s) (if any) due under one Preference Share on the Dividend Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new or any increase of, any tax, duty, expense or fee that triggered the occurrence of the Increased Cost of Hedging incurred by Societe Generale or any of its affiliates, in relation to the Hedge Positions hedging the payment obligation of the Issuer under the Preference Shares and such amount to be apportioned pro rata amongst the outstanding Preference Shares (the "**Reduction Amount**"); provided however that if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of one Preference Share is higher than such Dividend Amount due under one Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount shall be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount), shall be deducted from the Dividend Amount(s) due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in all or in part after the occurrence of the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount shall be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount whichever comes first (the result of such deduction being floored at zero); or
 - (ii) in the absence of any Dividend Amount in respect of the Preference Shares, (a) from the Optional Redemption Amount (if any) or the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any) due under one Preference Share on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount due under one Preference Share on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

3.3.2 *Change in Law and consequences*

"**Change in Law**" means in respect of Preference Shares that have one or more Depositary Receipt as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Preference Shares (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Societe Generale or any of its affiliates to hold, acquire or dispose of Hedge Positions or to maintain the agreement entered into with Societe Generale or any of its affiliates by the Issuer of the Preference Shares relating to the Underlying of the Preference Shares (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, the Calculation Agent will decide either to:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In that case the Issuer shall terminate its

obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount;

- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector; or
- C. apply the Monetisation until the Maturity Date (as defined above).

ADDITIONAL TERMS AND CONDITIONS FOR REFERENCE RATE LINKED PREFERENCE SHARES

The provisions of these Additional Terms and Conditions for Reference Rate Linked Preference Shares apply if the applicable Supplemental Memorandum specifies that the clause "Type of Preference Shares" is stated as being "Reference Rate Linked Preference Shares".

The Supplemental Memorandum applicable to each Class of Reference Rate Linked Preference Shares shall supplement the Articles and be binding on the Issuer and Shareholder(s) as if contained in the Articles.

1. GENERAL DEFINITIONS

"**Business Day**" means a "Business Day" as defined in the "DEFINITIONS" section.

"**Calculation Agent**" has the meaning given to it in the "DEFINITIONS" section.

"**Floating Rate**" has the meaning given to such term in the 2006 ISDA Definitions.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowing and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge, individually or on a portfolio basis, the part of Societe Generale or any of its affiliates' obligation under the Preference Shares.

"**Interest Determination Date**" means, in respect of a Reference Rate, each date defined as being a number of Business Days prior to the beginning /end of an Interest Period.

"**Reference Rate(s)**" means the rate(s) specified in the applicable Supplemental Memorandum as being the Underlying(s).

"**Reference Rate Fixing**" means, in respect of a Reference Rate, the fixing of such Reference Rate published on the Interest Determination Date or Valuation Date, as the case may be, on the Relevant Screen Page at the Specified Time.

"**Relevant Screen Page**" means, for each Reference Rate, the page specified as such in the applicable Supplemental Memorandum.

"**Specified Time**" means, for each Relevant Screen Page, the time (and associated financial centre) specified as such in the applicable Supplemental Memorandum.

"**Valuation Date**" means, in respect of a Reference Rate, each date specified as such in the applicable Supplemental Memorandum (which can be a calendar day or a Business Day or a Dividend Payment Date).

"**2006 ISDA Definitions**" means the definitions as published by the ISDA (the International Swaps and Derivatives Association, Inc.), as amended and updated as at the Issue Date of Preference Shares of the relevant Class.

2. FALLBACK PROVISIONS

2.1 Generic fallback provisions

If on an Interest Determination Date or on a Valuation Date which is a Business Day, the Relevant Screen Page is not available at the Specified Time, the Calculation Agent shall apply the following procedure ("**Screen Rate Determination**") for Dividend Payments linked to a Floating Rate:

The Calculation Agent shall request the principal 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 the Reference Rate at approximately the Specified Time on the Interest Determination Date or Valuation Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the interest rate for such Reference Rate shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any) and multiplied by any Leverage Factor, all as determined by the Calculation Agent.

If on any Interest Determination Date or Valuation Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the interest rate for such Reference Rate shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, 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, at approximately the Specified Time on the relevant Interest Determination Date or Valuation Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by the Reference Banks plus or minus (as appropriate) the Margin (if any) and multiplied by any Leverage Factor or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date or Valuation Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer and the Calculation Agent suitable for such purpose) informs the Calculation Agent it is quoting to Reference Banks (or, as the case may be, the quotations of such bank or banks to the Calculation Agent), plus or minus (as appropriate) the Margin (if any) and multiplied by any Leverage Factor provided that, if the interest rate for such Reference Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the interest rate for such Reference Rate shall be determined as at the last preceding Interest Determination Date or Valuation Date, unless the Calculation Agent determines that an Administrator/Benchmark Event occurred pursuant to the provisions set out in the section headed "DIVIDEND AND REDEMPTION AMOUNTS".

Where:

"**Euro-zone**" has the meanings given to those terms in the 2006 ISDA Definitions.

"**Leverage Factor**" means the number specified as such in the applicable Supplemental Memorandum.

"**Margin**" means the margin specified as such in the applicable Supplemental Memorandum.

"**Reference Banks**" has the meaning given to it, for each Reference Rate, in the 2006 ISDA Definitions as amended and updated as at the Issue Date of the Preference Shares of the relevant Class. For instance, in case of a LIBOR rate, the Reference Banks will be the principal London office of four major banks in the London inter-bank market, in case of a EURIBOR rate, the Reference Banks will be the principal Euro-zone office of four major banks in the Euro-zone inter-bank market.

2.2 **Specific fallback provisions**

For certain products (mainly range accrual products), one or both of the following provisions may be specified in the applicable Supplemental Memorandum in addition to the generic fallback provisions:

2.2.1 *In respect of a Valuation Date which is not a Business Day, the Reference Rate Fixing for such Valuation Date will be the Reference Rate Fixing on the first preceding Business Day in respect of such Valuation Date.*

2.2.2 *In respect of an Interest Period and for the last four Business Days of such Interest Period, the value of the Reference Rate Fixing on these days shall be deemed to be the Reference Rate Fixing on the fifth Business Day preceding the Interest Payment Date relating to such Interest Period.*

3. **MONETISATION UNTIL THE MATURITY DATE**

Following the occurrence of an event giving rise to the Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Dividend Amount(s) initially scheduled to be paid on any Dividend Payment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount as defined in the applicable Supplemental Memorandum on the Maturity Date, but instead will, in full and final satisfaction of its obligations, pay an amount described in Conditions 3.1, 3.2 and/or 3.3 below.

3.1 **Monetisation of any Dividend Amount**

3.1.1 *In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which could be as low as zero*

Pursuant to the provisions of Condition 3, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend 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 Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.1.2 *In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which cannot be in any case lower than an amount strictly positive (the Minimum Dividend Amount)*

Pursuant to the provisions of Condition 3, the Issuer shall pay (1) on the Dividend Payment Date an amount per Preference Share equal to the Minimum Dividend Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full

Liquidation Date is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Dividend Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and

- (ii) an amount equal to the Minimum Dividend Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2 Monetisation of any Optional Redemption Amount

3.2.1 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.2 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "Optional Minimum Redemption Amount")*

Pursuant to the provisions of Condition 3, the Issuer shall pay (1) on the Optional Redemption Date an amount per Preference Share equal to the Optional Minimum Redemption Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating, the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall

be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and

- (ii) an amount equal to the Optional Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

3.3 **Monetisation of the Final Redemption Amount**

3.3.1 ***In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero***

Pursuant to the provisions of Condition 3, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.3.2 ***In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the Minimum Redemption Amount)***

Pursuant to the provisions of Condition 3, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (1) the Minimum Redemption Amount and (2) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating, the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "Calculation Amount" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "Calculation Period") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.4 **Definitions specific to the Monetisation until the Maturity Date**

"Adjusted Calculation Amount" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"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 Societe Generale or any of its affiliates in connection with the termination, liquidation or re-establishment of the Dividend Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be, such amount to be apportioned pro rata amongst the Nominal Amount of each outstanding Preference Share;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"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;

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period;

"Day Count Fraction" means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on the Maturity Date apportioned pro rata to each outstanding Preference Share provided that, if the Dividend Full Liquidation

Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Dividend Hedge Positions and/or the Optional Hedge Positions;

"Dividend Amount(s)" means the amount(s) specified as such in the applicable Supplemental Memorandum;

"Dividend Full Liquidation Date" means, in respect of any Dividend Payment Date, the date on which the liquidation proceeds of the Dividend Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of such Dividend Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Dividend Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on a Dividend Payment Date, apportioned pro rata to each outstanding Preference Share;

"Dividend Payment Date(s)" means the date(s) specified as such in the applicable Supplemental Memorandum;

"Maturity Date" means the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Nominal Amount " means the amount per Preference Share specified as such in the applicable Supplemental Memorandum;

"Optional Redemption Amount" means the amount specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Redemption Date" means the date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on an Optional Redemption Date, apportioned pro rata to each outstanding Preference Share; and

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

4. **CHANGE IN LAW, HEDGING DISRUPTION, INCREASED COST OF HEDGING – CONSEQUENCES**

4.1 **Change in Law, Hedging Disruption, Increased Cost of Hedging**

"**Change in Law**" means, in respect of Preference Shares having one or more Reference Rate(s) as Underlying(s), that on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Preference Shares (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any law or regulation in respect of tax, solvency or capital requirement), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) the Calculation Agent determines in good faith that it has become illegal for Societe Generale or any of its affiliates to hold, acquire or dispose of Hedge Positions or to maintain the agreement entered into with Societe Generale and/or any of its affiliates by the Issuer of the Preference Shares, relating to the Underlying of the Preference Shares.

"**Hedging Disruption**" means in respect of Preference Shares that have one or more Reference Rate(s) as Underlying(s), that Societe Generale or any 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) or any futures or options contract(s) it deems necessary to hedge the market 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 Preference Shares or the agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of Hedge Positions as the case may be between accounts within the jurisdiction of the Hedge Positions (the "**Affected Jurisdiction**") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

"**Increased Cost of Hedging**" means, in respect of Preference Shares that have one or more Reference Rate(s) as Underlying(s), that Societe Generale or any of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale or any of its affiliates enters into the Hedge Positions in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, price risk, foreign exchange risk and interest rate risk) and perform its obligations with respect to the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares, or (b) freely realise, recover or remit the proceeds of its Hedge Positions.

4.2 **Consequences**

In case of the occurrence of a Change in Law, a Hedging Disruption or an Increased Cost of Hedging relating to a Reference Rate (the "**Affected Underlying**"), the Calculation Agent may:

- A. either consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In that case the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- B. determine an appropriate alternative rate to replace the Reference Rate for the purposes of the Preference Shares and adjust any relevant terms of the Preference Shares; but only in the case of Increased Cost of Hedging; or,
- C. apply the Monetisation until the Maturity Date (as defined above); or, but only in the case of Increased Cost of Hedging,
- D. deduct:

- (i) from the Dividend Amount(s) (if any) due under one Preference Share on the Dividend Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new or any increase of, any tax, duty, expense or fee that triggered the occurrence of the Increased Cost of Hedging incurred by Societe Generale or any of its affiliates, in relation to the Hedge Positions hedging the payment obligations of the Issuer under the Preference Shares and such amount to be apportioned pro rata amongst the outstanding Preference Shares (the "**Reduction Amount**"); provided however that if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of one Preference Share is higher than such Dividend Amount due under one Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount shall be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount), shall be deducted from the Dividend Amount(s) due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in all or in part after the occurrence of the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount shall be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount whichever comes first (the result of such deduction being floored at zero); or
- (ii) in the absence of any Dividend Amount in respect of the Preference Shares, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any) due under one Preference Share on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount due under one Preference Share on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE RATE LINKED PREFERENCE SHARES

The provisions of these Additional Terms and Conditions for Foreign Exchange Rate Linked Preference Shares apply if the applicable Supplemental Memorandum specifies that the clause "Type of Preference Shares" is stated as being "Foreign Exchange Rate Linked Preference Shares".

The Supplemental Memorandum applicable to each Class of Foreign Exchange Rate Linked Preference Shares shall supplement the Articles and be binding on the Issuer and Shareholder(s) as if contained in the Articles.

1. GENERAL DEFINITIONS

"Averaging Date" means the dates specified as such in the applicable Supplemental Memorandum or, if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Condition 2 below shall apply.

"Business Day" has the meaning given to it in the "DEFINITIONS" section.

"Calculation Agent" has the meaning given to it in the "DEFINITIONS" section.

"Closing Price" means, in respect of a Foreign Exchange Rate, the fixing of such Foreign Exchange Rate published by the Price Source (or the Substitute Price Source if (a) the Price Source (or any page that may be substituted for it) is not available or (b) the fixing of such Foreign Exchange Rate is not available on the Price Source) at the Valuation Time on the relevant Valuation Date.

"Disrupted Day" means any Scheduled Trading Day on which a Disruption Event has occurred.

"Disruption Events" means, in respect of a Foreign Exchange Rate, the occurrence or existence of (a) a Price Source Disruption, (b) an Illiquidity Disruption, (c) a Dual Exchange Rate or (d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) or (c). For the purpose hereof:

- A. **"Price Source Disruption"** means that it becomes impossible to obtain the rate or rates from which the Closing Price is calculated.
- B. **"Illiquidity Disruption"** means the occurrence of any event in respect of any Foreign Exchange Rate whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent for Societe Generale or any of its affiliates to hedge its obligations under the Preference Shares (in one or more transaction(s)) on the relevant Averaging Date or any Valuation Date.
- C. **"Dual Exchange Rate"** means that the Foreign Exchange Rate splits into dual or multiple foreign exchange rates.

"Foreign Exchange Rate" means any exchange rate expressed as X/Y (X and Y are currencies) and specified as Underlying in the applicable Supplemental Memorandum. For the avoidance of doubt, an exchange rate expressed as X/Y means the number of units (or part units) of Y for which one unit of X can be exchanged.

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliate, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowing and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge, individually or on a portfolio basis, the part of Societe Generale or any of its affiliates' obligations under the Preference Shares.

"Price Source" means the published source, information vendor or provider as specified in the applicable Supplemental Memorandum containing or reporting the rate or rates from which the Closing Price is calculated.

"Scheduled Trading Day" means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Foreign Exchange Rate.

"Substitute Price Source" means the substitute published source, information vendor or provider as specified in the applicable Supplemental Memorandum (if any) containing or reporting the rate or rates from which the Closing Price is calculated.

"Valuation Date" means each date specified as such in the applicable Supplemental Memorandum or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Condition 2 below shall apply.

In case more than one Foreign Exchange Rate needs to be determined for a Preference Share on a date specified as a Valuation Date in the applicable Supplemental Memorandum and such date is a Scheduled Trading Day for one or more of these Foreign Exchange Rates and not a Scheduled Trading Day for one or more of the other Foreign Exchange Rates:

- (a) Such date shall be the Valuation Date for the Foreign Exchange Rates for which this date is a Scheduled Trading Day.
- (b) The Valuation Date for the Foreign Exchange Rates for which such date is not a Scheduled Trading Day shall be the immediately succeeding Scheduled Trading Day for each of these Foreign Exchange Rates unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Condition 2 below shall apply.

In case a Foreign Exchange Rate X/Y is described in the applicable Supplemental Memorandum as the combination of two other Foreign Exchange Rates ($X/Y = X/Z$ multiplied by Z/Y , with X/Z and Z/Y the **"Intermediate Foreign Exchange Rates"**) and a day specified as a Valuation Date in the applicable Supplemental Memorandum is a Scheduled Trading Day for one of the Intermediate Foreign Exchange Rates and not for the other, the Valuation Date for both Intermediate Foreign Exchange Rates (but only for the purpose of determining the Foreign Exchange Rate that is the combination of these two Intermediate Foreign Exchange Rates) shall be the first succeeding day that is a Scheduled Trading Day for both Intermediate Foreign Exchange Rates unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Condition 2 below shall apply.

"Valuation Time" means the time at which the Price Source publishes the relevant rate or rates from which the Closing Price is calculated, as specified in the applicable Supplemental Memorandum.

2. CONSEQUENCES OF A DISRUPTION EVENT

If any Valuation Date or Averaging Date specified in the applicable Supplemental Memorandum (the **"Scheduled Valuation Date"** and the **"Scheduled Averaging Date"** respectively), is a Disrupted Day for a Foreign Exchange Rate, the Calculation Agent shall:

- (a) determine to apply any of the following methods:
 - (x) determine that the Valuation Date or Averaging Date for such Foreign Exchange Rate shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of such Foreign Exchange Rate, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or Scheduled Averaging Date is also a Disrupted Day. In that case, that eighth Scheduled

Trading Day shall be deemed to be the Valuation Date or Averaging Date for the Foreign Exchange Rate notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine, its good faith estimate of the fixing of the Foreign Exchange Rate as of the Valuation Time on that eighth Scheduled Trading Day and the good faith estimate of the fixing of the Foreign Exchange Rate so calculated shall be deemed the Closing Price,

provided however that,

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 (x) above, and the good faith estimate of the fixing of the Foreign Exchange Rate so calculated shall be deemed the Closing Price; or

- (y) consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- (z) apply the Monetisation until the Maturity Date (as defined below); and/or
- (b) postpone any payment date related to such Averaging Date or Valuation Date (including, if applicable, the Maturity Date) until the fourth Business Day following the date on which a Disruption Event is no longer subsisting. No interest or other amount shall be paid by the Issuer in respect of such postponement.

3. **MONETISATION UNTIL THE MATURITY DATE**

Following the occurrence of an event giving rise to the Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Dividend Amount(s) initially scheduled to be paid on any Dividend Payment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount as defined in the applicable Supplemental Memorandum on the Maturity Date, but instead will, in full and final satisfaction of its obligations, pay an amount described in Conditions 3.1, 3.2 and/or 3.3 below.

3.1 **Monetisation of any Dividend Amount**

3.1.1 ***In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which could be as low as zero***

Pursuant to the provisions of Condition 3, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding

Method shall be a "**Calculation Period**") between (x) the Dividend 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 Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.1.2 ***In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which cannot be in any case lower than an amount strictly positive (the Minimum Dividend Amount)***

Pursuant to the provisions of Condition 3, the Issuer shall pay (1) on the Dividend Payment Date an amount per Preference Share equal to the Minimum Dividend Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Dividend Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.2 **Monetisation of any Optional Redemption Amount**

3.2.1 ***In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero***

Pursuant to the provisions of Condition 3, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.2.2 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "Optional Minimum Redemption Amount")*

Pursuant to the provisions of Condition 3, the Issuer shall pay (1) on the Optional Redemption Date an amount per Preference Share equal to the Optional Minimum Redemption Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating, the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Optional Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

3.3 Monetisation of the Final Redemption Amount

3.3.1 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.3.2 ***In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the Minimum Redemption Amount)***

Pursuant to the provisions of Condition 3, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (1) the Minimum Redemption Amount and (2) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a Calculation Amount for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a Calculation Period) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.4 **Definitions specific to the Monetisation until the Maturity Date**

"Adjusted Calculation Amount" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"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 Societe Generale or any of its affiliates in connection with the termination, liquidation or re-establishment of the Dividend Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be, such amount to be apportioned pro rata amongst the Nominal Amount of each outstanding Preference Share;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"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,

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period;

"Day Count Fraction" means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on the Maturity Date apportioned pro rata to each outstanding Preference Share provided that, if the Dividend Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Dividend Hedge Positions and/or the Optional Hedge Positions;

"Dividend Amount(s)" means the amount(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Dividend Full Liquidation Date" means, in respect of any Dividend Payment Date, the date on which the liquidation proceeds of the Dividend Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of such Dividend Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Dividend Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on a Dividend Payment Date, apportioned pro rata to each outstanding Preference Share;

"Dividend Payment Date(s)" means the date(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Maturity Date" means the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Nominal Amount " means the amount per Preference Share specified as such in the applicable Supplemental Memorandum;

"Optional Redemption Amount" means the amount specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Redemption Date" means the date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on an Optional Redemption Date, apportioned pro rata to each outstanding Preference Share; and

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

4. **CHANGE IN LAW, HEDGING DISRUPTION, INCREASED COST OF HEDGING - CONSEQUENCES**

4.1 **Change in Law, Hedging Disruption, Increased Cost of Hedging**

"Change in Law" means, in respect of Preference Shares that have one or more Foreign Exchange Rate(s) as Underlying(s), that on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Preference Shares (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Societe Generale and/or any of its affiliates to hold, acquire or dispose of Hedge Positions or to maintain the agreement entered into with Societe Generale or any of its affiliates by the Issuer of the Preference Shares, relating to the Underlying of the Preference Shares.

"Hedging Disruption" means, in respect of Preference Shares that have one or more Foreign Exchange Rate(s) as Underlying(s), that Societe Generale or any 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) or any futures or options contract(s) it deems necessary to hedge the market risk (or any relevant price risk including but not limited to the currency risk) of entering into and performing its obligations with respect to the Preference Shares or the agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of Hedge Positions as the case may be between accounts within the jurisdiction of the Hedge Positions (the "Affected Jurisdiction") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

"Increased Cost of Hedging" means, in respect of Preference Shares that have one or more Foreign Exchange Rate(s) as Underlying(s), that Societe Generale or any of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale or any of its affiliates enters into the Hedge Positions in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk relating to the market value of the securities and

the performance of its obligations with respect to the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares, or (b) freely realise, recover or remit the proceeds of its Hedge Positions.

4.2 Consequences

In case of the occurrence of a Change in Law, a Hedging Disruption or an Increased Cost of Hedging relating to a Foreign Exchange Rate (the "**Affected Underlying**"), the Calculation Agent may:

- A. either consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In that case the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- B. determine an appropriate alternative exchange rate to replace the Foreign Exchange Rate for the purposes of the Preference Shares and adjust any relevant terms of the Preference Shares; or
- C. apply the Monetisation until the Maturity Date (as defined above); or, but only in the case of Increased Cost of Hedging,
- D. deduct:
 - (i) from the Dividend Amount(s) (if any) due under one Preference Share on the Dividend Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new or any increase of, any tax, duty, expense or fee that triggered the occurrence of the Increased Cost of Hedging incurred by Societe Generale or any of its affiliates, in relation to the Hedge Positions hedging the payment obligations of the Issuer under the Preference Shares and such amount to be apportioned pro rata amongst the outstanding Preference Shares (the "**Reduction Amount**"); provided however that if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of one Preference Share is higher than such Dividend Amount due under one Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount shall be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount), shall be deducted from the Dividend Amount(s) due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in all or in part after the occurrence of the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount shall be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount whichever comes first (the result of such deduction being floored at zero); or
 - (ii) in the absence of any Dividend Amount in respect of the Preference Shares, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any) due under one Preference Share on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount due under one Preference Share on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED PREFERENCE SHARES

The provisions of these Additional Terms and Conditions for Commodity Linked Preference Shares apply if the applicable Supplemental Memorandum specifies that the clause "Type of Preference Shares" is stated as being "Commodity Linked Preference Shares".

The Supplemental Memorandum applicable to each Class of Commodity Linked Preference Shares shall supplement the Articles and be binding on the Issuer and Shareholder(s) as if contained in the Articles.

1. GENERAL DEFINITIONS

1.1 Commodity Reference Prices

"**Commodity Reference Price**" means, unless otherwise specified in the applicable Supplemental Memorandum, any of (a) the prices specified for the relevant Commodity below, (b) the Closing Price for the relevant Commodity Index specified in the applicable Supplemental Memorandum:

"**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 Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on the page "LOAHDY Comdty" of the Bloomberg terminal and on page "RING=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"**AL3**" for a date means the official price per tonne of 3 month forward high grade primary aluminium on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on the page "LOAHDS03 Comdty" of the Bloomberg terminal and on page "MAL3" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"**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 Supplemental Memorandum), stated in USD, as determined and made public by the ICE for that date (available on the page "CO1 Comdty" for a First Nearby Month Futures Contract and on page "CO2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and on page "SETT" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"**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 Supplemental Memorandum), stated in USD, as determined and made public by the ICE for that date (available on page "CC1 Comdty" for a First Nearby Month Futures Contract and "CC2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"**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 Supplemental Memorandum) stated in USD, as determined and made public by the NYMEX for that date (available on page "CL1 Comdty" of the Bloomberg terminal and on page "SETT" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"**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 Supplemental Memorandum), stated in U.S. cents, as determined and made public by the CBOT for that date (available on page "C1 Comdty" for a First Nearby Month Futures Contract and "C2 Comdty" for a Second Nearby Month Futures Contract of the

Bloomberg terminal and 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, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in U.S. cents, as determined and made public by the ICE for that date (available on page "CT1 Comdty" for a First Nearby Month Futures Contract and "CT2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and on page "CTc1" for a First Nearby Month Futures Contract and "CTc2" for as Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on page "LOCADY Comdty" of the Bloomberg terminal and on page "RING=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"CU3" for a date means the official price per tonne of 3 month forward copper Grade A on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on page "LOCADS03 Comdty" of the Bloomberg terminal and on page "MCU3" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in USD, as determined and made public by the CME for that date (available on page "DA1 Comdty" for a First Nearby Month Futures Contract and "DA2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"EU2" for a date means the settlement price per emissions allowance (each such EU allowance being an entitlement to emit one tonne of carbon dioxide equivalent gas) on the ICE of the ICE ECX CFI December (unless otherwise provided for in the applicable Supplemental Memorandum), stated in EUR, as determined and made public by the ICE for that date (available on page "EMIT" of the Bloomberg terminal and on page "0#CFI: " of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Adjustment2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, as determined and made public by the CME for that date (available on page "FC1 Comdty" for a First Nearby Month Futures Contract and "FC2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and on page "Fc1" for a First Nearby Month Futures Contract and "Fc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"FN" for a date means the settlement price per Therm of the UK natural gas on the ICE of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum) stated in GBP cents, as determined and made public by ICE for that date (available on page "FN1 Comdty" of the Bloomberg terminal and on page "NGLNc1" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"GI" for a date means the settlement price per MWh of the phelix baseload electricity index (Germany/Austria) on the EEX of the Second Nearby Month Contract (unless otherwise provided for in the applicable Supplemental Memorandum) stated in EUR, as determined and made public by the EEX for that date (available on page "GI2 Comdty" of the Bloomberg

terminal and on page "F1BMc1" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 (denominated ICE Gas Oil Futures Contract beyond the January 2015 contract month, and renamed ICE Gas Oil Law Sulphur Futures Contract with changes in its specification for February 2015 and later contract month) subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, as determined and made public by the ICE for that date (available on page "QS1 Comdty" for a First Nearby Month Futures Contract and "QS2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and on page "SETT" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"GOA" for a date, means that day's morning (unless otherwise provided for in the applicable Supplemental Memorandum) London Gold price per troy ounce of Gold for delivery in London through a member of the LBMA authorized to effect such delivery, stated in USD, as calculated and administered by independent service provider(s) pursuant to an agreement with the LBMA and published by the LBMA on its website at www.lbma.org.uk that displays prices effective on that date (available on the page "GOLDLNAM index" of the Bloomberg terminal and on page "XAUFIXAM=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page, or any replacement page or website such as recommended by the LBMA).

"GO" for a date, means that day's afternoon (unless otherwise provided for in the applicable Supplemental Memorandum) London Gold price per troy ounce of Gold for delivery in London through a member of the LBMA authorized to effect such delivery, stated in USD, as calculated and administered by independent service provider(s) pursuant to an agreement with the LBMA and published by the LBMA on its website at www.lbma.org.uk that displays prices effective on that date (available on the page "GOLDLNPM index" of the Bloomberg terminal and on page "XAUFIXPM=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page, or any replacement page or web site such as recommended by the LBMA).

"GOC" for a date, means the settlement price per troy ounce of Gold on the COMEX of the Selected Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, as determined and made public by the COMEX for that date (available on page "GC1 Comdty" of the Bloomberg terminal and on page "0#GC: " of the Reuters Monitor Money Rates Service, or any relevant succeeding page); provided that:

- (a) "**Selected Futures Contract**" means, for such date, the next expiring Futures Contract among February, April, June, August and December Futures Contract.
- (b) if such date falls on or after the first notice date of the Selected Futures Contract, the relevant Futures Contract for such date will be the second next to expire Futures Contract among February, April, June, August and December Futures Contract.

"HO" for a date means the settlement price per US Gallon of the New York Harbor ULSD ("**Ultra Low Sulfur Diesel (ULSD)**") on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, as determined and made public by the NYMEX for that date (available on page "HO1 Comdty" of the Bloomberg terminal and on page "SETT" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in U.S cents, as determined and made public by the ICE for that date (available on page "KC1 Comdty" for a First Nearby Month Futures Contract and "KC2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in U.S cents, as determined and made public by the KBOT for that date (available on page "KW1 Comdty" for a First Nearby Month Futures Contract and "KW2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and on "KWc1" for a First Nearby Month Futures Contract and "KWc2" for a Second Nearby Month Futures Contract page of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in U.S. cents, as determined and made public by the CME for that date (available on page "LC1 Comdty" for a First Nearby Month Futures Contract and "LC2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"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 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, as determined and made public by the CME for that date (available on page "LH1 Comdty" for a First Nearby Month Futures Contract and "LH2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in USD, as determined and made public by the NYMEX for that date (available on page "NG1 Comdty" of the Bloomberg terminal and on page "SETNGS" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on page "LONIDY Comdty" of the Bloomberg terminal and on page "RING=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"NI3" for a date means the official price per tonne of 3 month forward Primary Nickel on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on page "LONIDS03 Comdty" of the Bloomberg terminal and on page "MNI3" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in U.S cents, as determined and made public by the ICE for that date (available on page "JO1 Comdty" for a First Nearby Month Futures Contract and "JO2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on page "LOPBDY Comdty" of the Bloomberg terminal and on page "RING=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"PB3" for a date means the official price per tonne of 3 month forward Standard Lead on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on page "LOPBDS03 Comdty" of the Bloomberg terminal and on page "MPB3" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"PDA" for a date means that day's morning (unless otherwise provided for in the applicable Supplemental Memorandum) London Palladium Price (which may also be referred to as the LBMA Palladium Price) per troy ounce gross of Palladium for delivery in London through a member of the LPPM authorized to effect such delivery, stated in USD, as calculated and administered by the LME, and published by the LME on its website at www.lme.com that displays prices effective on that date (available on page "PLDMLNAM Index" of the Bloomberg terminal and on page "XPDFIX=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page, or any replacement page or website such as recommended by the LME).

"PD" for a date means that day's afternoon (unless otherwise provided for in the applicable Supplemental Memorandum) London Palladium Price (which may also be referred to as the LBMA Palladium Price) per troy ounce gross of Palladium for delivery in London through a member of the LPPM authorized to effect such delivery, stated in USD, as calculated and administered by the LME, and published by the LME on its website at www.lme.com that displays prices effective on that date (available on page "PLDMLNPM Index" of the Bloomberg terminal and on page "XPDFIX=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page, or any replacement page or web site such as recommended by the LME).

"PTA" for a date means that day's morning (unless otherwise provided for in the applicable Supplemental Memorandum) London Platinum Price (which may also be referred to as the LBMA Platinum Price) per troy ounce gross of Platinum for delivery in London through a member of the LPPM authorized to effect such delivery, stated in USD, as calculated and administered by the LME, and published by the LME on its website at www.lme.com that displays prices effective on that date (available on page "PLTMLNAM Index" of the Bloomberg terminal and on the "XPTFIX=" page of the Reuters Monitor Money Rates Service, or any relevant succeeding page, or any replacement page or website such as recommended by the LME).

"PT" for a date means that day's afternoon (unless otherwise provided for in the applicable Supplemental Memorandum) London Platinum Price (which may also be referred to as the LBMA Platinum Price) per troy ounce gross of Platinum for delivery in London through a member of the LPPM authorized to effect such delivery, stated in USD, as calculated and administered by the LME, and published by the LME on its website at www.lme.com that displays prices effective on that date (available on page "PLTMLNPM Index" of the Bloomberg terminal and on the "XPTFIX=" page of the Reuters Monitor Money Rates Service, or any relevant succeeding page, or any replacement page or web site such as recommended by the LME).

"RB" for a date means the settlement price per US Gallon of the reformulated gasoline blendstock for oxygen blending on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, as determined and made public by the NYMEX for that date (available on page "XB1 Comdty" of the Bloomberg terminal and on page "SETT" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in U.S. cents, as determined and made public by the ICE for that date (available on page "SB1 Comdty" for a First Nearby Month Futures Contract and "SB2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"SI" for a date, means that day's LBMA Silver price per troy ounce of Silver for delivery in London through a member of the LBMA authorized to effect such delivery, stated in U.S. dollars, as calculated and administered by independent service provider(s) pursuant to an agreement with the LBMA, and published by the LBMA on its website at www.lbma.org.uk that displays prices effective on that date (as published on page "SLVRLND Index" of the Bloomberg terminal, or any relevant succeeding page, or any replacement page or website such as recommended by the LBMA).

"SIC" for a date, means the settlement price per troy ounce of Silver on the COMEX of the Selected Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S cents, as determined and made public by the COMEX for that date (available on page "SI1 Comdty" of the Bloomberg terminal and on page "0#SI:" of the Reuters Monitor Money Rates Service, or any relevant succeeding page); provided that:

- (a) **"Selected Futures Contract"** means, for such date, the next expiring Futures Contract among March, May, July, September and December Futures Contracts.
- (b) If such date falls on or after the first notice date of the Selected Futures Contract, the relevant Futures Contract for such date will be the second next to expire Futures Contract among March, May, July, September and December Futures Contracts.

"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 Supplemental Memorandum), stated in USD, as determined and made public by the CBOT for that date (available on page "SM1 Comdty" for a First Nearby Month Futures Contract and "SM2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in U.S cents, as determined and made public by the CBOT for that date (available on page "S 1 Comdty" for a First Nearby Month Futures Contract and "S 2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in U.S. cents, as determined and made public by the CBOT for that date (available on page "W 1 Comdty" for a First Nearby Month Futures Contract and "W 2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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, or any relevant succeeding page).

"XA" for a date means the settlement price per metric ton of the Rotterdam monthly coal on the ICE of the Second Nearby Month Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum) stated in USD, as determined and made public by the ICE for that date (available on page "XA2 Comdty" of the Bloomberg terminal and on page "ATWMc2" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"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 Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on page "LOZSDY Comdty" of the Bloomberg terminal and on page "RING=" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

"**ZN3**" for a date means the official price per tonne of 3 month forward Special High Grade Zinc on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, as determined and made public by the LME for that date (available on page "LOZSDS03 Comdty" of the Bloomberg terminal and on page "MZN3" of the Reuters Monitor Money Rates Service, or any relevant succeeding page).

1.2 **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.

"**EEX**" means European Energy Exchange or its successor.

"**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 Bullion Market**" means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Gold and 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.

1.3 **Other definitions**

"**Barrier Date**" means a date with respect to which the Calculation Agent determines whether a Barrier Level is reached or any other condition has occurred, and which includes each date specified as such in the applicable Supplemental Memorandum. If a date is specified in the applicable Supplemental Memorandum as both a Barrier Date and a Valuation Date, it will be considered as a Valuation Date. With respect to a Commodity, Barrier Date is subject to Commodity Business Day Adjustment. With respect to a Commodity Index, Barrier Date is subject to Index Business Day Adjustment. Unless otherwise specified in the applicable Supplemental Memorandum, Common Commodity Business Day or Common Index Business Day, as relevant, is applicable to Barrier Dates.

"**Barrier Level**" means the level specified as such in the applicable Supplemental Memorandum.

"**Basket**" means a basket of Commodities specified in the applicable Supplemental Memorandum.

"Business Day" means a "Business Day" as defined in the "DEFINITIONS" section, determined on the basis of the Specified Currency of the relevant Preference Shares.

"Calculation Agent" has the meaning given to it in the "DEFINITIONS" section.

"Closing Price" for a date means, with respect to a Commodity Index, the closing level of the Commodity Index determined and made public by the Index Sponsor for that date.

"Commodity" means any of the commodities referenced in the relevant Commodity Reference Price, commodities comprised in a Commodity Index or any Underlying Index, if applicable or any commodity otherwise specified in the applicable Supplemental Memorandum.

"Commodity Business Day" means (a) when the Commodity Reference Price is a price determined and made public by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a scheduled trading day on that Exchange and, (b) when the Commodity Reference Price is not a price determined and made public by an Exchange, a day with respect to which the relevant Price Source is scheduled to make public a price.

"Commodity Index" means the index on commodities specified in the applicable Supplemental Memorandum.

"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.

"Intraday Price" means, for the following commodities:

"Aluminium Intraday Price" means, for a date, any price per tonne at which the 3 month rolling high grade primary aluminium has been traded at any time during that date on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on the page "LMAHDS03 Comdty" of the Bloomberg terminal and on page "MAL3=LX" of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Arabica Coffee Intraday Price" means, for a date, any price per pound at which arabica coffee has been traded at any time during that date on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S cents, available on page "KC1 Comdty" for a First Nearby Month Futures Contract and "KC2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Brent blend crude oil Intraday Price" means, for a date, any price per barrel at which the Brent blend crude oil has been traded at any time during that date on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on the page "CO1 Comdty" for a First Nearby Month Futures Contract and on page "CO2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and on page "COc1" for a First Newby Month Futures Contract and on page "COc2" for a Second Newby Month Futures Contract of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Cocoa Bean Intraday Price" means, for a date, any price per metric tonne at which the Cocoa Bean has been traded at any time during that date on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD (available on page "CC1 Comdty" for a First Nearby Month Futures Contract and "CC2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Copper Grade A Intraday Price" means, for a date, any price per tonne at which 3 month rolling copper Grade A has been traded at any time during that date on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "LMCADS03 Comdty" of the Bloomberg terminal and on page "MCU3=LX" of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Cotton No.2 Intraday Price" means, for a date, any price per pound at which the Cotton No.2 has been traded at any time during that date on the ICE of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S cents, available on page "CT1 Comdty" for a First Nearby Month Futures Contract and "CT2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Deliverable grade Wheat Intraday Price" means, for a date, any price per bushel at which deliverable grade wheat has been traded at any time during that date on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, available on page "W 1 Comdty" for a First Nearby Month Futures Contract and "W 2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Feeder Cattle Intraday Price" means, for a date, any price per pound at which the Feeder Cattle has been traded at any time during that date on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, available on page "FC1 Comdty" for a First Nearby Month Futures Contract and "FC2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Gas oil Intraday Price" means, for a date, any price per metric ton at which the gas oil has been traded at any time during that date on the ICE of the First Nearby Month Futures Contract (denominated ICE Gas Oil Futures Contract beyond January 2015 contract month, and renamed ICE Gas Oil Low Sulphur Futures Contract with changes in its specification for February 2015 and later contract month) subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "QS1 Comdty" for a First Nearby Month Futures Contract and "QS2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and on page "LGOc1" for a First Nearby Month Futures Contract and "LGOc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Gold COMEX Intraday Price" means, for a date, any price per troy ounce at which Gold has been traded at any time during that date on the COMEX of the Selected Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, as determined and made public by the COMEX for that date (available on page "GC1 Comdty" of the Bloomberg terminal and on page "0#GC:" of the Reuters Monitor Money Rates Service, or any relevant succeeding page); provided that:

- (i) **"Selected Futures Contract"** means for such date the next expiring Futures Contract among February, April, June, August and December Futures Contract.

- (ii) If such date falls on or after the first notice date of the Selected Futures Contract, the Relevant Futures Contract for such date will be the second next to expire Futures Contract among February, April, June, August and December Futures Contract.

"Gold Intraday Price" means, for a date, any price per troy ounce at which Gold for delivery in London through a member of the LBMA authorized to effect such delivery, has been traded at any time during that date (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "XAU=EBS" (or any succeeding page) of the Reuters Monitor Money Rates Service or on page "XAU EBSF Curncy" of the Bloomberg terminal (or any relevant succeeding page).

"Hard Red Winter Wheat Intraday Price" means, for a date, any price per bushel at which Hard Red Winter Wheat has been traded at any time during that date on the KBOT of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S cents, available on page "KW1 Comdty" for a First Nearby Month Futures Contract and "KW2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Lean Hogs Intraday Price" means, for a date, any price per pound at which Lean Hogs has been traded at any time during that date on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, available on page "LH1 Comdty" for a First Nearby Month Futures Contract and "LH2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Live Cattle Intraday Price" means, for a date, any price per pound at which Live Cattle has been traded at any time during that date on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, available on page "LC1 Comdty" for a First Nearby Month Futures Contract and "LC2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Natural gas Intraday Price" means, for a date, any price per MMBTU at which the natural gas has been traded at any time during that date on the NYMEX of the Henry Hub Natural Gas of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "NG1 Comdty" of the Bloomberg terminal and on page NGc1 of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"New York Harbor ULSD Intraday Price" means, for a date, any price per US Gallon at which the New York Harbour ULSD has been traded at any time during that date on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, available on page "HO1 Comdty" of the Bloomberg terminal and on page Hoc1 of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"No.2 Yellow Corn Intraday Price" means, for a date, any price per bushel at which the No.2 Yellow Corn has been traded at any time during that date on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S cents, available on page "C 1 Comdty" for a First Nearby Month Futures Contract and "C 2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and

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 (or any relevant succeeding page).

"Palladium Intraday Price" means for a date, any price per troy ounce gross at which Palladium for delivery in London through a member of the LPPM authorized to effect such delivery, has been traded at any time during that date (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "XPD=EBS" (or any succeeding page) of the Reuters Monitor Money Rates Service or on page "XPD EBSF Curncy" of the Bloomberg terminal (or any relevant succeeding page).

"Platinum Intraday Price" means for a date, any price per troy ounce gross at which Platinum for delivery in London through a member of the LPPM authorized to effect such delivery, has been traded at any time during that date (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "XPT=EBS" (or any succeeding page) of the Reuters Monitor Money Rates Service or on page "XPT EBSF Curncy" of the Bloomberg terminal (or any relevant succeeding page).

"Primary Nickel Intraday Price" means, for a date, any price per tonne at which 3 month rolling Primary Nickel has been traded at any time during that date on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "LMNIDS03 Comdty" of the Bloomberg terminal and on page "MNI3=LX" of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Reformulated gasoline blendstock Intraday Price" means, for a date, any price per US Gallon at which the reformulated gasoline blendstock for oxygen blending has been traded at any time during that date on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, available on page "XB1 Comdty" of the Bloomberg terminal and on page RBc1 of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Silver COMEX Intraday Price" means, for a date, any price per troy ounce at which Silver has been traded at any time during that date on the COMEX of the Selected Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S cents (available on page "SI1 Comdty" of the Bloomberg terminal and on page "0#SI:" of the Reuters Monitor Money Rates Service, or any relevant succeeding page) provided that

- (i) **"Selected Futures Contract"** means for such date, the next expiring Futures Contract among March, May, July, September and December Futures Contracts.
- (ii) If such date falls on or after the first notice date of the Selected Futures Contract, the relevant Futures Contract for such date will be the second next to expire Futures Contract among March, May, July, September and December Futures Contracts.

"Silver Intraday Price" means for a date, any price per troy ounce at which Silver for delivery in London through a member of the LBMA authorized to effect such delivery, has been traded at any time during that date (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "XAG=EBS" of the Reuters Monitor Money Rates Service (or any succeeding page) or on page "XAG EBSF Curncy" of the Bloomberg terminal (or any relevant succeeding page).

"Standard Lead Intraday Price" means, for a date, any price per tonne at which the 3 month rolling Standard Lead has been traded at any time during that date on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), available

on page "LMPBDS03 Comdty" of the Bloomberg terminal and on page "MPB3=LX" of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Sugar #11 Intraday Price" means, for a date, any price per pound at which Sugar #11 has been traded at any time during that date on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S. cents, available on page "SB1 Comdty" for a First Nearby Month Futures Contract and "SB2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Soybean Intraday Price" means, for a date, any price per bushel at which Soybean has been traded at any time during that date on the CBOT of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in U.S cents, available on page "S 1 Comdty" for a First Nearby Month Futures Contract and "S 2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"Soybean Meal Intraday Price" means, for a date, any price per metric ton at which Soybean Meal has been traded at any time during that date on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "SM1 Comdty" for a First Nearby Month Futures Contract and "SM2 Comdty" for a Second Nearby Month Futures Contract of the Bloomberg terminal and 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 (or any relevant succeeding page).

"West Texas Intermediate light sweet crude oil Intraday Price" means, for a date, any price per barrel at which the West Texas Intermediate light sweet crude oil has been traded at any time during that date on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "CL1 Comdty" of the Bloomberg terminal and on page "CLc1" of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Zinc Intraday Price" means, for a date, any price per tonne at which 3 month rolling Special High Grade Zinc has been traded at any time during that date on the LME (unless otherwise provided for in the applicable Supplemental Memorandum), stated in USD, available on page "LMZSDS03 Comdty" of the Bloomberg terminal and on page "MZN3=LX" of the Reuters Monitor Money Rates Service (or any relevant succeeding page).

"Common Commodity Business Day" means, with respect to a Barrier Date, a day which is a Commodity Business Day with respect to all Commodity Reference Prices specified in the applicable Supplemental Memorandum.

"Common Index Business Day" means, with respect to a Barrier Date, a day which is an Index Business Day with respect to all Commodity Indices specified in the applicable Supplemental Memorandum.

"Exchange" means the exchange or principal trading market specified in the applicable Supplemental Memorandum, provided that with respect to a Commodity Index, Exchange means the exchange or quotation system on which the Commodities comprised in the Commodity 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 Supplemental Memorandum.

"Futures Contract" means, with respect to a Commodity Reference Price and a Valuation Date or a Barrier Date, a standardized 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 Supplemental Memorandum, provided that, (a) if a particular date or month is specified in the applicable Supplemental Memorandum, 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 Supplemental Memorandum, the relevant Futures Contract will be respectively the first Futures Contract, the second Futures Contract etc. to expire on the relevant Valuation Date or Barrier Date.

"Index Business Day" means, with respect to a Commodity Index and an Underlying Index, any day (a) on which the Index Sponsor and the Underlying Index Sponsor are scheduled to determine and make public the Closing Price of the Commodity Index and Underlying Index, as applicable, on the relevant Index Sponsor's and Underlying Index Sponsor's website and (b) which is a trading day on the relevant Exchange for all Relevant Futures Contracts.

"Index Disruption Event" means, with respect to a Commodity Index and an Underlying Index, any of the following events:

- A. the failure by the Index Sponsor to make public the Closing Price on the relevant Index Sponsor's website or, with respect to a Barrier Date, the failure of the Index Sponsor to make public the Closing Price by 8:30 am New York time on the next following London and/or New York Business Day, as applicable.
- B. the failure by the Underlying Index Sponsor to make public the Closing Price of the Underlying Index on the relevant Underlying Index Sponsor's website.
- C. the failure by the relevant Exchange to determine or make public the settlement price for a Relevant Futures Contract, provided however that this Index Disruption Event shall not apply to a Barrier Date.
- D. the material suspension of trading (**"Trading Suspension"**) or the material limitation imposed on trading (**"Trading Limitation"**) (whether by reason of movements in price reaching limits established by the relevant Exchange within which the price of the Relevant Futures Contract may fluctuate (**"Limit Price"**) or otherwise) in the Relevant Futures Contract on the relevant Exchange; provided however that, with respect to Barrier Dates only, the settlement price reaching the upper or lower limit of the Limit Price for a Relevant Futures Contract will not be considered as an Index Disruption Event.

"Index Sponsor" means the corporation or other entity as specified in the applicable Supplemental Memorandum which (a) is responsible for establishing and reviewing the rules, procedures and the methods of calculation and adjustments, if any, related to the relevant Commodity Index and (b) makes public (directly or through an agent) the level of the relevant Commodity Index on a regular basis.

"Initial Valuation Date" means the date specified as such in the applicable Supplemental Memorandum.

"Market Disruption Event" means, with respect to a Commodity, any event that, in the reasonable opinion of the Calculation Agent, disrupts or impairs the determination of the price of such Commodity for a Valuation Date or a Barrier Date, as relevant, and includes, without limitation:

- A. the failure by the relevant Price Source to make public the relevant price for a Valuation Date or, with respect to a Barrier Date, the failure of such relevant Price Source to make

public the relevant price by 8:30 am New York time on the next following London and/or New York Business Day, as applicable, or the temporary or permanent discontinuance or unavailability of the Price Source.

- B. the Trading Suspension or the Trading Limitation (whether by reason of movements in price reaching the limits of the Limit Price or otherwise) in the relevant Commodity on the relevant Exchange; provided however that, with respect to Barrier Dates only, the settlement price reaching the upper or lower limit of the Limit Price will not be considered as a Market Disruption Event.

The occurrence of a Market Disruption Event is determined by the Calculation Agent in good faith.

"MMBTU" means one million British thermal units.

"**Observation Barrier Period**" means, unless otherwise specified in the applicable Supplemental Memorandum, the period from and including the first Valuation Date to and including the last Valuation Date.

"**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.

"**Relevant Futures Contract**" means each futures contract comprised in the Commodity Index or in the Underlying Index.

"**Roll Adjustment**" means, unless otherwise specified in the applicable Supplemental Memorandum, any of the following roll rules:

Roll Adjustment 1: For a Commodity Business Day falling on a day which is the last trade date of the First Nearby Month Futures Contract, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

Roll Adjustment 2: For a Commodity Business Day falling after a day which is the standard (last) expiration date of the First Nearby Month Futures option contract, traded on the Exchange referred to in the relevant Commodity Reference Price, the Relevant Futures Contract will be the Second Nearby Month Futures Contract.

Roll Adjustment 3: For a Commodity Business Day falling on or after the first notice date of the First Nearby Month Futures Contract traded on the Exchange referred to in the relevant Commodity Reference Price, the Relevant Futures Contract will be the Second Nearby Month Futures Contract.

"**Strike Price**" means the price specified as such in the applicable Supplemental Memorandum.

"**Underlying Index**" means each index comprised in a Commodity Index.

"**Underlying Index Sponsor**" means the corporation or other entity as specified in the applicable Supplemental Memorandum which (a) is responsible for establishing and reviewing the rules, procedures and the methods of calculation and adjustments, if any, related to the relevant Underlying Index and (b) makes public (directly or through an agent) the level of the relevant Underlying Index on a regular basis.

"**Valuation Date**" means a date with respect to which a Commodity Reference Price is determined and includes the Initial Valuation Date and the Final Valuation Date, as the case may be, and/or each date specified as such in the applicable Supplemental Memorandum. With respect to a Commodity, Valuation Date is subject to Commodity Business Day Adjustment. With respect to a Commodity Index, Valuation Date is subject to Index Business Day Adjustment. Unless otherwise specified in the applicable Supplemental Memorandum, neither Common Commodity Business Day nor Common Index Business Day, as relevant, is applicable to Valuation Dates.

2. PROVISIONS APPLICABLE TO COMMODITIES OTHER THAN INDICES

2.1 Commodity Business Day Adjustment

2.1.1 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 Condition 2.1.3 below.

2.1.2 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 Condition 2.1.3 below.

2.1.3 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.

2.2 Consequences of Market Disruption Events

2.2.1 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:

- (a) the Commodity Reference Price for such Valuation Date published by the relevant Exchange on the next Commodity Business Day on which there is no Market Disruption Event (the "**Determination Day**");
- (b) if the Commodity Reference Price is not determined as per paragraph (a) or is a Limit Price, the Commodity Reference Price published by the relevant Exchange for such Determination Day.

For the purposes of paragraph (a) and (b) above, a Determination Day shall fall within a period of five Commodity Business Days from and including the relevant Valuation Date.

The determination of the Commodity Reference Price in (a) and (b) above is subject to determination deadline provisions in Condition 2.2.2 below.

- (c) If there is no Determination Day within a period of five Commodity Business Days following (and including) the Valuation Date, then the prices for such Valuation Date shall be determined, in good faith, by the Calculation Agent on such fifth Commodity Business Day, using:
 - (i) with respect to the Commodity or Commodities which are not affected by a Market Disruption Event on the fifth Commodity Business Day, the relevant Commodity Reference Price for that fifth Commodity Business Day and
 - (ii) with respect to the Commodity or Commodities which are affected by a Market Disruption Event on the fifth Commodity Business Day, the fair market value of such Commodity or Commodities.

2.2.2 Notwithstanding the foregoing, the prices for a Valuation Date shall be determined by the Calculation Agent at the latest on the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date. This Condition 2.2 shall not apply to a Barrier Date.

2.3 Consequences of Extraordinary Events affecting the Commodities or Commodity Reference Prices

If, in the determination of the Calculation Agent:

- A. the relevant Commodity Reference Price disappears or permanently discontinues or otherwise becomes unavailable; or
- B. at any time following the first Valuation Date, a material change in the formula or the calculation method for the relevant Commodity Reference Price occurs; or
- C. at any time following the first Valuation Date, a material change in the content, the composition or the constitution of the relevant Commodity occurs,

then the Calculation Agent will be entitled to either:

- Y. determine in good faith the fair market value of the relevant Commodity for the relevant Valuation Date or Barrier Date; or
- Z. replace, to the extent possible, the affected Commodity Reference Price with a similar price.

If the Calculation Agent does not make a determination in accordance with Y above and if in the determination of the Calculation Agent, no price meets the criteria to be an appropriate replacement price in accordance with Z above, then the Calculation Agent will decide to either:

- (a) apply the Monetisation until the Maturity Date; or
- (b) consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, the Early Redemption Amount.

2.4 Consequences of adjustment events affecting the Commodity Reference Price

If a Commodity Reference Price made public on the relevant Price Source's page and utilised in any calculation or determination made under the Preference Shares is subsequently corrected and the correction is made available to the public on the relevant Price Source's page after the original publication but no later than four Commodity Business Days or Index Business Days, as applicable, prior to the Maturity Date or any payment date(s) (as set out in the applicable Supplemental Memorandum), the Calculation Agent will determine in its sole discretion whether adjustments to the terms of the Preference Shares are necessary to account for such correction. Any adjustment resulting from such correction shall be made in the Calculation Agent's sole discretion.

3. PROVISIONS APPLICABLE TO INDICES ON COMMODITIES

3.1 Index Business Day Adjustment

- 3.1.1 If a Valuation Date is not an Index Business Day with respect to a Commodity Index, then the Valuation Date for such Commodity Index shall be postponed to the next day which is an Index Business Day with respect to such Commodity Index, subject to valuation deadline provisions in Condition 3.1.3 below.
- 3.1.2 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 Condition 3.1.3 below.
- 3.1.3 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 Commodity Index or Commodity Indices for which that fourth Business Day is not an Index Business Day.

3.2 Consequences of Index Disruption Events

3.2.1 If a Valuation Date specified in the applicable Supplemental Memorandum is subject to an Index Disruption Event for a Commodity Index and any Underlying Index, as applicable, the level of such Commodity Index or Underlying Index shall be determined by the Calculation Agent in good faith in accordance with the formula and calculation method for that Commodity Index and Underlying Index, as applicable, last in effect prior to the occurrence of the first Index Disruption Event (subject to determination deadline provisions in Condition 3.2.2 below), using:

- (a) with respect to each Commodity comprised in the Commodity Index or any Underlying Index for which no Relevant Futures Contract is affected by an Index Disruption Event, its settlement price as determined and made public by the relevant Exchange for the Valuation Date; and
- (b) with respect to each Commodity comprised in the Commodity Index or any Underlying Index for which one or more Relevant Futures Contract is affected by an Index Disruption Event:
 - (i) the settlement price of Relevant Futures Contracts related to such Commodity as determined by the relevant Exchange for the Valuation Date and made public on the Valuation Date or retrospectively on the next Commodity Business Day on which there is no Index Disruption Event with respect to such Relevant Futures Contracts;
 - (ii) if the settlement price is not determined as per (b)(i) above or is a Limit Price, the settlement price of all Relevant Futures Contracts related to such Commodity published by the relevant Exchange for the next Commodity Business Day on which the Index Disruption Event ceases to exist with respect to all Relevant Futures Contracts;
 - (iii) the settlement price of such Relevant Futures Contracts shall be determined within the 5 Commodity Business Days from and including the relevant Valuation Date for the purposes of paragraph (b)(i) and (b)(ii) above;
 - (iv) if the settlement price of one or more Relevant Futures Contracts is not determined as per (b)(i) or (b)(ii) above, the fair market value of all Relevant Futures Contracts on that fifth Commodity Business Day.

3.2.2 Notwithstanding the foregoing, the date on which the value of a Commodity comprised in the Commodity Index and the level of the Commodity Index are determined shall occur not later than the fourth Business Day prior to the date of any payment to be made under the Preference Shares on the basis of determinations made on such date.

3.3 Consequences of Extraordinary Events and adjustments to Indices

- A. If a Commodity 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 Commodity Index;then the Commodity Index will be deemed to be the index so calculated and made public by the relevant Successor Sponsor or that successor index (as the case may be).
- B. If, on or prior to a Valuation Date, in the determination of the Calculation Agent, the relevant Index Sponsor (or if applicable the Successor Sponsor):

- (a) makes a material change in the formula of a Commodity Index or in any other way materially modifies a Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in Commodities comprised in the Commodity Index and capitalisation and other routine events), or
- (b) fails to calculate and publish the level of the Commodity Index for a continuous period of at least four (4) Commodity Business Days before and including that Valuation Date, or
- (c) permanently cancels a Commodity Index and no successor commodity index exists;

then the Calculation Agent will be entitled to either:

- Y. determine the level of that Commodity Index for the relevant Valuation Date or Barrier Date in accordance with the formula and calculation method for that Commodity Index last in effect prior to that change, failure or cancellation. The Commodity 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 Preference Shares or to determine whether a condition, if any, has occurred or not, or
- Z. replace the Commodity Index with a new index to the extent possible, representative of the similar type of commodities comprised in the Commodity Index and traded on one or more Exchanges.

If the Calculation Agent does not make a calculation in accordance with (Y) above and if, in the determination of the Calculation Agent, no index meets the criteria to be an appropriate replacement index in accordance with (Z) above, then the Calculation Agent will decide to either:

- a. apply the Monetisation until the Maturity Date; or
- b. consider such event as an event triggering an early redemption of the Preference Shares. In that case, the Issuer shall terminate its obligations under the Preference Shares and pay to each Shareholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, the Early Redemption Amount.

3.4 Monetisation until the Maturity Date

Following the occurrence of an event giving rise to the Monetisation until the Maturity Date, the Issuer shall no longer be liable for the payment of (1) the Dividend Amount(s) initially scheduled to be paid on any Dividend Payment Date and/or (2) the Optional Redemption Amount on the Optional Redemption Date and/or (3) the Final Redemption Amount as defined in the applicable Supplemental Memorandum on the Maturity Date, but instead will, in full and final satisfaction of its obligations, pay an amount described in Conditions 3.2.1, 3.2.2 and/or 3.2.3 below.

3.4.1 Monetisation of any Dividend Amount

3.4.1.1 *In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which could be as low as zero*

Pursuant to the provisions of Condition 3.4, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b)

the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend 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 Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.4.1.2 *In respect of the payment of any Dividend Amount as defined in the applicable Supplemental Memorandum which cannot be in any case lower than an amount strictly positive (the "**Minimum Dividend Amount**")*

Pursuant to the provisions of Condition 3.4, the Issuer shall pay (1) on the Dividend Payment Date an amount per Preference Share equal to the Minimum Dividend Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Dividend Full Liquidation Date, as a result of liquidating the Dividend Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of the Dividend Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Dividend Full Liquidation Date is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Dividend Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Dividend Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Dividend Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Dividend Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.4.2 *Monetisation of any Optional Redemption Amount*

3.4.2.1 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.4, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding

Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.4.2.2 *In respect of the redemption of Preference Shares whose Optional Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the Optional Minimum Redemption Amount)*

Pursuant to the provisions of Condition 3.4, the Issuer shall pay (1) on the Optional Redemption Date an amount per Preference Share equal to the Optional Minimum Redemption Amount and (2) on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Optional Full Liquidation Date, as a result of liquidating, the Optional Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Optional Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Optional Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Optional Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.4.3 *Monetisation of the Final Redemption Amount*

3.4.3.1 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 3.4, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, based on (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded).

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

3.4.3.2 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 3.4, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (1) the Minimum Redemption Amount and (2) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its affiliates would be left with on the Full Liquidation Date, as a result of liquidating, the Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and
- (ii) an amount equal to the Minimum Redemption Amount.

For the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its affiliates under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

3.4.4 *Definitions specific to the Monetisation until the Maturity Date*

"Adjusted Calculation Amount" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"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 Societe Generale or any of its affiliates in connection with the termination, liquidation or re-establishment of the Dividend Hedge Positions, the Optional Hedge Positions, and/or the Hedge Positions, as the case may be, such amount to be apportioned pro rata amongst the Nominal Amount of each outstanding Preference Share;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"Compounding Method" means 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;

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period;

"Day Count Fraction" means, for the purposes of Compounding Method, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

"Dividend Amount(s)" means the amount(s) specified as such in the applicable Supplemental Memorandum;

"Dividend Full Liquidation Date" means, in respect of any Dividend Payment Date, the date on which the liquidation proceeds of the Dividend Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Dividend Hedge Positions, if any, with the liquidation proceeds of the assets of such Dividend Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Dividend Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on a Dividend Payment Date, apportioned pro rata to each outstanding Preference Share;

"Dividend Payment Date(s)" means the date(s) specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Full Liquidation Date" means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on the Maturity Date apportioned pro rata to each outstanding Preference Share provided that, if the Dividend Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hedge Positions will include the Dividend Hedge Positions and/or the Optional Hedge Positions;

"Maturity Date" means the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Nominal Amount" means the amount per Preference Share specified as such in the applicable Supplemental Memorandum;

"Optional Redemption Amount" means the amount specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Redemption Date" means the date specified as such in the applicable Supplemental Memorandum of the relevant Preference Shares;

"Optional Full Liquidation Date" means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its affiliates;

"Optional Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Preference Shares linked to or indexed to the relevant Underlying(s) due on an Optional Redemption Date, apportioned pro rata to each outstanding Preference Share; and

"Relevant Spot Exchange Rate" means in respect of a date and an amount to be converted into the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

4. **CHANGE IN LAW, HEDGING DISRUPTION, INCREASED COST OF HEDGING - AND CONSEQUENCES**

4.1 **Change in Law, Hedging Disruption, Increased Cost of Hedging**

"Change in Law" means, with respect to Preference Shares that have one or more Commodity(ies) or one or more Commodity Indice(s) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Preference Shares, due to:

1. the adoption of, or any change in, any applicable law (including without limitation, any Commodity Futures Trading Commission or any law or regulation in respect of tax, solvency or capital requirements) 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
2. the promulgation of, or any change in the published interpretation by any court, tribunal or regulatory authority with competent jurisdiction or supervisory duty, of any Applicable Regulation (including any action taken by a taxing authority),

the Calculation Agent determines in good faith that:

- Y. it has become illegal or contrary to any Applicable Regulation for Societe Generale or any of its affiliates to (a) hold, acquire or dispose of any Hedge Position (as defined below) or (b) maintain the agreement entered into with the Issuer in relation to the Preference Shares or the Underlying(s) of the Preference Shares or to perform its obligations or exercise its rights thereunder; or
- Z. Societe Generale or any of its affiliates incurs or there is a substantial likelihood that Societe Generale or any of its affiliates will incur increased costs, fees or charges in (a) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any Hedge Position or (b) maintaining any agreement entered into with the Issuer in relation to the Preference Shares or the Underlying(s) of the Preference Shares or performing its obligations thereunder.

"Hedging Disruption" means, with respect to Preference Shares that have one or more Commodity(ies) or one or more Commodity Indice(s) as Underlying(s), that, as determined in good faith by the Calculation Agent, Societe Generale or any of its affiliates is unable, after using commercially reasonable efforts, to either:

- A. acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Position; or
- B. freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Position or any agreement entered into with the Issuer in relation to the Preference Shares or the Underlying(s) of the Preference Shares.

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 Societe Generale or any of its affiliates of (a) issuing and performing any of the obligations with respect to the Preference Shares or (b) entering into and performing the obligations under the agreement entered into with the Issuer in relation to the Preference Shares or the Underlying(s) of the Preference Shares.

"Increased Cost of Hedging" means, with respect to Preference Shares that have one or more Commodity(ies) or one or more Commodity Indice(s) as Underlying(s), that as determined in good faith by the Calculation Agent, Societe Generale or any of its affiliates would incur a materially increased (as compared with circumstances existing on the date (s) on which Societe Generale enters into the Hedge Position in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, price risk, foreign exchange risk and interest rate risk) of entering into and performing its obligations with respect to the Preference Shares or any agreement entered into with Societe Generale or any of its affiliates by the Issuer in relation to the Preference Shares, or (b) freely realize, recover or remit the proceeds of the proceeds of its Hedge Positions.

4.2 Consequences

Upon the occurrence of a Hedging Disruption or a Change in Law or an Increased Cost of Hedging (the relevant Commodity(ies) or Commodity Indice(s) as Underlying being the **"Affected Underlying"**), the Calculation Agent may either:

- A. consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an **"Early Redemption Event"**). In that case the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- B. replace, to the extent possible, the Affected Underlying by a new underlying with a similar price or level (as applicable); or
- C. apply the Monetisation until the Maturity Date (as defined above); or, but only in the case of Increased Cost of Hedging;
- D. deduct:
 - (i) from the Dividend Amount(s) (if any) due under one Preference Share on the Dividend Payment Date(s), the amount of any new or any increase of, any tax, duty, expense or fee that triggered the occurrence of the Increased Cost of Hedging or triggered by a Change in Law, incurred by Societe Generale or any of its affiliates, in relation to the Hedge Positions hedging the payment obligations of the Issuer under the Preference Shares and such amount to be apportioned pro rata amongst the outstanding Preference Share (the **"Reduction Amount"**);

provided however that if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of one Preference Share is higher than such Dividend Amount due under one Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount shall be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount), shall be deducted from the Dividend Amount(s) due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in all or in part after the occurrence of the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount shall be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount whichever comes first (the result of such deduction being floored at zero); or

- (ii) in the absence of any Dividend Amount in respect of the Preference Shares, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any) due under one Preference Share on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount due under one Preference Share on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED PREFERENCE SHARES

PART A (2009 DEFINITIONS), PART B (2014 DEFINITIONS), PART C (ADDITIONAL PROVISIONS FOR MIXED REFERENCE PORTFOLIO) AND PART D (ADDITIONAL PROVISIONS RELATED TO CDS SPREAD)

The provisions of these Additional Terms and Conditions for Credit Linked Preference Shares apply if the applicable Supplemental Memorandum specifies that the "*Type of Preference Shares*" is stated as being "*Credit Linked Preference Shares*". In such a case, the "*Credit Linked Preference Shares Provisions*" of the applicable Supplemental Memorandum will also specify whether "*Part A (2009 definitions)*", "*Part B (2014 definitions)*" and/or "*Part C (Additional Provisions for Mixed Reference Portfolio)*" of these Additional Terms and Conditions for Credit Linked Preference Shares applies. If relevant, the applicable Supplemental Memorandum will also specify whether "*Part D (Additional Provisions related to CDS Spread)*" apply.

The Supplemental Memorandum applicable to each Class of Credit Linked Preference Shares shall supplement the Articles and be binding on the Issuer and Shareholder(s) as if contained in the Articles.

The 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement and the 2014 ISDA Credit Derivatives Definitions may be obtained from the relevant Issuer upon request at the address and contact details specified in the applicable Supplemental Memorandum.

Capitalised terms used but not defined herein shall have the meaning given to them in the "DEFINITIONS" section.

PART A (2009 DEFINITIONS)

Capitalised terms used but not defined in Condition 1 of this "*Part A (2009 definitions)*" have the meanings given to them in Condition 2 of this "*Part A (2009 definitions)*", save to the extent it is completed in the applicable Supplemental Memorandum.

1. CREDIT EVENT PROVISIONS

1.1 Settlement

1.1.1 If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and if a Credit Event Notice and, unless specified as "*Not Applicable*" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Shareholders, then:

- (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will pay or procure payment of the Cash Redemption Amount (or a formula based on the Cash Redemption Amount, as specified in the applicable Supplemental Memorandum) on the Cash Redemption Date (subject as specified in Condition 1.1.2 below), in full and final satisfaction of its obligations hereunder in respect of the redemption of each Preference Share, and
- (ii) the Dividend Period(s) and/or the Dividend Calculation Amount shall be as specified in Condition 1.2 below. The Selected Obligations, the Cash Redemption Amount and the Cash Redemption Date shall be notified to the Shareholders in the Final Valuation Notice on the Final Valuation Notice Receipt Date.

1.1.2 In the case of Basket Preference Shares or Tranche Preference Shares, unless Preliminary Cash Redemption is specified as "*Not Applicable*", if an Unsettled Credit Event has occurred, a Preliminary Cash Redemption Amount will be payable on the Scheduled Maturity Date and a Residual Cash Redemption Amount will be payable on the Maturity Date.

1.1.3 For the avoidance of doubt, under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

1.2 **Provisions relating to Dividends**

If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable":

Dividend Period means each period from (and including) a Dividend Payment Date to (but excluding) the next Dividend Payment Date; provided however that the first Dividend Period begins on the Dividend Commencement Date (inclusive) and the last Dividend Period remains subject to the provisions of this Condition 1.

If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable":

Dividend Period means each period from (and including) a Dividend Observation Date to (but excluding) the next Dividend Observation Date; provided however that the first Dividend Period begins on the Dividend Commencement Date (inclusive) and the last Dividend Period remains subject to the provisions of this Condition 1.

1.2.1 **Single Name Preference Shares and First-to-Default Preference Shares**

1.2.1.1 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the applicable Supplemental Memorandum specifies that the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" is "Applicable":*

The Fixed Dividend Amount or the Floating Dividend Amount (as applicable) payable under each Preference Share for each Dividend Period shall be equal to the product of (a) the Dividend Rate, (b) the Nominal Amount and if any (c) the applicable Day Count Fraction.

1.2.1.2 *If the applicable Supplemental Memorandum does not specify that the clause "Observed Dividend" is "Applicable" and if the applicable Supplemental Memorandum specifies that the clause "Structured Dividend Preference Share" is "Applicable":*

The Structured Dividend Amount (if any) shall be as specified in the clause "Structured Dividend Amount(s)" in the applicable Supplemental Memorandum.

1.2.1.3 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" or "Structured Dividend Preference Share" is stated as being "Applicable":*

The Dividend Amount payable under each Preference Share on each Dividend Payment Date shall be equal to the aggregate of the Observed Dividend in respect of each Dividend Period preceding such Dividend Payment Date.

1.2.1.4 *The Dividend Payment Date(s) will be the Dividend Payment Date(s) specified as such in the applicable Supplemental Memorandum, subject to the provisions of paragraphs 1.2.1.4(a) to (l) below:*

(a) *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event":*

The last Dividend Period will be the period from (and including) the Dividend Payment Date immediately preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Payment Date) to (but excluding) the Credit Event Determination Date, and the last Dividend Payment Date will be the earlier of (i) the Dividend Payment Date following the fourth Business Day falling after the Credit Event Determination Date and (ii) the Maturity Date. No interest shall accrue nor be payable from (and including) the Credit Event Determination Date to the Maturity Date.

- (b) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event" and (ii) "Repudiation/Moratorium" or "Grace Period Extension" is stated as being "Applicable":

The last Dividend Period will be the period from (and including) the Dividend Payment Date immediately preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend 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 Dividend Payment Date will be the earlier of the Dividend Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Dividend 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the last Dividend 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 the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

- (c) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event":

The last Dividend Period will be the Dividend Period (if any) ending on the earlier of (i) the Dividend Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. No interest shall accrue nor be payable from (and including) the Dividend Payment Date preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Payment Date) to the Maturity Date.

- (d) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event" and (ii) "Repudiation/Moratorium" or "Grace Period Extension" is stated as being "Applicable":

The last Dividend Period will be the Dividend Period (if any) ending on the earlier of (i) the Dividend Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date.

Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Dividend 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior

to the Scheduled Last Credit Event Occurrence Date, the last Dividend Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from (and including) the Dividend Payment Date preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in case of a Credit Event Determination Date occurring before the first Dividend Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

- (e) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event" and (ii) there is only one Dividend Period:

The Dividend Period will be the period from (and including) the Dividend Commencement Date to (but excluding) the Credit Event Determination Date, and the Dividend Payment Date will be the Maturity Date. No interest shall accrue nor be payable from (and including) the Credit Event Determination Date to the Maturity Date.

- (f) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event", (ii) "Repudiation/Moratorium" or "Grace Period Extension" is stated as being "Applicable" and (iii) there is only one Dividend Period:

The Dividend Period will be the period from (and including) the Dividend Commencement Date to (but excluding) the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the Dividend 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 Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the Dividend 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the Dividend 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 the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

- (g) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event" and (ii) there is only one Dividend Period:

If a Credit Event Determination Date has occurred, no interest shall accrue nor be payable in respect of the Preference Shares.

- (h) Only if the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement", if the clause "Observed Dividend" is stated as being "Not Applicable" in the Supplemental Memorandum and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Guaranteed Dividend":

The last Dividend Period will end on (but exclude) the Scheduled Maturity Date and the interest shall accrue in respect of each Dividend Period on the Nominal Amount in respect of each Preference Share.

- (i) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event":

The last Dividend Period will be the period from (and including) the Dividend Observation Date immediately preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Observation Date) to (but excluding) the Credit Event Determination Date, and the last Dividend Payment Date will be the earlier of the Dividend Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. No interest shall accrue nor be payable from (and including) the Credit Event Determination Date to the Maturity Date.

- (j) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event" and (ii) "Repudiation /Moratorium" or "Grace Period Extension" is stated as being "Applicable":

The last Dividend Period will be the period from (and including) the Dividend Observation Date immediately preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Observation Date) to (but excluding) the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Dividend Payment Date will be the earlier of the Dividend Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Dividend 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the last Dividend 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 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.

- (k) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event":

The last Dividend Period will be the Dividend Period (if any) ending on the earlier of (i) the Dividend Observation Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. The last Dividend Payment Date will be the Maturity Date. No interest shall accrue nor be payable from (and including) the Dividend Observation Date preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Observation Date) to the Maturity Date.

- (l) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event" and (ii) "Repudiation /Moratorium" or "Grace Period Extension" is stated as being "Applicable":

The last Dividend Period will be the Dividend Period (if any) ending on the earlier of (i) the Dividend Observation Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. The last Dividend 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 Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Dividend Payment Date shall be the 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the last Dividend Payment Date shall be the Maturity Date.

No interest shall accrue nor be payable from (and including) the Dividend Observation Date preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in case of a Credit Event Determination Date occurring before the first Dividend Observation 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.

1.2.2 ***Basket Preference Shares and Tranche Preference Shares***

- 1.2.2.1 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" is stated as being "Applicable":*

The Fixed Dividend Amount or the Floating Dividend Amount (as applicable) payable under each Preference Share for each Dividend Period shall be equal to the product of (a) the Dividend Rate, (b) the Relevant Proportion of the Dividend Calculation Amount (or the Nominal Amount if the paragraph "Accrual of Dividend upon Credit Event" is specified as being "Guaranteed Dividend" in the applicable Supplemental Memorandum) and if any (c) the applicable Day Count Fraction.

- 1.2.2.2 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Structured Dividend Preference Share" is stated as being "Applicable":*

The Structured Dividend Amount (if any) shall be as specified in the clause "Structured Dividend Amount(s)" in the applicable Supplemental Memorandum.

- 1.2.2.3 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" or "Structured Dividend Preference Share" is stated as being "Applicable":*

The Dividend Amount payable under each Preference Share on each Dividend Payment Date shall be equal to the aggregate of the Observed Dividend in respect of each Dividend Period preceding such Dividend Payment Date.

- 1.2.2.4 The Dividend Payment Date(s) will be the Dividend Payment Date(s) specified as such in the applicable Supplemental Memorandum, subject to the provisions below.

The last (or if there is only one, the only) Dividend Period will end on (but exclude) the earlier of the Maturity Date and the Scheduled Maturity Date. The last Dividend Payment Date will be the Maturity Date and the Dividend Calculation Amount will be as specified in paragraphs 1.2.1.4 (a) to (g) below:

- (a) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event":

In respect of each Dividend Period, the Dividend Calculation Amount will be calculated on the fourth Business Day preceding the relevant Dividend Payment Date and be an amount equal to (i) the sum, for each day of such Dividend Period, of the Daily Dividend Calculation Amount, divided by (ii) the number of days in such Dividend Period.

- (b) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event":

In respect of each Dividend Period, the Dividend Calculation Amount will be an amount equal to the Daily Dividend Calculation Amount as of the fourth Business Day preceding the relevant Dividend Payment Date.

- (c) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event" and (ii) there is only one Dividend Period:

The Dividend Calculation Amount will be an amount, calculated on the fourth Business Day preceding the Dividend Payment Date equal to (i) the sum, for each day of the Dividend Period, of the Daily Dividend Calculation Amount, divided by (ii) the number of days in the Dividend Period.

- (d) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event" and (ii) there is only one Dividend Period:

The Dividend Calculation Amount will be an amount equal to the Daily Dividend Calculation Amount as of the fourth Business Day preceding the Dividend Payment Date.

- (e) If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement", if the clause "Observed Dividend" is stated as being "Not Applicable" in the applicable Supplemental Memorandum and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Guaranteed Dividend":

Dividends shall accrue in respect of each Dividend Period on the Nominal Amount in respect of each Preference Share.

- (f) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event":

In respect of each Dividend Period, the Dividend Calculation Amount will be calculated on the relevant Dividend Observation Date and be an amount equal to (i) the sum, for each day of such Dividend Period, of the Daily Dividend Calculation Amount, divided by (ii) the number of days in such Dividend Period.

- (g) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event":

In respect of each Dividend Period, the Dividend Calculation Amount will be an amount equal to the Daily Dividend Calculation Amount as of the relevant Dividend Observation Date.

1.2.3 ***Common provisions to Single Name Preference Shares, First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares***

For the avoidance of doubt, except in the case of a Guaranteed Dividend, if a Notice of Pending Credit Event is delivered to the Shareholders, payment of interest on the Preference Shares, or, in the case of Basket Preference Shares or Tranche Preference Shares, on the portion of the Dividend Calculation Amount relating to the relevant Reference Entity, will be deferred until:

- (A) if a Credit Event Notice is delivered in relation to the relevant event, the Maturity Date, or in the case of Basket Preference Shares or Tranche Preference Shares, the Scheduled Maturity Date or the Maturity Date, as the case may be; or
- (B) the date that is 10 Payment Business Days following the publication of a DC No Credit Event Announcement; or
- (C) if no DC No Credit Event Announcement is published and no Credit Event Notice is delivered in relation to the relevant event, the date that is 100 Business Days + 10 Payment Business Days following the Credit Event Resolution Request Date (all as defined in Condition 2 below).

For the avoidance of doubt, (x) should a Credit Event Determination Date occur within a Dividend Period but the relevant Credit Event Notice is delivered (i) less than four Business Days prior to the relevant Dividend Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Dividend Period, or (ii) during a subsequent Dividend Period and the Issuer has paid an amount of interest prior to such delivery in excess of the amount due in accordance with the provisions of this Condition 1.2, then the Issuer may deduct the amount of overpaid interest from (i) the next dividend amount(s) (if any) due under the Preference Shares (only in respect of Basket Preference Shares and Tranche Preference Shares), and/or (ii) the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount (or Cash Redemption), whichever comes first (the result of such deduction being in each case floored at zero); and (y) if payment of interest is deferred following the delivery of a Notice of Pending Credit Event, no additional interest will be payable on the Suspended Amounts for the period of the deferral.

1.3 **Credit Event Notice after Restructuring**

Upon the occurrence of a Restructuring in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date if either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the applicable Supplemental Memorandum:

1.3.1 ***Single Name Preference Shares and First-to-Default Preference Shares***

If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "American Settlement":

- 1.3.1.1 the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the "**Partial Redemption Amount**") that is less than the Nominal Amount outstanding of each Preference Share immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 1.1 and of Condition 1.2 shall be deemed to apply to the Partial Redemption Amount only and each such Preference Share shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount) (and for the avoidance of doubt, without prejudice to the effect of the Principal Credit Factor on the redemption amount);

1.3.1.2 for the avoidance of doubt (i) the Nominal Amount of each such Preference Share not so redeemed in part shall remain outstanding and, if applicable, dividends shall accrue on the Nominal Amount outstanding of such Preference Share as provided in the applicable Supplemental Memorandum (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of Condition 1.1 and of Condition 1.2 shall apply to such Nominal Amount outstanding of such Preference Share in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity; and

1.3.1.3 on redemption of part of each Preference Share, the relevant Preference Share shall be endorsed to reflect such partial redemption.

For the avoidance of doubt, the outstanding Nominal Amount of each Preference Share 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 Scheduled Last Credit Event Occurrence Date), will be redeemed on the Scheduled Maturity Date.

If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement":

1.3.1.4 the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the "**Partial Redemption Amount**") that is less than the Nominal Amount outstanding of each Preference Share immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 1.1 and of Condition 1.2 shall apply to the Partial Redemption Amount; and

1.3.1.5 for the avoidance of doubt the provisions of Condition 1.1 and of Condition 1.2 shall apply to the Nominal Amount of each Preference Share outstanding after reduction by such Partial Redemption Amount in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity.

1.3.2 **Basket Preference Shares and Tranche Preference Shares**

(a) The Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the "**Partial Restructuring Notional Amount**") that is less than the Reference Entity Notional Amount of the relevant Reference Entity immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 1.1 shall apply to the Partial Restructuring Notional Amount instead of the Reference Entity Notional Amount; and

(b) For the avoidance of doubt, following such Restructuring, the provisions of these Additional Terms and Conditions for Credit Linked Preference Shares shall apply in respect of the relevant Reference Entity with such Reference Entity's Reference Entity Weighting being reduced by the ratio of the Partial Restructuring Notional Amount divided by the Reference Portfolio Notional Amount. In the event of the occurrence of further Restructurings with respect to such Reference Entity, the relevant Reference Entity Notional Amount will be further reduced by the relevant Partial Restructuring Notional Amount.

1.4 **Multiple Successors**

If the applicable Supplemental Memorandum specifies that the clause "Type of Credit Linked Preference Shares" is stated as being "Single Name Preference Shares" and if "Multiple Successor(s)" is stated as being as "Applicable" the following provisions shall apply:

Where, pursuant to the definition of Successor (see Condition 2 of these Additional Terms and Conditions for Credit Linked Preference Shares), 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 Preference Share 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 (for the avoidance of doubt, without prejudice to the effect of the Principal Credit Factor on the redemption amount). 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, unless specified as "*Not Applicable*" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information, in respect of a Multiple Successor, the Preference Shares will not be redeemed in whole but an amount shall be payable in respect of each Preference Share (an "**Instalment Amount**") which amount shall be determined in the same manner, *mutatis mutandis*, as the Cash Redemption Amount that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity, except that it shall be in respect of a principal amount of each Preference Share 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 Cash Redemption Date that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity. The provisions of Condition 1.2 shall apply, *mutatis mutandis*, to determine the dividend amount(s) that would otherwise have been determined following the occurrence 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 Preference Share equal to the relevant Multiple Successor Notional Amount only. 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 Condition 1.3 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 Shareholder of a holding of the Preference Shares and the Issuer shall use its reasonable endeavours to effect such modifications.

If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "American Settlement":

Following payment of an Instalment Amount in respect of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each Preference Share shall be correspondingly reduced by the proportion of such principal amount so redeemed and, if applicable, dividend amount(s) on each Preference Share shall accrue on the reduced Nominal Amount of each Preference Share from the date on which it would otherwise have ceased to accrue following delivery of a Credit Event Notice and, unless specified as "*Not Applicable*" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information in relation to the original Reference Entity.

If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement":

Following the occurrence of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each Preference Share shall be correspondingly reduced by the proportion of such principal amount and, if applicable, interest on each Preference Share shall accrue on the reduced Nominal Amount of each Preference Share from the date on which it would otherwise have ceased to accrue following delivery of a Credit Event Notice and, unless specified as "*Not Applicable*" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information in relation to the original Reference Entity.

If the applicable Supplemental Memorandum specifies that the clause "Type of Credit Linked Preference Shares" is stated as being "Single Name Preference Shares" and if in the Supplemental Memorandum "Multiple Successor(s)" is stated as being "Not Applicable" the following provisions shall apply:

Should more than one Successor succeed to the Reference Entity and a Credit Event occurs in respect of any one of them, the Preference Shares will be redeemed in whole in accordance with Condition 1.1, as if the Type of Credit Linked Preference Shares was specified as "First-to-Default Preference Shares" in the applicable Supplemental Memorandum.

For the avoidance of doubt, this Condition 1.4 will not apply to First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares.

1.5 Notification of Potential Failure to Pay

In the case of the occurrence of a Potential Failure to Pay, as determined by the Calculation Agent in its sole and absolute discretion, the Issuer, or any entity acting on its behalf, shall use its reasonable endeavours to notify the Shareholders as soon as reasonably practical of such occurrence, pursuant to the terms and conditions of the Preference Shares.

1.6 Hedging Disruption, Increased Cost of Hedging, Change in Law, Merger of a Reference Entity and Societe Generale or any of its Affiliates, Consequences and Monetisation until the Maturity Date

1.6.1 Hedging Disruption, Increased Cost of Hedging

"Hedging Disruption" means, in respect of Preference Shares that have one or more Reference Entity(ies), that, as determined in good faith by the Calculation Agent, Societe Generale or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind and/or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk (or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk) of entering into and performing its obligations with respect to the Preference Shares or any agreement entered into by the Issuer of the Preference Shares with Societe Generale or any of its Affiliates in relation to the Preference Shares; and/or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its Affiliates in relation to the Preference Shares.

"Increased Cost of Hedging" means, in respect of Preference Shares that have one or more Reference Entity(ies), that Societe Generale or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale or any of its Affiliates enters into the Hedge Positions in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk (or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk) of entering into and performing its obligations with respect to the Preference Shares or any agreement entered into with the Issuer or any of its Affiliates of the Preference Shares in relation to the Preference Shares or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its Affiliates in relation to the Preference Shares.

1.6.2 Change in Law

"Change in Law" means in respect of Preference Shares that have one or more Reference Entity(ies) that, on or after the first to occur of (a) the Issue Date and (b) the trade date of any Hedge Position (i) due to the adoption of, or any change in, any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) 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 or brought in a court of competent jurisdiction), the Calculation Agent determines in good faith that it has become illegal for Societe Generale or any of its Affiliates to hold, acquire or dispose of Hedge Positions (as defined in Condition 2) or to maintain the agreement entered into with Societe Generale or any of its Affiliates by the Issuer of the Preference Shares.

1.6.3 Merger of a Reference Entity and Societe Generale or any of its Affiliates

"Merger of a Reference Entity and Societe Generale or any of its Affiliates" means, in respect of Single Name Preference Shares or First-to-Default Preference Shares or Basket Preference Shares, that (i) Societe Generale or any of its Affiliates consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, a Reference Entity or (ii) a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to Societe Generale or any of its Affiliates, or (iii) Societe Generale or any of its Affiliates and a Reference Entity become Affiliates.

1.6.4 **Consequences**

Upon the occurrence, as determined by the Calculation Agent in good faith, on or prior to the fourth Business Day before the Maturity Date of a Hedging Disruption, an Increased Cost of Hedging, Change in Law, or a Merger of a Reference Entity and Societe Generale or any of its Affiliates, then the Calculation Agent may decide, to either:

- (A) consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an **"Early Redemption Event"**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- (B) if the Hedging Disruption, Increased Cost of Hedging, Change in Law and/or Merger of a Reference Entity and Societe Generale or any of its Affiliates is applicable to one or several affected Reference Entities (the **"Affected Reference Entity(ies)"**), replace the Affected Reference Entity(ies) by a new reference entity (or new reference entities, as relevant) which is (respectively are each) a Similar Reference Entity; or
- (C) apply the Monetisation until the Maturity Date;
or, but only in the case of Increased Cost of Hedging:
- (D) deduct:
 - (i) from the Dividend Amount (if any) due under the Preference Shares on the Dividend Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new, or any increase of, any tax, duty, expense or fee, that triggered the occurrence of the Increased Cost of Hedging incurred by Societe Generale or any of its Affiliates in relation to the Hedge Positions hedging the payment obligations of the Issuer under the Preference Shares, such amount to be apportioned *pro rata* amongst the outstanding Preference Shares (the **"Reduction Amount"**); PROVIDED THAT if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of each Preference Share is greater than the Dividend Amount due under each Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount will be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount) will be deducted from the Dividend Amount due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in whole or in part on the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount will be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount (or Cash Redemption Amount), whichever comes first (the reduction of such deduction being floored at zero); or
 - (ii) in the absence of any Dividend Amount under the Preference Shares, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any), due under the Preference Shares on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional

Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount (or Cash Redemption Amount) due on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

Following the occurrence of a Hedging Disruption, an Increased Cost of Hedging, a Change in Law or a Merger of a Reference Entity and Societe Generale or any of its Affiliates, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Shareholders pursuant to the terms and conditions of the Preference Shares of the relevant adjustment made or decision taken by the Calculation Agent. Details of any adjustment made or decision taken may be obtained by the Shareholders upon request at the Calculation Agent's specified address.

1.6.5 ***Monetisation until the Maturity Date***

The Issuer will no longer be liable for any payment, on the Maturity Date or any Dividend Payment Date, but instead will, in full and final satisfaction of its obligations, pay an amount described in Conditions 1.6.5.1 or 1.6.5.2 below.

1.6.5.1 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 1.6.5, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, with a minimum of zero, based on (a) the net positive cash amount that Societe Generale or any of its Affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting the obligations and the liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b) each converted if necessary in the Specified Currency of the Preference Shares using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its Affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its Affiliates under its Hedge Positions and the Calculation Amount mentioned above may be as low as zero; or

1.6.5.2 *in respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 1.6.5, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its Affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting the obligations and the liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b), each converted if necessary in the Specified Currency of the Preference Shares using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded); and

- (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its Affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its Affiliates under its Hedge Positions and the Calculation Amount mentioned above may be as low as zero.

Definitions applicable to this Condition:

"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 Societe Generale or any of its Affiliates in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned *pro rata* amongst the outstanding Preference Shares.

"Compounding Method" means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

where:

"Adjusted Calculation Amount" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency of the Preference Shares as determined by the Calculation Agent on the first day of the relevant Compounding Period; notwithstanding this, the Compounding Rates related to the last four Compounding Periods in the Calculation Period shall be that of the fifth Compounding Period before the Maturity Date; the specific Compounding Rate used in respect of a Specified Currency of the Preference Shares shall be available at the office of the Calculation Agent for each Compounding Date;

"Day Count Fraction" means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

"Full Liquidation Date" means, the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the obligations and the liabilities of such Hedge Positions, if any, or any part thereof, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its Affiliates;

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its Affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the part of Societe Generale's or any of its Affiliates' obligations under the Preference Shares;

"Relevant Spot Exchange Rate" means, in respect of a date and an amount to be converted into the Specified Currency of the Preference Shares, the rate of exchange of the currency in which such amount is denominated into the Specified Currency of the Preference Shares as determined by the Calculation Agent, used to convert such amount on such date into the Specified Currency of the Preference Shares; and

"Similar Reference Entity" means a reference entity with an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available), and to the extent possible as secondary criteria geographic and Transaction Type proximity.

For the purposes of this definition **"Rating"** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Service Europe Limited. and Fitch Ratings or any of them, it 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.

1.7 **Additional provisions relating to certain specific Reference Entities**

1.7.1 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "Argentine Republic"***

If "Argentine Republic" is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of "Obligation" in Condition 2 below, any obligation that is a Bond that was issued on or prior to June 1, 2005 (other than any Bond constituting a New Security (as defined in the **Prospectus Supplement of the Republic of Argentina dated January 10, 2005**¹, as the same may be amended or supplemented)) shall not be considered as an Obligation.

Notwithstanding the definition of "Selected Obligation" in Condition 2 below, any obligation that is a Bond that was issued on or prior to June 1, 2005 (other than any Bond constituting a New Security (as defined in the **Prospectus Supplement of the Republic of Argentina dated January 10, 2005**², as the same may be amended or supplemented)) shall not be considered as a Selected Obligation.

1.7.2 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "Hellenic Republic"***

If "Hellenic Republic" is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of "Obligation" in Condition 2 below, any obligation that is of a type included in Borrowed Money Obligation Category and that was issued or incurred, as the case may be, on or prior to February 1, 2012 shall not be considered as an Obligation.

Notwithstanding the definition of "Selected Obligation" in Condition 2 below, any obligation that is a Bond or a Loan that was issued or incurred, as the case may be, on or prior to February 1, 2012 shall not be considered as a Selected Obligation.

1.7.3 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "Republic of Hungary"***

If "Republic of Hungary" is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

¹ Available on the website: http://www.mecon.gov.ar/finanzas/download/us_prospectus_and_prospectus_supplement.pdf.

² Available on the website: http://www.mecon.gov.ar/finanzas/download/us_prospectus_and_prospectus_supplement.pdf.

Notwithstanding the definition of "Obligation" in Condition 2 below, "Obligation" shall also include any National Bank of Hungary Obligation for the purposes of the applicable Supplemental Memorandum where:

"National Bank of Hungary Obligation" means any obligation of the National Bank of Hungary (either directly or as provider of a Qualifying Affiliate Guarantee, or, if All Guarantees is specified as applicable in the applicable Supplemental Memorandum, as provider of any Qualifying Guarantee) and any Successor:

- (i) which has the Obligation Characteristic "Not Subordinated", where solely for the purpose of the definition of "Not Subordinated", the National Bank of Hungary shall be deemed to be a Reference Entity in respect of which a Reference Obligation has not been specified;
- (ii) which is described by the Obligation Category specified in respect of the Republic of Hungary;
- (iii) which has each of the Obligation Characteristics specified in respect of the Republic of Hungary; and
- (iv) in relation to which the occurrence or existence of an Event of Default (as defined below) will cause any obligation of the Republic of Hungary in respect of the Obligation Category Borrowed Money to become, with the lapse of any grace period and subject to any other requirements under the terms of such Borrowed Money obligation (including requirements as to the amounts of such default), immediately due and payable pursuant to the terms of such Borrowed Money obligation.

Notwithstanding the definition of "Selected Obligation" in Condition 2 below, "Selected Obligation" shall also include any National Bank of Hungary Selected Obligation for the purposes of the applicable Supplemental Memorandum where:

"National Bank of Hungary Selected Obligation" means any obligation of the National Bank of Hungary (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Supplemental Memorandum, as provider of any Qualifying Guarantee) and any Successor:

- (i) which has the Selected Obligation Characteristic "Not Subordinated", where solely for the purposes of this definition of "Not Subordinated" the National Bank of Hungary shall be deemed to be a Reference Entity in respect of which a Reference Obligation has not been specified;
- (ii) which is described by the Selected Obligation Category specified in respect of the Republic of Hungary;
- (iii) which has each of the Selected Obligation Characteristics specified in respect of the Republic of Hungary; and
- (iv) in relation to which the occurrence or existence of an Event of Default (as defined below) will cause any obligation(s) of the Republic of Hungary in respect of the Obligation Category Borrowed Money, to become, with the lapse of any grace period and subject to any other requirements under the terms of such Borrowed Money obligation (including requirements as to the amounts of such default), immediately due and payable, pursuant to the terms of such Borrowed Money obligation.

"Event of Default" means any failure by the National Bank of Hungary as issuer or obligor or guarantor of the relevant obligation, to make, when due any payment of principal or premium or prepayment charge or interest, if any, on such obligation.

For the purposes only of construing the terms "National Bank of Hungary Obligation" and "National Bank of Hungary Selected Obligation", the National Bank of Hungary shall be deemed to be a Reference Entity.

1.7.4 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "Russian Federation"***

If "Russian Federation" is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of "Obligation" in Condition 2 below, any obligation that is, in the determination of the Calculation Agent, "IANs", "MinFins" or "PRINs" shall not be an "Obligation".

Notwithstanding the definition of "Selected Obligation" in Condition 2 below, any obligation that is, in the determination of the Calculation Agent, "IANs", "MinFins" or "PRINs" shall not be a "Selected Obligation".

"IANs" means floating rate interest notes due 2002 and 2015 issued by Vnesheconombank of the USSR pursuant to the Restructuring Agreement and an Exchange Agreement, dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and the Participating Creditors named therein.

"MinFins" (also known as "OVVZs" or "Taiga" bonds) means Internal Government Hard Currency Bonds issued by the Ministry of Finance of the Russian Federation representing (i) restructured debt of the former USSR (Series II, III, IV, V and VIII) or (ii) debt of the Russian Federation issued in 1996 (Series VI and VII).

"PRINs" means Vnesheconombank's loans arising under a Restructuring Agreement and an Exchange Agreement dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and the Participating Creditors named therein.

1.7.5 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "STMicroelectronics N.V."***

If "STMicroelectronics N.V." is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

With respect to the Reference Entity "STMicroelectronics N.V.", if the USD 1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics N.V. is a Selected Obligation; and such Selected Obligation is not immediately due and payable as of the relevant Credit Valuation Date, for the purpose of determining the Quotation Amount of such Selected Obligation, the outstanding principal balance of such Selected Obligation shall be deemed to be the amount payable on the scheduled maturity date of such Selected Obligation.

1.7.6 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is a "Monoline Insurer" (as such term is defined below)***

If a Reference Entity in the applicable Supplemental Memorandum is a "Monoline Insurer", then the following provisions will apply with respect to this Reference Entity:

1.7.6.1 *Specific Definitions*

"Monoline Insurer" means the entities (i) listed in the Monoline Insurer Reference Entities document published by ISDA on August 31, 2010 which Current Reference Entity Name (as such term is defined in this document) is ACA Financial Guaranty Corporation, Ambac Assurance Corporation, Assured Guaranty Corp., CDC IXIS Financial Guaranty North America, Inc, Financial Guaranty Insurance Company (FGIC), Assured Guaranty Municipal Corp., MBIA Insurance Corporation, Radian Asset Assurance Inc., Syncora Guarantee Inc or any Successor of the aforementioned or (ii) added to the list of sub-paragraph (i) above by any document published by ISDA which would modify and/or cancel and replace the Monoline Insurer Reference Entities document.

"Qualifying Policy" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set forth

below) (the "**Insured Instrument**") for which another party (including a special purpose entity or trust) is the obligor (the "**Insured Obligor**"). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

"Instrument Payments" means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in Condition 1.7.6.4 below and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

"Certificate Balance" means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

1.7.6.2 *Obligation and Selected Obligation*

Subparagraph (A) of the definition of "Obligation" in Condition 2 below and subparagraph (B) of the definition of "Selected Obligation" in Condition 2 below are amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".

1.7.6.3 *Interpretation of Provisions*

In the event that an Obligation or a Selected Obligation is a Qualifying Policy, the terms of (x) the second part of the definition of "Qualifying Guarantee" in Condition 2 below, starting with "In the event that an Obligation" and (y) the definitions of "Due and Payable Amount" and "outstanding principal balance" of Condition 2 below will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

- (i) the Obligation Category Borrowed Money and the Obligation Category and Selected Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Selected Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these *Additional Terms and Conditions for Credit Linked Preference Shares – Part A (2009 definitions)* in respect of such an Insured Instrument shall be construed accordingly;
- (ii) references in the definitions of "Assignable Loan" and "Consent Required Loan" in Condition 2 below to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively;
- (iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Selected Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Supplemental Memorandum;
- (iv) if the Assignable Loan, Consent Required Loan or Transferable Selected Obligation Characteristics are specified as "Applicable" in the applicable Supplemental Memorandum and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument;
- (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "outstanding principal balance" shall mean the

outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Selected Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and

- (vi) For purposes of the application of the Obligation Characteristics or the Selected Obligation Characteristics, only the Qualifying Policy must satisfy on the relevant date the Obligation Characteristic or the Selected Obligation Characteristic of "Not Subordinated", if "Not Subordinated" is specified as "Applicable" in the applicable Supplemental Memorandum.

1.7.6.4 Not Contingent

An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Selected Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.

1.7.6.5 Provisions for Determining a Successor

The definition of "succeed" in Condition 2 below is amended by adding "or insurer" after "or guarantor".

1.7.6.6 Substitute Reference Obligation

The definition of "Substitute Reference Obligation" in Condition 2 below is amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee" in the first paragraph and paragraph (B) thereof. For purposes of part (A)(ii)(B) of the definition of "Substitute Reference Obligation" in Condition 2 below, references to the Qualifying Guarantee and the Underlying Obligation shall be deemed to include the Qualifying Policy and the Insured Instrument, respectively.

1.7.6.7 Restructuring

- (a) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, part (A)(1) to (5) in the definition of "Restructuring" of Condition 2 below is amended to read as follows:
 - (1) a reduction in the rate or amount of the Instrument Payments described in clause (A)(x) of the definition of "Instrument Payment" that are guaranteed or insured by the Qualifying Policy;
 - (2) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition of "Instrument Payment" that are guaranteed or insured by the Qualifying Policy;
 - (3) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition of "Instrument Payment" or (B) the payment of the Instrument Payments described in clause (A)(y) of the definition of "Instrument Payment", in each case that are guaranteed or insured by the Qualifying Policy;
 - (4) a change in the ranking in priority of payment of (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (B) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued

by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or

- (5) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.
- (b) Subparagraph (B)(3) of the definition of "Restructuring" in Condition 2 below is deleted in its entirety and replaced by the following:

"the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) 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 or, in the case of Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy".

- (c) Paragraphs (C) and (D) of the definition of "Restructuring" in Condition 2 below are deleted in their entirety and replaced by the following:

"(C) For the purposes of paragraphs (A) and (B) above and, unless Multiple Holder Obligation is specified as *"Not Applicable"* in the applicable Supplemental Memorandum, paragraph (E) 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 applicable Supplemental Memorandum, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in paragraph (A) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (B) above shall continue to refer to the Reference Entity.

(D) For the purposes of paragraphs (A) and (B) above and, unless Multiple Holder Obligation is specified as *"Not Applicable"* in the applicable Supplemental Memorandum, paragraph (E) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in paragraph (A) above shall be deemed to refer to the Insured Obligor and the reference to the Reference Entity in paragraph (B) above shall continue to refer to the Reference Entity.

(E) Unless Multiple Holder Obligation is specified as *"Not Applicable"* in the applicable Supplemental Memorandum, then, notwithstanding anything to the contrary in paragraphs (A), (B), (C) and (D) above, the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation."

1.7.6.8 Fully Transferable Obligation and Conditionally Transferable Obligation

In the event that a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of "Conditionally Transferable Obligation" to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively.

With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in the definitions of "Restructuring Maturity Limitation and Fully Transferable Obligation", "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" and "Restructuring Maturity Limitation Date" in Condition 2 below, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

1.7.6.9 *Other Provisions*

For purposes of part (B)(iii) of the definition of "Selected Obligation", the definition of "Credit Event" and the definition of "Deliver" in Condition 2 below, references to the Underlying Obligation and the Underlying Obligor shall be deemed to include Insured Instruments and the Insured Obligor, respectively. Any transfer or similar fee reasonably incurred by the Issuer or Societe Generale in connection with the Delivery of a Qualifying Policy and payable to the Reference Entity in respect thereof shall be deducted from the Cash Redemption Amount equally on the Cash Redemption Date.

1.8 **Amendments to these *Additional Terms and Conditions for Credit Linked Preference Shares – Part A (2009 definitions)***

The Calculation Agent may, acting in good faith and in a commercially reasonable manner, from time to time amend any provision of these *Additional Terms and Conditions for Credit Linked Preference Shares – Part A (2009 definitions)* and/or the applicable Supplemental Memorandum (i) to incorporate and/or reflect and/or take account of (x) further or alternative documents or protocols from time to time published by ISDA with respect to credit derivative transactions which may, without limitation, relate to one or more Reference Entities or Reference Entity types and/or the settlement of credit derivative transactions and/or (y) the operation or application of determinations by any Credit Derivatives Determinations Committee and/or (ii) in any manner which the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines is necessary or desirable (including from the perspective of Societe Generale or any of its Affiliates) to reflect or account for market practice for credit derivatives transactions and/or to eliminate or account for any provisions of the Hedge Positions with the aim of ensuring no mismatch or discrepancy between rights and obligations under the Hedge Positions and under the Preference Shares. Such amendments may include, without limitation, varying any date or timing or procedures provided for in these *Additional Terms and Conditions for Credit Linked Preference Shares – Part A (2009 Definitions)* and/or the applicable Supplemental Memorandum. PROVIDED THAT, subject as set out in this Condition 1.8 below, such amendments may not include changes to the currency of the Preference Shares, the dividend amount(s) payable on the Preference Shares, the Final Redemption Amount payable on the Preference Shares or the Maturity Date of the Preference Shares.

In the event that such amendments lead to a revised Reference Entity then a Credit Event may be triggered on such revised Reference Entity and the consequential provisions of these *Additional Terms and Conditions for Credit Linked Preference Shares – Part A (2009 definitions)* will apply in the usual manner.

Any amendment made pursuant to this paragraph will be notified to Shareholders pursuant to the provisions of terms and conditions of the Preference Shares.

2. **DEFINITIONS**

"Accelerated or Matured" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Credit Valuation Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

"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 (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 applicable Credit Valuation Date. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then for purposes of paragraph (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such Obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the applicable Credit Valuation Date. 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.

"Accrual of Dividend upon Credit Event" means No Accrued Dividend upon Credit Event or Accrued Dividend upon Credit Event or Guaranteed Dividend as specified in the applicable Supplemental Memorandum.

"Accrued Dividend upon Credit Event" means, in respect of Credit Linked Preference Shares, that the applicable Supplemental Memorandum specifies that the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event".

"Additional LPN" means any bond issued in the form of a loan participation note (an "LPN") by an entity (the "LPN Issuer") for the sole purpose of providing funds for the LPN Issuer to (A) finance a loan to the Reference Entity (the "**Underlying Loan**"); or (B) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the "**Underlying Finance Instrument**"); provided that, (i) either (a) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or (b) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics; (ii) the LPN satisfies the following Selected Obligation Characteristics: Transferable, Not Bearer, Specified Currency- Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Dividend over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

"Additional Obligation" means each of the obligations listed as an Additional Obligation of the Reference Entity in the applicable Supplemental Memorandum or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as of the Issue Date, which list is currently available at <http://www.markit.com> (or any successor website thereto) or as stipulated in the applicable Supplemental Memorandum.

"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 concerned.

"Aggregate Loss Amount" means at any time:

- (A) for a Basket Preference Share that is not a Tranche Preference Share, the aggregate of the Loss Amount in respect of all Reference Entities in respect of which a Credit Event Determination Date has occurred; or
- (B) for a Tranche Preference Share, the lowest of:
 - (i) the Tranche Notional Amount; and
 - (ii) the highest of (x) zero and (y) the difference between (xx) the aggregate of the Loss Amount for all Reference Entities in respect of which a Credit Event Determination Date has occurred and (xy) the Tranche Subordination Amount.

"Aggregate Nominal Amount" means, in respect of each Class of Preference Shares, the aggregate of the Nominal Amount of each Preference Share in such Class.

"American Settlement" means in respect of Credit Linked Preference Shares that the Settlement Type specified in the applicable Supplemental Memorandum is "American Settlement".

"Assignable Loan" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if such Reference Entity is guaranteeing such Loan) or any agent. If the Selected Obligation Characteristic Assignable Loan is specified as "*Applicable*" in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Selected Obligation Category.

"Attachment Point" means in respect of Tranche Preference Shares, the number (expressed as a percentage) specified in the applicable Supplemental Memorandum.

Auction Cancellation Date has the meaning set forth in the relevant Transaction Auction Settlement Terms.

"Auction Method" means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined pursuant to the relevant Transaction Auction Settlement Terms.

"Bankruptcy" means a Reference Entity:

- (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (B) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (C) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (D) 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 (i) 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 (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;

- (E) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (G) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or
- (H) 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 (A) to (G) (inclusive) of this definition of Bankruptcy.

"Basket Preference Share" means a Credit Linked Preference Share indexed on several Reference Entities for which the applicable Supplemental Memorandum specifies that the clause "Type of Credit Linked Preference Shares" is stated as being "Basket Preference Shares".

"Best Available Information" means:

- (A) 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
- (B) 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 (A) 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 Supplemental Memorandum.

"Calculation Agent" means Societe Generale. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer and the Shareholders in the absence of manifest error.

"Cash Redemption Amount" means:

- (A) In respect of Single Name Preference Shares and First-to-Default Preference Shares where the Principal Credit Factor and the Principal Loss Factor are both equal to 100%, an amount, subject to a minimum of zero, equal to the product of the Final Value multiplied by the Nominal Amount of each Preference Share, minus the Unwind Costs in respect of the Credit Event Determination Date; or
- (B) In respect of Single Name Preference Shares and First-to-Default Preference Shares where the Principal Credit Factor and/or the Principal Loss Factor is different from 100%, an amount, subject to a minimum of zero, equal to the product of (i) the Principal Credit Factor and (ii) the Nominal Amount of each Preference Share, minus the product of (a) the Nominal Amount of each Preference Share, (b) the Principal Loss Factor and (c) the difference between the Reference Price and the Final Value, minus the Unwind Costs in respect of the Credit Event Determination Date; or
- (C) In respect of Basket Preference Shares and Tranche Preference Shares where the Principal Credit Factor and the Principal Loss Factor are both equal to 100%, an amount, subject to a minimum of zero, equal for each Preference Share to (i) the Relevant Proportion of the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount minus (ii) the aggregate of the Unwind Costs calculated in respect of all Credit Event Determination Dates, as at the Maturity Date; or
- (D) In respect of Basket Preference Shares and Tranche Preference Shares where the Principal Credit Factor and/or the Principal Loss Factor is different from 100%, an amount, subject to a minimum of zero, equal for each Preference Share to the product of (i) the Principal Credit Factor and (ii) the difference between (x) the Relevant Proportion of the difference between the Aggregate Nominal Amount and the product of the Principal Loss Factor and the Aggregate Loss Amount and (y) the aggregate of the Unwind Costs calculated in respect of all Credit Event Determination Dates, as at the Maturity Date.

"Cash Redemption Date" means a date that is a Payment Business Day:

- (A) *If the applicable Supplemental Memorandum specifies that "Settlement Type" is stated as being "American Settlement":*

The day that is four Payment Business Days following the Final Valuation Notice Receipt Date, or in relation to Basket Preference Shares and to Tranche Preference Shares, following the last Final Valuation Notice Receipt Date.

- (B) *If the applicable Supplemental Memorandum specifies that "Settlement Type" is stated as being "European Settlement":*

The later of (a) the Scheduled Maturity Date and (b) the day that is four Payment Business Days following the Final Valuation Notice Receipt Date, or in the case of Basket Preference Shares and Tranche Preference Shares, following the last Final Valuation Notice Receipt Date.

"Conditionally Transferable Obligation" means a Selected Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Selected Obligation other than Bonds, provided, however, that a Selected Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Selected Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Selected Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Selected Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Selected Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a

Selected Obligation shall not be considered to be a requirement for consent for purposes of the definition of Conditionally Transferable Obligation.

For purposes of determining whether a Selected Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the day on which the Final Value for the Selected Obligation is determined by the Calculation Agent, taking into account only the terms of the Selected Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

"Consent Required Loan" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent. If the Selected Obligation Characteristic Consent Required Loan is specified as "Applicable" in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Loans (and shall only be relevant if Loans are covered by the specified Selected Obligation Category).

"Convertible Obligation" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"Credit Derivatives Determinations Committee" means the committee established by ISDA for purposes of reaching certain DC Resolutions (as defined in the Rules) (including but not limited to the determination of the occurrence of a Credit Event and the establishment of the Transaction Auction Settlement Terms) in connection with Credit Derivative Transactions, as more fully described in the Rules.

"Credit Event" means, with respect to a Reference Entity as determined by the Calculation Agent, the occurrence during the period from and including the First Credit Event Occurrence Date up to and including the Last Credit Event Occurrence Date of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, as specified in the applicable Supplemental Memorandum.

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

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

A Credit Event need not be continuing on the Credit Event Determination Date.

"Credit Event Determination Date" means, in relation to a Credit Event with respect to which a Credit Event Notice has been delivered, the earlier of (a) the Credit Event Resolution Request

Date and (b) the day on which both the Credit Event Notice and, if applicable, the Notice of Publicly Available Information are delivered to Shareholders.

"**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 Shareholders that describes a Credit Event that occurred on or prior to the Last Credit Event Occurrence Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of a Credit Event Notice need not be continuing on the Credit Event Determination Date. Unless Notice of Publicly Available Information is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, if a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

"**Credit Event Resolution Request Date**" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (A) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation; and
- (B) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions (as defined in the Rules).

"**Credit Linked Preference Share**" means a Preference Share in respect of which these *Additional Terms and Conditions for Credit Linked Preference Shares – Part A (2009 definitions)* and the Credit Linked Preference Shares Provisions in the applicable Supplemental Memorandum apply.

"**Credit Valuation Date**" means:

- (A) *In the applicable Supplemental Memorandum the clause "Final Value" is stated as being "Fixed Recovery"*:

The date on which the Credit Event Notice is delivered to the Shareholders.

- (B) *In the applicable Supplemental Memorandum the clause "Final Value" is stated as being "Floating Recovery"*:

- (1) If the Final Value is to be determined pursuant to Auction Method, the auction date or any other date specified by the relevant Transaction Auction Settlement Terms; or
- (2) If the Final Value is to be determined pursuant to Quotation Dealers Method, the Calculation Agent will select in its own discretion a date that is on or before the 160th Business Day following the Credit Event Determination Date (the "**Original Credit Valuation Date**"),

PROVIDED THAT if the Calculation Agent is unable to determine the Final Value at the latest on the Original Credit Valuation Date, the Credit Valuation Date will be such later date, within the fifteen Business Day period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine the Final Value,

PROVIDED FURTHER THAT, under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

"Daily Dividend Calculation Amount" means, in respect of any day during a Dividend Period, the product of:

- (A) The Dividend Credit Factor; and
- (B) Either:
 - (1) If the Preference Shares are Basket Preference Shares (which are not Tranche Preference Shares) and if the applicable Supplemental Memorandum specifies that the clause "Dividend Recovery" is stated as being "Fixed Dividend Recovery":

An amount, subject to a minimum of zero, equal to the sum of (a) the sum, for each Reference Entity in respect of which a Credit Event Determination Date has occurred on or prior to such day, of the product of (i) the Reference Entity Notional Amount for such Reference Entity and (ii) 1 (one) minus the product of (x) the Dividend Loss Factor and (y) the difference between the Reference Price and the Dividend Recovery Rate, and (b) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which no Credit Event Determination Date has occurred on or prior to such day.

- (2) If the Preference Shares are Basket Preference Shares or Tranche Preference Shares and if the applicable Supplemental Memorandum specifies that the clause "Dividend Recovery" is stated as being "Floating Dividend Recovery":

an amount, subject to a minimum of zero, equal to the Aggregate Nominal Amount minus the product of the Dividend Loss Factor and the Aggregate Loss Amount, provided that any Loss Amount that has not been determined on or before such day, shall be deemed to be equal to the relevant Reference Entity Notional Amount. The difference between the Dividend Amount that would have been payable if the Loss Amount had been determined on such date and the Dividend Amount actually paid shall be payable following the determination of such Loss Amount and paid either on the first Dividend Payment Date after the fourth Business Day following the Credit Valuation Date, or if, such determination occurs after the last Dividend Payment Date, on the fourth Payment Business Day following the corresponding Final Valuation Notice Receipt Date.

- (3) If the Preference Shares are Tranche Preference Shares and if the applicable Supplemental Memorandum specifies that the clause "Dividend Recovery" is stated as being "Fixed Dividend Recovery":

an amount, subject to a minimum of zero, equal to the Aggregate Nominal Amount minus an amount equal to the product of the Dividend Loss Factor and the Aggregate Loss Amount that would be calculated if the Final Value for all Reference Entities in respect of which a Credit Event Determination Date has occurred was deemed to be equal to the Dividend Recovery Rate.

"DC No Credit Event Announcement" means with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

"Default Requirement" means USD 10,000,000 or the amount specified in the applicable Supplemental Memorandum (or in each case its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event).

"Detachment Point" means in respect of Tranche Preference Shares the number (expressed as a percentage) specified in the applicable Supplemental Memorandum.

"Dividend Calculation Amount" means, in respect of Basket Preference Shares and Tranche Preference Shares, the amount for the purposes of calculating the interest payable under the

Preference Shares on any Dividend Payment Date determined by the Calculation Agent in accordance with the provisions of Condition 1.

"Dividend Credit Factor" means 100 per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Dividend Loss Factor" means 100 per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Dividend Observation Dates" means the dates specified as such in the applicable Supplemental Memorandum.

"Dividend Rate" means the rate so specified in the applicable Supplemental Memorandum.

"Dividend Recovery Rate" means in respect of Basket Preference Shares or Tranche Preference Shares, zero per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Domestic Currency" means the currency specified as such in the applicable Supplemental Memorandum 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 per cent. 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 Selected Obligation on the 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:

- (A) (i) any bank or other financial institution; (ii) an insurance or reinsurance company; (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (C)(i) below); and (iv) 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;
- (B) an Affiliate of an entity specified in the preceding paragraph (A);
- (C) each of a corporation, partnership, proprietorship, organisation, trust or other entity: (i) 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; (ii) that has total assets of at least USD 500,000,000; or (iii) 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 paragraphs (A), (B), (C)(ii) or (D) of this definition; and
- (D) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition of Eligible Transferee to USD include equivalent amounts in other currencies.

"Enabling Obligation" means an outstanding Selected Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

"Equity Securities" means (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time and (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"European Settlement" means in respect of Credit Linked Preference Shares that the Settlement Type specified in the applicable Supplemental Memorandum is "European Settlement".

"Exchangeable Obligation" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation). With respect to any Exchangeable Obligation that is not an Accreting Obligation, outstanding principal balance shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"Exercise Cut-off Date" means, with respect to a Credit Event:

- (A) if such Credit Event is not a Restructuring (or such Credit Event is a Restructuring but neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Supplemental Memorandum), either:
 - (1) the Relevant City Business Day (as defined in the Rules) prior to the Auction Final Price Determination Date (as specified in the relevant Transaction Auction Settlement Terms), if any; or
 - (2) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (3) the date that is 21 calendar days following the No Auction Announcement Date, if any; or
 - (4) in case sub-sections (A)(1) to (A)(3) above do not apply, the date that is 150 Business Days after the Credit Event Determination Date; and
- (B) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Supplemental Memorandum, and:
 - (1) the relevant Credit Derivatives Determination Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the

date on which ISDA publishes the Final List (as defined in the Rules) applicable to such Transaction Auction Settlement Terms in accordance with the Rules; or

- (2) a No Auction Announcement Date occurs, the date that is 21 calendar days following such No Auction Announcement Date; or
- (3) in case sub-sections (B)(1) and (B)(2) above do not apply, the date that is 150 Business Days after the Credit Event Determination Date.

"Extension Date" means the later of (i) the Scheduled Maturity Date and (ii) the fourth Business Day following the Last Credit Event Occurrence Date, or, in the event of delivery of a Notice of Pending Credit Event, the date that is 110 Business Days following the Credit Event Resolution Request Date.

"Failure to Pay" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

"Fallback Settlement Event" means:

- (a) a No Auction Announcement Date occurs pursuant to paragraph (a) or (c) of the definition thereof;
- (b) an Auction Cancellation Date occurs; or
- (c) a DC Resolution Resolving not to determine the existence of a Credit Event is published following a Credit Event Resolution Request Date.

A Fallback Settlement Event may occur on any date from and including the Credit Event Determination Date to and including the 160th Business Day following the Credit Event Determination Date.

"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:

- (A) 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);
- (B) 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);
- (C) 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;
- (D) 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; and

- (E) If the Calculation Agent obtains fewer than two Full Quotations and no Weighted Average Quotation on the Credit Valuation Date, then the Final Price will be an amount as determined by the Calculation Agent on the next Business Day on which the Calculation Agent obtains two or more Full Quotations or a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the Credit Valuation Date, the Final Price will be deemed to be zero.

"Final Valuation Notice" means the notice delivered on the Final Valuation Notice Receipt Date, specifying:

- (A) except if the Final Value is specified as Fixed Recovery in the applicable Supplemental Memorandum or if the Final Value is specified as Floating Recovery and Auction Method is specified as applicable in the applicable Supplemental Memorandum, the Selected Obligations (with an aggregate outstanding principal balance, excluding accrued interest, equal to the Exercise Amount);
- (B) the Cash Redemption Amount; and
- (C) the Cash Redemption Date.

"Final Valuation Notice Receipt Date" means the day (such day being expected to be no later than the 7th Business Day following the Credit Valuation Date) on which the Calculation Agent delivers the Final Valuation Notice on behalf of the Issuer to the Shareholders.

"Final Value" means, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, either:

- (A) *If the applicable Supplemental Memorandum specifies that the clause "Final Value" is stated as being "Fixed Recovery":*

The percentage specified as such in the applicable Supplemental Memorandum; or

- (B) *If the applicable Supplemental Memorandum specifies that the clause "Final Value" is stated as being "Floating Recovery":*

(1) If Auction Method is specified as applicable in the applicable Supplemental Memorandum and therefore the Final Value is to be determined pursuant to a Transaction Auction Settlement Terms and if a Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date, that provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred, subject to the occurrence of a Fallback Settlement Event, the Auction Final Price (as specified in the relevant Transaction Auction Settlement Terms and expressed as a percentage) determined, if any, under such Transaction Auction Settlement Terms and applicable to the status of the Reference Obligation (subordinated or senior or any other applicable status as the case may be); or

(2) If (i) Auction Method is specified in the applicable Supplemental Memorandum and (x) a Fallback Settlement Event occurs or (y) no Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date, or (ii) Quotation Dealers Method is specified in the applicable Supplemental Memorandum, the amount determined by the Calculation Agent on the Credit Valuation Date as follows:

- (a) the Final Price if there is only one Selected Obligation; or
- (b) the weighted average of the Final Prices of the Selected Obligations if the latter are a portfolio,

in each case, minus the Valuation Hedging Cost for such Selected Obligation(s).

"First Credit Event Occurrence Date" is the date specified as such in the applicable Supplemental Memorandum.

"First Ranking Interest" means a charge, security interest (or other type of interest having similar effect) (an **"LPN Interest"**), which is expressed as being "first ranking", "first priority", or similar (**"First Ranking"**) in the document creating such LPN Interest (notwithstanding that such LPN Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

"First-to-Default Preference Share" means a Credit Linked Preference Share indexed on two or more Reference Entities, in respect of which the First-to-Default Reference Entity will be treated as if it were the sole Reference Entity and for which the Type of Credit Linked Preference Shares is specified as "First-to-Default Preference Shares" in the applicable Supplemental Memorandum.

"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 Condition 1. If the Type of Credit Linked Preference Shares is specified as "First-to-Default Preference Shares" in the applicable Supplemental Memorandum, the definitions of Obligation or Selected Obligation shall be construed as though such definitions had been specified only with respect to the First-to-Default Reference Entity.

"Fixed Recovery" means in respect of Credit Linked Preference Shares that the Final Value specified in the applicable Supplemental Memorandum is specified as *"Fixed Recovery: [] per cent."*

"Floating Recovery" means in respect of Credit Linked Preference Shares that the Final Value specified in the applicable Supplemental Memorandum is specified either as "Floating Recovery with Auction Method" or "Floating Recovery with Quotation Dealers Method".

"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 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 Selected Obligation other than Bonds. 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 definition.

For purposes of determining whether a Selected Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the Credit Valuation Date for the Selected Obligation, 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.

"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:

- (A) subject to paragraphs (B) and (C) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;

- (B) if Grace Period Extension is specified as "*Applicable*" in the applicable Supplemental Memorandum, a Potential Failure to Pay has occurred on or prior to the Scheduled Last Credit Event Occurrence Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate, Standard Japan Corporate, Japan Sovereign or Standard Japan Sovereign (as specified in the applicable Supplemental Memorandum), Tokyo time)), and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Last Credit Event Occurrence Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate, Standard Japan Corporate, Japan Sovereign or Standard Japan Sovereign (as specified in the applicable Supplemental Memorandum), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days or such other period specified in the applicable Supplemental Memorandum; and
- (C) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that; unless Grace Period Extension is specified as "*Applicable*" in the applicable Supplemental Memorandum, such deemed Grace Period shall expire no later than the Scheduled 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 applicable Supplemental Memorandum and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate, Standard Japan Corporate, Japan Sovereign or Standard Japan Sovereign (as specified in the applicable Supplemental Memorandum), Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

If Grace Period Extension is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, Grace Period Extension shall not apply to the Preference Shares.

If (i) Grace Period Extension is specified as "*Applicable*" in the applicable Supplemental Memorandum, (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate, Standard Japan Corporate, Japan Sovereign or Standard Japan Sovereign (as specified in the applicable Supplemental Memorandum), Tokyo time)), and (iii) a Credit Event Determination Date in respect of that Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the date falling four Business Days after the Grace Period Extension Date will be the Maturity Date (even if a Failure to Pay occurs after the Scheduled Last Credit Event Occurrence Date).

"Greenwich Mean Time (GMT)" means the mean solar time at the Greenwich meridian, in Greenwich, London.

"Guaranteed Dividend" means, in respect of Credit Linked Preference Shares, that the applicable Supplemental Memorandum specifies that the clause "Accrual of Dividend upon Credit Event" is stated as being "Guaranteed Dividend".

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its Affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge

individually or on a portfolio basis the part of Societe Generale's or any of its Affiliates' obligations under the Preference Shares;

"ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement" means the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published on 12 March 2009, as amended from time to time.

"Last Credit Event Occurrence Date" means the latest of:

- (A) the Scheduled Last Credit Event Occurrence Date;
- (B) *if the applicable Supplemental Memorandum specifies that "Repudiation/Moratorium" is stated as being "Applicable" to the relevant Reference Entity:*

the Repudiation/Moratorium Evaluation Date, or, in the case of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, the last 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 Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied; and

- (C) *if the applicable Supplemental Memorandum specifies that "Grace Period Extension" is stated as being "Applicable" to the relevant Reference Entity:*

the Grace Period Extension Date, or, in the case of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, the last 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 Scheduled Last Credit Event Occurrence Date.

"Latest Notification Date" means the 30th Business Day following the Exercise Cut-off Date provided that it will be no later than the 180th Business Day after the Credit Event Determination Date.

"Limitation Date" means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: two and a half years (the **"2.5-year Limitation Date"**), five years (the **"5-year Limitation Date"**), seven and half years, ten years, twelve and a half years, fifteen years, or twenty years (the **"20-year Limitation Date"**) as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless the applicable Supplemental Memorandum specifies that it shall be so adjusted in accordance with a specified Business Day Convention.

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange:

- (A) if the Obligation Characteristic Listed is specified as "Applicable" in the applicable Supplemental Memorandum, such Supplemental Memorandum 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
- (B) if the Selected Obligation Characteristic Listed is specified as "Applicable" in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Bonds (and shall only be relevant if Bonds are covered by the specified Selected Obligation Category).

"Loan" means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

"Loss Amount" means:

- (A) *In respect of Basket Preference Shares and Tranche Preference Shares if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Not Applicable":*

In relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero; and

- (B) *In respect of Tranche Preference Shares if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Applicable":*

In relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred:

- (1) which has a Ranking strictly lower than N: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the Reference Price;
- (2) which has a Ranking higher than or equal to N and lower than or equal to M: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero; and
- (3) which has a Ranking strictly higher than M: an amount equal to zero.

"LPN Reference Obligation" means each Reference Obligation other than any Additional Obligation. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation. Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference Entity. For the purposes of the Preference Shares each such loan shall be an Underlying Loan. For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

"M" means the number specified as such in the applicable Supplemental Memorandum corresponding to the Ranking above which the Aggregate Loss Amount ceases to increase.

"Maturity Date" means a date that is a Payment Business Day:

- (A) *If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "American Settlement":*

- (1) the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum (the "**Scheduled Maturity Date**"); or
- (2) the Cash Redemption Date if a Credit Event Notice is delivered during the Notice Delivery Period; or
- (3) the later of the two following dates:
 - (a) *if the applicable Supplemental Memorandum specifies that "Repudiation/Moratorium" is stated as being "Applicable" to the relevant Reference Entity:*

the day that is four Payment Business Days following the Repudiation/Moratorium Evaluation Date, or in the case of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, following the last Repudiation/Moratorium Evaluation Date, if:

- (1) a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date;
- (2) the Repudiation/Moratorium Extension Condition is satisfied;
- (3) such Repudiation/Moratorium Evaluation Date falls after the Scheduled Maturity Date; and
- (4) no Credit Event Notice in respect of such Potential Repudiation/Moratorium is delivered during the Notice Delivery Period; and

- (b) *if the applicable Supplemental Memorandum specifies that "Grace Period Extension" is stated as being "Applicable" to the relevant Reference Entity:*

the day that is four Payment Business Days following the Grace Period Extension Date, or, in the case of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, following the last Grace Period Extension Date if:

- (1) a Potential Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date;
- (2) such Grace Period Extension Date falls after the Scheduled Maturity Date; and
- (3) no Credit Event Notice in respect of such Potential Failure to Pay is delivered during the Notice Delivery Period.

- (B) *If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement": the later of the dates set out in paragraphs (A)(1), (A)(2) and (A)(3) above.*

PROVIDED that, in all cases, if a Notice of Pending Credit Event in relation to a Reference Entity is delivered prior to the Scheduled Maturity Date and is still effective on the Scheduled Maturity Date, the Maturity Date will be either the date on which the Suspended Amounts are paid to the Shareholders or, if a Credit Event Notice relating to the event in the Notice of Pending Credit Event is delivered, the Cash Redemption Date.

PROVIDED FURTHER that, unless Preliminary Cash Redemption is specified as "Not Applicable", with respect to Basket Preference Shares and Tranche Preference Shares in relation to which an Unsettled Credit Event exists, a Preliminary Cash Redemption Amount will be paid on the Scheduled Maturity Date in relation to the portion of the Nominal Amount of Preference Shares not affected by the Unsettled Credit Event and, (i) if the Retained Amount is equal to zero, the Maturity Date will be the Scheduled Maturity Date; or (ii) in all other cases, the Maturity Date will be as defined in paragraphs (A) and (B) above.

"Maximum Maturity" means an obligation that has a remaining maturity from the Credit Valuation Date of not greater than the period specified in the applicable Supplemental Memorandum.

"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 applicable Supplemental Memorandum and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a Selected Obligation may be specified in the 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.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Preference Shares, the condition set out in (ii) above shall not be applicable.

"Modified Restructuring Maturity Limitation Date" means, with respect to a Selected Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists.

Where "*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation*" is specified as "*Applicable*" in the applicable Supplemental Memorandum and where the Scheduled Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (a) on or prior to the 2.5-year Limitation Date or (b) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (i) the 2.5-year Limitation Date and no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Multiple Holder Obligation" means an Obligation that (i) at the time of the event which constitutes a Restructuring is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this part (ii) of this definition of Multiple Holder Obligation; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the applicable Supplemental Memorandum as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*", Multiple Holder Obligation shall be deemed as "*Not Applicable*" with respect to any Reference Obligation (and any Underlying Loan).

"N" means the number specified as such in the applicable Supplemental Memorandum corresponding to the Ranking starting at which the Aggregate Loss Amount will be an amount greater than zero.

"No Accrued Dividend upon Credit Event" means, in respect of Credit Linked Preference Shares, that the applicable Supplemental Memorandum specifies that the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event".

"No Auction Announcement Date" means with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms, and if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of a Restructuring with respect to a Reference Entity for which either "*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*" or "*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*" is specified in the applicable Supplemental Memorandum only, no Transaction Auction Settlement Terms will be published but Parallel Auction Settlement Terms will be published or (c) the relevant Credit

Derivatives Determination Committee had Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

"Nominal Amount " means, in respect of Single Name Preference Shares or First-to-Default Preference Shares, the amount per Preference Share specified as such in the applicable Supplemental Memorandum subject, as the case may be, to the provisions of Condition 1.

"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. If the Selected Obligation Characteristic Not Bearer is specified as *"Applicable"* in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Bonds (and shall only be relevant if Bonds are covered by the specified Selected Obligation Category).

"Not Contingent" means any obligation having as of the 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 Selected Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Credit Valuation Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Selected Obligation only if the rights referred to in (A) and (B) of this definition of Not Contingent have not been exercised (or such exercise has been effectively rescinded) on or before the 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 sale primarily in the domestic market of the Reference Entity.

"Not Domestic Law" means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign. The laws of England and the laws of the State of New York shall not be a Domestic Law.

"Not Sovereign Lender" means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

"Not Subordinated" means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the applicable Supplemental Memorandum, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the

Reference Obligations or where, with respect to the Reference Obligation, one or more Successors to the relevant Reference Entity have been identified and any one or more such Successors have not assumed the Reference Obligation (each, in each case, a "**Prior Reference Obligation**") and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligation at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Selected Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the Not Subordinated Obligation Characteristic or Selected Obligation Characteristic the ranking in priority of payment of each Reference Obligation or each prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the applicable Supplemental Memorandum as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*" this definition shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

"**Notice Delivery Period**" means the period from and including the Issue Date to and including the Extension Date.

"**Notice of Pending Credit Event**" means a notice delivered, on a date which is expected to be no later than 10 Business Days following the relevant Credit Event Resolution Request Date, by or on behalf of the Issuer that (a) informs the Shareholders of the occurrence of a Credit Event Resolution Request Date and (b) states that payment of amounts due and payable under the Preference Shares, whether in connection with accrued interest or redemption, shall be suspended (the "**Suspended Amounts**") pending the publication of a DC Resolution or as the case may be, a DC No Credit Event Announcement.

PROVIDED THAT:

- (A) if a DC Resolution confirming the existence of a Credit Event in relation to the relevant Reference Entity in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date, is published within 100 Business Days following the Credit Event Resolution Request Date, the Issuer will deliver or arrange delivery of a Credit Event Notice within 10 Business Days of such publication;
- (B) if a DC No Credit Event Announcement in relation to the relevant Reference Entity is published within 100 Business Days following the Credit Event Resolution Request Date, the Suspended Amounts under the Preference Shares shall be paid to the Shareholders within 10 Payment Business Days of such publication;
- (C) if a DC Resolution Resolving not to determine the existence of a Credit Event in relation to the relevant Reference Entity is published within 100 Business Days following the Credit Event Resolution Request Date, either (i) the Suspended Amounts due under the Preference Shares shall be paid to the Shareholders within 10 Payment Business Days of such publication; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information (if applicable) within 10 Business Days of such publication; and
- (D) if no DC Resolution or DC No Credit Event Announcement is published after 100 Business Days following the Credit Event Resolution Request Date, the Notice of Pending Credit Event shall be deemed cancelled and either (i) the Suspended Amounts due under the Preference Shares shall be paid to the Shareholders within 10 Payment Business Days; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information (if applicable) within 10 Business Days.

"**Notice of Publicly Available Information**" means, in relation to a Credit Event Notice or a Repudiation/Moratorium Extension Notice, an irrevocable notice delivered by or on behalf of the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice

or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both (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. Unless "*Notice of Publicly Available Information*" is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, if 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.

"Obligation" means:

- (A) 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 applicable Supplemental Memorandum, as provider of any Qualifying Guarantee), described by the Obligation Category specified in the applicable Supplemental Memorandum and having each of the Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice;
- (B) the Reference Obligation(s) (if any); and
- (C) any other obligation of a Reference Entity specified as such in the applicable Supplemental Memorandum.

"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 Supplemental Memorandum.

"Obligation Characteristics" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, as specified in the applicable Supplemental Memorandum.

"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.

"Observed Dividend" means, if the Observed Dividend option is specified as "Applicable" in the applicable Supplemental Memorandum, the amount payable under each Preference Share for each Dividend Period:

- (A) in respect of Single Name Preference Shares and First-to-Default Preference Shares, for each Dividend Period:

If the applicable Supplemental Memorandum specifies that the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" is stated as being "Applicable":

Observed Dividend shall be an amount equal to the product of (a) the Dividend Rate, (b) the Nominal Amount and if any (c) the applicable Day Count Fraction; and

If the applicable Supplemental Memorandum specifies that the clause "Structured Dividend Preference Share" is stated as being "Applicable":

Observed Dividend shall be the amount as specified in the applicable Supplemental Memorandum.

- (B) in respect of Basket Preference Shares and Tranche Preference Shares, for each Dividend Period:

If the applicable Supplemental Memorandum specifies that the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" is stated as being "Applicable":

Observed Dividend shall be an amount equal to the product of (a) the Dividend Rate, (b) the Relevant Proportion of the Dividend Calculation Amount (or the Nominal Amount if the paragraph "Accrual of Dividend upon Credit Event" is specified as being "Guaranteed Dividend" in the applicable Supplemental Memorandum) and if any (c) the applicable Day Count Fraction; and

If the applicable Supplemental Memorandum specifies that the clause "Structured Dividend Preference Share" is stated as being "Applicable":

Observed Dividend shall be the amount as specified in the applicable Supplemental Memorandum.

"outstanding principal balance" means 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.

"P" means the number specified as such in the applicable Supplemental Memorandum corresponding to the number of Reference Entities within the Reference Portfolio.

"Parallel Auction Settlement Terms" means, following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the applicable Supplemental Memorandum, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the Deliverable Obligation Terms (as specified in the relevant Transaction Auction Settlement Terms) are the same as the Deliverable Obligation Provisions (as set forth in the relevant Transaction Auction Settlement Terms) applicable to the Reference Entity and for which such Reference Entity would not be an Auction Covered Transaction (as defined in the relevant Transaction Auction Settlement Terms).

"Payment" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

"Payment Requirement" means USD 1,000,000 or the amount specified in the applicable Supplemental Memorandum (or in each case, its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable).

"Permitted Currency" means (a) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership) or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Service Europe Limited 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.

"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 (i) of the definition of Repudiation/Moratorium.

"Preliminary Cash Redemption Amount" means, with respect to Basket Preference Shares and Tranche Preference Shares in relation to which an Unsettled Credit Event has occurred, an amount (subject to a minimum of zero) payable on the Scheduled Maturity Date calculated for each Preference Share as an amount equal to the product of (x) the Principal Credit Factor and (y) the Relevant Proportion of the difference between (a) the Aggregate Nominal Amount minus the product of the Principal Loss Factor and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date and (b) the Retained Amount.

"Principal Credit Factor" means 100 per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Principal Loss Factor" means 100 per cent. or the percentage specified in the applicable Supplemental Memorandum.

"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:

- (A) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that if the Calculation Agent or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be a Publicly Available Information unless the Calculation Agent or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (B) is information received from or published by:
 - (1) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign); or
 - (2) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, or
- (C) is information contained in any 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
- (D) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; or
- (E) is information contained in a public announcement by ISDA.

In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver a certificate signed by a

managing director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.

In relation to any information of the type described in paragraphs (B), (C) and (D) of this definition, 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 of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state (i) in relation to a Qualifying Affiliate Guarantee, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (a) has met the Payment Requirement or Default Requirement, (b) is the result of exceeding any applicable Grace Period, or (c) has met the subjective criteria specified in certain Credit Events including without limitation qualifying under paragraph (A) of the definition of Bankruptcy.

"Public Source" means each source of Publicly Available Information specified in the applicable Supplemental Memorandum (or if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), as well as 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).

In the event that an Obligation or Selected Obligation is a Qualifying Guarantee, the following will apply:

- (A) For purposes of the application of the Obligation Category or Selected Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (B) For purposes of the application of the Obligation Characteristics or Selected Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Selected Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, and Not Domestic Law.
- (C) For purposes of the application of the Obligation Characteristics or Selected Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Selected Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (D) For the purposes of the application of the Obligation Characteristics or Selected Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

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

"Quotation Amount" means:

- (A) in respect of Single Name Preference Shares and First-to-Default Preference Shares, an amount selected by the Calculation Agent, subject to a cap equal to the aggregate of the Nominal Amount of each Preference Share (or the Partial Redemption Amount or the Multiple Successor Notional Amount, as applicable) (such aggregate amount, the **"Exercise Amount"**) for all outstanding Preference Shares, if there is only one Selected Obligation; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be an amount selected by the Calculation Agent in respect of each Selected Obligation such that the sum of all such Quotation Amounts be subject to a cap equal to the Exercise Amount;
- (B) in respect of Basket Preference Shares and Tranche Preference Shares, an amount selected by the Calculation Agent, subject to a cap equal to the Reference Entity Notional Amount (or the Partial Restructuring Notional Amount, as applicable) (such amount, the **"Exercise Amount"**), if there is only one Selected Obligation; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be an amount selected by the Calculation Agent in respect of each Selected Obligation such that the sum of all such Quotation Amounts be subject to a cap equal to the Exercise Amount; or
- (C) any other amount as decided by the Calculation Agent acting in its sole and absolute discretion but in a commercially reasonable manner.

Provided that the Quotation Amount (or the sum of the Quotation Amounts as the case may be) shall be no less than EUR 1 million (or its equivalent in the relevant currency).

"Quotation Dealers" means at least five leading dealers in obligations of the type of the Selected Obligation(s), which may include Societe Generale, as selected by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

"Quotation Dealers Method" means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined by the Calculation Agent in accordance with the provisions of the definition of Final Price.

Quotation Dealers Method shall apply if "Quotation Dealers Method" is specified in the applicable Supplemental Memorandum or a Fallback Settlement Event occurs or no Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date.

"Ranking" means, for Tranche Preference Shares where N-to-M-to-Default is specified as *"Applicable"* in the applicable Supplemental Memorandum, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, the ranking in time of occurrence of such Credit Event Determination Date amongst all Credit Event Determination Dates, provided that if several Credit Event Determination Dates are identical in respect of several Reference Entities comprised within the Reference Portfolio, the date on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities and if the Credit Event Notices have been sent on the same date, the time on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities.

For the avoidance of doubt, the first Reference Entity in respect of which a Credit Event Determination Date occurs will have a Ranking of 1.

"Reference Entity" means any entity specified as such in the applicable Supplemental Memorandum or any Successor thereto, which may be any firm, company, corporation, any unincorporated association, establishment or other entity, or any equivalent entity, a government, state or local authority or agency of a state or of a local authority, or any state-owned or state-controlled entity, any partnership, limited or otherwise, any special purpose

vehicle (incorporated or otherwise), any category or type of fund (including, without limitation, open-end funds, closed-end funds, hedge funds, mutual funds, managed funds or any other collective investment scheme, vehicle or organisation), any securitisation company and any broadly equivalent entity of any of the aforementioned entities.

"Reference Entity Notional Amount" means, unless specified otherwise in the applicable Supplemental Memorandum, for each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount.

"Reference Entity Weighting" means the proportion specified as such in the applicable Supplemental Memorandum, which will be adjusted in accordance with the provisions of (i) the definition of Successor upon the occurrence of a Succession Event or (ii) Condition 1.3.2(b), if applicable.

"Reference Obligation(s)" means the reference obligation(s) specified in the applicable Supplemental Memorandum, or any Substitute Reference Obligation(s) provided that, in respect of a Reference Entity which has a Transaction Type being specified in the applicable Supplemental Memorandum as being "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*", Reference Obligation(s) means, as of the Issue Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Supplemental Memorandum or set forth on the relevant LPN Reference Obligations List (each, a **"Markit Published LPN Reference Obligation"**), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com> (or any successor website thereto) or as stipulated in the applicable Supplemental Memorandum, any Additional LPN, determined in accordance with the Additional LPN definition, and each Additional Obligation. For the avoidance of doubt, in respect of a Reference Entity which has a Transaction Type being specified in the applicable Supplemental Memorandum as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*", notwithstanding anything to the contrary in these *Additional Terms and Conditions for Credit Linked Preference Shares – Part A (2009 definitions)* (in particular, notwithstanding that the obligation is not an obligation of the Reference Entity), each Reference Obligation will be an Obligation and a Selected Obligation.

"Reference Obligation Only" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only.

"Reference Portfolio" means, in respect of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, a portfolio comprising all the Reference Entities.

"Reference Portfolio Notional Amount" means, unless specified otherwise in the applicable Supplemental Memorandum, (i) in respect of Tranche Preference Shares, an amount equal to the Aggregate Nominal Amount divided by the difference between the Detachment Point and the Attachment Point; and (ii) in respect of Basket Preference Shares which are not Tranche Preference Shares, an amount equal to the Aggregate Nominal Amount.

"Reference Price" means 100% or the percentage specified in the applicable Supplemental Memorandum.

"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.

"Relevant Proportion" means the proportion which one Preference Share bears to the total number of Preference Shares outstanding.

"Repudiation/Moratorium" means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more 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 Repudiation/Moratorium Evaluation Date.

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied. If (i) the Repudiation/Moratorium Extension Condition is satisfied and (ii) a Credit Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the date falling four Business Days after the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Maturity Date).

"Repudiation/Moratorium Extension Condition" means a condition that is satisfied:

- (A) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Last Credit Event Occurrence Date, or
- (B) otherwise, by the delivery of a Repudiation/Moratorium Extension Notice and, unless Notice of Publicly Available Information is specified as "Not Applicable" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information by or on behalf of the Issuer to the Shareholders that is effective on or prior to the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Last Credit Event Occurrence Date.

"Repudiation/Moratorium Extension Notice" means an irrevocable notice delivered by or on behalf of the Issuer to the Shareholders that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Last Credit Event Occurrence 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. Unless Notice of Publicly Available Information is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, if a Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

"Residual Cash Redemption Amount" means, in relation to Basket Preference Shares and Tranche Preference Shares with respect to which one or more Unsettled Credit Event(s) has(ve) occurred, an amount payable on the Maturity Date representing the difference between the Cash Redemption Amount and the Preliminary Cash Redemption Amount.

"Resolve" has the meaning given to it in the Rules, and "Resolved" and "Resolves" shall be construed accordingly.

"Restructured Bond or Loan" means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

"Restructuring" means that:

- (A) with respect to one or more 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 First Credit Event Occurrence Date and the date as of which such Obligation is issued or incurred:
- (1) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (3) 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;
 - (4) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (5) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.
- (B) Notwithstanding the provisions of paragraph (A) above, none of the following will constitute a Restructuring:
- (1) 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;
 - (2) the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (3) the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) 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 paragraphs (A) and (B) above and, unless Multiple Holder Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, paragraph (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 applicable Supplemental Memorandum, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in paragraph (A) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (B) above shall continue to refer to the Reference Entity.
- (D) Unless Multiple Holder Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, then, notwithstanding anything to the contrary in paragraphs (A), (B) and (C) above, the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) 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 applicable Supplemental Memorandum and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a Selected Obligation may be specified in the Final Valuation Notice only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Preference Shares, the condition set out in (ii) above shall not be applicable.

"Restructuring Maturity Limitation Date" means, with respect to a Selected Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan, occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan a "**Latest Maturity Restructured Bond or Loan**") and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Date is later than (a) (i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (ii) the 2.5-year Limitation Date, and in either case, no Enabling Obligation exists or (b) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Retained Amount" means, in relation to Basket Preference Shares or Tranche Preference Shares in respect of which one or more Unsettled Credit Event(s) has(ve) occurred, the sum of (x) the Unwind Costs (if any) and (y) the lower of:

- (A) The difference between the Aggregate Nominal Amount and the product of the Principal Loss Factor and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date; and
- (B) Either:

- (1) In respect of Basket Preference Shares, the product of the Principal Loss Factor and the aggregate of the Loss Amounts for all the Unsettled Credit Events (assuming a Final Value of zero in respect of each Unsettled Credit Event); or
- (2) In respect of Tranche Preference Shares, the amount by which the product of the Principal Loss Factor and the Aggregate Loss Amount on the Maturity Date (assuming a Final Value of zero in respect of each Unsettled Credit Event) would exceed the product of the Principal Loss Factor and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date.

"**Rules**" mean the Credit Derivatives Determinations Committees Rules published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"**Scheduled Last Credit Event Occurrence Date**" means the date specified as such in the applicable Supplemental Memorandum.

"**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 applicable Supplemental Memorandum, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or the provisions contained in the definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (A) the Reference Obligation (if any);
- (B) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as "*Applicable*" in the applicable Supplemental Memorandum, as provider of any Qualifying Guarantee), described by the Selected Obligation Category specified in the applicable Supplemental Memorandum and having each of the Selected Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum 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:
 - (1) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Selected Obligations;
 - (2) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Selected Obligations, however described;
 - (3) 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
 - (4) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (C) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured 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 paragraphs (B)(1) to (B)(4) 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 (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;

(D) any other obligation of a Reference Entity specified as such in the applicable Supplemental Memorandum.

(1) *If the Preference Shares described in the applicable Supplemental Memorandum 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 the relevant Reuters Page on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

(2) *If the Preference Shares described in the applicable Supplemental Memorandum are denominated in U.S. 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.

(3) *If the Preference Shares described in the applicable Supplemental Memorandum 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 Supplemental Memorandum. 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 Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Assignable Loan, Consent Required Loan, Transferable, Not Bearer, Maximum Maturity, Not Domestic Issuance and Accelerated or Matured as specified in the applicable Supplemental Memorandum. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Selected Obligation Category and more than one of 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.

"Settlement Type" means American Settlement or European Settlement as specified in the applicable Supplemental Memorandum.

"Single Name Preference Share" means a Credit Linked Preference Share indexed on one Reference Entity for which the applicable Supplemental Memorandum specifies that the clause "Type of Credit Linked Preference Shares" is stated as being "Single Name Preference Shares".

"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 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 Supplemental Memorandum and having each of the Selected Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Selected Obligation Category or Selected Obligation Characteristics after such Restructuring.

"Specified Currency" means for the purpose of these *Additional Terms and Conditions for Credit Linked Preference Shares – Part A (2009 definitions)*, an obligation that is payable in the currency or currencies specified as such in the applicable Supplemental Memorandum (where for the purpose of this definition 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) shall be referred to collectively as the **"Standard Specified Currencies"**).

"Specified Number" means the number of Public Sources specified in the applicable Supplemental Memorandum (or if a number is not specified, two).

"Standard Unwind Costs" means in respect of each Preference Share, an amount, subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including break funding charges and loss of funding, which, for the avoidance of doubt, represents the loss of future interest amounts to be received under the funding arrangement(s) entered into in relation to the Preference Shares), tax and duties incurred directly or indirectly by Societe Generale or any of its Affiliates in relation to the occurrence of a Credit Event Determination Date and the related partial or total termination, settlement or re-establishment of any Hedge Position, such amount to be apportioned *pro rata* amongst the outstanding Preference Shares.

"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 applicable Supplemental Memorandum, 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* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligations and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the Issuer's obligations under the Preference Shares and (3) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as "Applicable" in the applicable Supplemental Memorandum, as provider of any Qualifying Guarantee). Upon notice to the Shareholders, 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 Preference Shares that it determines are necessary in order to preserve the economic equivalent of the Issuer's obligations under the Preference Shares.

"succeed" means, for the purposes of determining a Successor, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to the definition of Successor shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

"Succession Event" means:

- (A) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; or
- (B) with respect to a Reference Entity that is a Sovereign, an event such as annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, Succession Event shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii)

with respect to which the legally effective date (or in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date.

"Succession Event Backstop Date" means the date that is 120 calendar days prior to the Issue Date of the relevant Preference Shares.

"Succession Event Information" means any information about the occurrence of a Succession Event that occurred on or after the Succession Event Backstop Date with a description in reasonable detail of the facts relevant to the determination of (a) the Succession Event or the change of name of the Reference Entity that has occurred and (b) if relevant, the identity of any Successor(s) or, as applicable, the name of the Reference Entity. Such Succession Event Information may be requested at any time by the Shareholders at the specified office of the Calculation Agent, and will be notified as part of a notice of Potential Failure to Pay or a Repudiation/Moratorium Extension Notice or a Credit Event Notice (as the case may be) in respect of such a Successor by or on behalf of the Issuer to the Shareholders.

"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:
- (1) If one entity directly or indirectly succeeds to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor and, in the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.
 - (2) If only one entity directly or indirectly succeeds to more than twenty-five per cent. (but less than seventy five per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor and, in the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.
 - (3) 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 Preference Shares will be amended in accordance with the provisions set out in the definition of Multiple Successor in Condition 1.4 above. In the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, divided by the number of Successors.
 - (4) 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 Preference Shares will be amended in accordance with the provisions set out in the definition of Multiple Successor in Condition 1.4 above. In the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, subject to adjustment of the Reference Entity Weighting, divided by the number of Successors.

- (5) 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 Preference Shares will not be changed in any way as a result of the Succession Event.
- (6) 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 and, in the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.

PROVIDED THAT, in the case of Basket Preference Shares and Tranche Preference Shares, if the resulting Successor of a Reference Entity affected by a Succession Event, or as the case may be, one or more of the several resulting Successors of such Reference Entity is(are) another Reference Entity comprised in the Reference Portfolio at the legally effective date of the Succession Event, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance with paragraphs (A)(1), (A)(2), (A)(3), (A)(4) or (A)(6) above and the Reference Entity Weighting of such Successor in effect prior to the Succession Event.

PROVIDED FURTHER THAT, in the case of Basket Preference Shares and Tranche Preference Shares, if two or more Reference Entities are affected by a Succession Event resulting in at least one common Successor, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance with paragraphs (A)(1), (A)(2), (A)(3), (A)(4) or (A)(6) above with respect to each Reference Entity in respect of which it is a Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (A)(6) above, as applicable. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (a) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the legally effective date of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (b) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (A)(6) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information.

- (B) With respect to a Sovereign Reference Entity, Successor means each entity which becomes a direct or indirect successor to such Reference Entity by way of a Succession

Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under paragraph (B) above. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (a) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the date of the occurrence of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (b) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred.

PROVIDED THAT (for paragraphs (A) and (B) above), *if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Applicable" or in respect of First-to-Default Preference Shares*, the Calculation Agent will adjust the effect of any Succession Event as necessary so that in all cases the number of Reference Entities in the Reference Portfolio will remain unchanged and *if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Applicable"*, so that the Reference Entity Weighting will remain the same for all Reference Entities comprised in the Reference Portfolio, in particular:

- (1) if the resulting Successor of a Reference Entity (the "**Legacy Reference Entity**") affected by a Succession Event is another Reference Entity comprised in the Reference Portfolio (the "**Surviving Reference Entity**") at the legally effective date of the Succession Event, the Calculation Agent acting in good faith and in its sole discretion shall select a new entity having an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available) to the Legacy Reference Entity immediately prior to the occurrence of the Succession Event; such new entity shall be deemed to have replaced the Legacy Reference Entity as Reference Entity effective on and from the date of the Succession Event and *if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Applicable"*, the Reference Entity Weighting of the Surviving Reference Entity shall remain the Reference Entity Weighting of the Surviving Reference Entity in effect prior to the Succession Event and the Reference Entity Weighting of the entity having replaced the Legacy Reference Entity shall be equal to the Reference Entity Weighting of the Legacy Reference Entity prior to the Succession Event; and
- (2) if a Succession Event would result in more than one Successor (the "**Potential Successors**") to a Reference Entity, the Calculation Agent shall select in its sole discretion only one entity (the "**Chosen Successor**") among the Potential Successors to replace the Reference Entity; the Chosen Successor shall be deemed to have replaced the Reference Entity and *if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Applicable"*, its Reference Entity Weighting shall be equal to the Reference Entity Weighting of the Reference Entity prior to the Succession Event.

For the purposes of this definition "**Rating**" means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Service Europe Limited and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

"**Supranational Organisation**" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or Sovereign Agencies of two or more Sovereigns

and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

"Tranche Notional Amount" means, in respect of Tranche Preference Shares, the Aggregate Nominal Amount of the Preference Shares or such other amount specified as such in the applicable Supplemental Memorandum.

"Tranche Preference Share" means a Basket Preference Share for which the applicable Supplemental Memorandum specifies that the clause "Type of Credit Linked Preference Shares" is stated as being "Tranche Preference Shares".

"Tranche Subordination Amount" means, unless specified otherwise in the applicable Supplemental Memorandum, with respect to Tranche Preference Shares, the Reference Portfolio Notional Amount multiplied by the Attachment Point.

"Transaction Auction Settlement Terms" means in respect of a Reference Entity and the related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules or any other recognised association or organisation selected by the Calculation Agent (including for the avoidance of doubt any Auction Settlement), which provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred and which shall be used to determine the amounts payable between the parties to a credit derivatives transaction referencing such Reference Entity for which Auction Covered Transactions (as defined in the Rules) would be credit derivatives transactions with a scheduled termination date comparable to or later than the Scheduled Maturity Date of the Preference Shares.

"Transaction Type" means, in respect of a Reference Entity, the transaction type specified in the applicable Supplemental Memorandum.

"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:

- (A) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S (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
- (B) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

If the Selected Obligation Characteristic Transferable is specified as "Applicable" in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Selected Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified Selected Obligation Category).

"Unsettled Credit Event" means, with respect to a Reference Entity, that:

- (A) a Credit Event Determination Date has occurred prior to the Scheduled Maturity Date but the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or
- (B) a Notice of Pending Credit Event is delivered less than 100 Business Days prior to the Scheduled Maturity Date and (i) a DC No Credit Event Announcement has not been published prior to the Scheduled Maturity Date and (ii) if a Credit Event Notice has subsequently been delivered in relation to the relevant Credit Event, the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or

- (C) a Potential Repudiation/Moratorium has occurred and is continuing at the Scheduled Maturity Date; or
- (D) a Potential Failure to Pay has occurred and is continuing at the Scheduled Maturity Date.

In respect of Basket Preference Shares or Tranche Preference Shares, unless Preliminary Cash Redemption is specified as "*Not Applicable*", the occurrence of an Unsettled Credit Event shall give rise to the payment of the Preliminary Cash Redemption Amount on the Scheduled Maturity Date and of the Residual Cash Redemption Amount on the Maturity Date.

"Unwind Costs" means, in respect of each Preference Share (i) Standard Unwind Costs if specified as such in the applicable Supplemental Memorandum or (ii) the amount specified in the applicable Supplemental Memorandum or (iii) zero if specified as being "*Not Applicable*" in the applicable Supplemental Memorandum.

"Valuation Hedging Cost" means, in relation to a Selected Obligation, the direct and duly documented cost, if any, borne by the Issuer, the Issuer's hedging counterparty, the Calculation Agent or an agent on their behalf in relation to the determination of the Final Price.

"Voting Shares" shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"Weighted Average Quotation" means, if there are no Full Quotations available, the weighted average of firm bid quotations obtained from the Quotation Dealers, to the extent reasonably practicable, each for an amount as large a size as available, that in aggregate are equal to or greater than the Quotation Amount.

PART B (2014 DEFINITIONS)

Capitalised terms used but not defined in Condition 1 of this "*Part B (2014 definitions)*" have the meanings given to them in Condition 2 of this "*Part B (2014 definitions)*", save to the extent it is completed in the applicable Supplemental Memorandum.

1. CREDIT EVENT PROVISIONS

1.1 Settlement

If the applicable Supplemental Memorandum specifies that the clause "Settlement Method" is stated as being "Cash Settlement":

1.1.1 If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and if a Credit Event Notice and, unless specified as "Not Applicable" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Shareholders, then:

- (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will pay or procure payment of the Cash Redemption Amount (or a formula based on the Cash Redemption Amount, as specified in the applicable Supplemental Memorandum) on the Cash Redemption Date (subject as specified in Condition 1.1.2 below), in full and final satisfaction of its obligations hereunder in respect of the redemption of each Preference Share, and
- (ii) the Dividend Period(s) and/or the Dividend Calculation Amount shall be as specified in Condition 1.2 below. The Selected Obligations, the Cash Redemption Amount and the Cash Redemption Date shall be notified to the Shareholders in the Final Valuation Notice on the Final Valuation Notice Receipt Date.

1.1.2 In the case of Basket Preference Shares or Tranche Preference Shares, unless Preliminary Cash Redemption is specified as "*Not Applicable*", if an Unsettled Credit Event has occurred, a Preliminary Cash Redemption Amount will be payable on the Scheduled Maturity Date and a Residual Cash Redemption Amount will be payable on the Maturity Date.

1.1.3 For the avoidance of doubt, under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

1.2 Provisions relating to Dividends

If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable":

Dividend Period means each period from (and including) a Dividend Payment Date to (but excluding) the next Dividend Payment Date; provided however that the first Dividend Period begins on the Dividend Commencement Date (inclusive) and the last Dividend Period remains subject to the provisions of this Condition 1.

If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable":

Dividend Period means each period from (and including) a Dividend Observation Date to (but excluding) the next Dividend Observation Date; provided however that the first Dividend Period begins on the Dividend Commencement Date (inclusive) and the last Dividend Period remains subject to the provisions of this Condition 1.

1.2.1 **Single Name Preference Shares and First-to-Default Preference Shares**

1.2.1.1 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the applicable Supplemental Memorandum specifies that the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" is "Applicable":*

The Fixed Dividend Amount or the Floating Dividend Amount (as applicable) payable under each Preference Share for each Dividend Period shall be equal to the product of (a) the Dividend Rate, (b) the Nominal Amount and if any (c) the applicable Day Count Fraction.

1.2.1.2 *If the applicable Supplemental Memorandum does not specify that the clause "Observed Dividend" is "Applicable" and if the applicable Supplemental Memorandum specifies that the clause "Structured Dividend Preference Share" is "Applicable":*

The Structured Dividend Amount (if any) shall be as specified in the clause "Structured Dividend Amount(s)" in the applicable Supplemental Memorandum.

1.2.1.3 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" or "Structured Dividend Preference Share" is "Applicable":*

The Dividend Amount payable under each Preference Share on each Dividend Payment Date shall be equal to the aggregate of the Observed Dividend in respect of each Dividend Period preceding such Dividend Payment Date.

1.2.1.4 *The Dividend Payment Date(s) will be the Dividend Payment Date(s) specified as such in the applicable Supplemental Memorandum, subject to the provisions of paragraphs 1.2.1.4(a) to (l) below:*

(a) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event":

The last Dividend Period will be the period from (and including) the Dividend Payment Date immediately preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Payment Date) to (but excluding) the Credit Event Determination Date, and the last Dividend Payment Date will be the earlier of (i) the Dividend Payment Date following the fourth Business Day falling after the Credit Event Determination Date and (ii) the Maturity Date. No interest shall accrue nor be payable from (and including) the Credit Event Determination Date to the Maturity Date.

(b) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event" and (ii) "Repudiation/Moratorium" or "Grace Period Extension" is stated as being "Applicable":

The last Dividend Period will be the period from (and including) the Dividend Payment Date immediately preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend 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 Dividend Payment Date will be the earlier of the Dividend Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event

Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Dividend 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the last Dividend 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 the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

- (c) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event":

The last Dividend Period will be the Dividend Period (if any) ending on the earlier of (i) the Dividend Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. No interest shall accrue nor be payable from (and including) the Dividend Payment Date preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Payment Date) to the Maturity Date.

- (d) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event" and (ii) "Repudiation/Moratorium" or "Grace Period Extension" is stated as being "Applicable":

The last Dividend Period will be the Dividend Period (if any) ending on the earlier of (i) the Dividend Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date.

Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Dividend 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the last Dividend Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from (and including) the Dividend Payment Date preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in case of a Credit Event Determination Date occurring before the first Dividend Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

- (e) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event" and (ii) there is only one Dividend Period:

The Dividend Period will be the period from (and including) the Dividend Commencement Date to (but excluding) the Credit Event Determination Date, and the Dividend Payment Date will be the Maturity Date. No interest shall accrue nor be payable from (and including) the Credit Event Determination Date to the Maturity Date.

- (f) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event", (ii) "Repudiation/Moratorium" or "Grace Period Extension" is stated as being "Applicable" and (iii) there is only one Dividend Period:

The Dividend Period will be the period from (and including) the Dividend Commencement Date to (but excluding) the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the Dividend 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 Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the Dividend 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the Dividend 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 the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

- (g) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event" and (ii) there is only one Dividend Period:

If a Credit Event Determination Date has occurred, no interest shall accrue nor be payable in respect of the Preference Shares.

- (h) Only if the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement", if the clause "Observed Dividend" is stated as being "Not Applicable" in the Supplemental Memorandum and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Guaranteed Dividend":

The last Dividend Period will end on, (but exclude) the Scheduled Maturity Date and the interest shall accrue in respect of each Dividend Period on the Nominal Amount in respect of each Preference Share.

- (i) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event":

The last Dividend Period will be the period from (and including) the Dividend Observation Date immediately preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Observation Date) to (but

excluding) the Credit Event Determination Date, and the last Dividend Payment Date will be the earlier of the Dividend Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. No interest shall accrue nor be payable from (and including) the Credit Event Determination Date to the Maturity Date.

- (j) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event" and (ii) "Repudiation /Moratorium" or "Grace Period Extension" is stated as being "Applicable":

The last Dividend Period will be the period from (and including) the Dividend Observation Date immediately preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Observation Date) to (but excluding) the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Dividend Payment Date will be the earlier of the Dividend Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Dividend 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the last Dividend 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 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.

- (k) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event":

The last Dividend Period will be the Dividend Period (if any) ending on the earlier of (i) the Dividend Observation Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. The last Dividend Payment Date will be the Maturity Date. No interest shall accrue nor be payable from (and including) the Dividend Observation Date preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in the case of a Credit Event Determination Date occurring before the first Dividend Observation Date) to the Maturity Date.

- (l) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event" and (ii) "Repudiation /Moratorium" or "Grace Period Extension" is stated as being "Applicable":

The last Dividend Period will be the Dividend Period (if any) ending on the earlier of (i) the Dividend Observation Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. The last Dividend 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 Scheduled Last Credit Event Occurrence Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Dividend Payment Date shall be the 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 Scheduled Last Credit Event Occurrence Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date, the last Dividend Payment Date shall be the Maturity Date.

No interest shall accrue nor be payable from (and including) the Dividend Observation Date preceding the Credit Event Determination Date (or from and including the Dividend Commencement Date in case of a Credit Event Determination Date occurring before the first Dividend Observation 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.

1.2.2 ***Basket Preference Shares and Tranche Preference Shares***

1.2.2.1 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" is "Applicable":*

The Fixed Dividend Amount or the Floating Dividend Amount (as applicable) payable under each Preference Share for each Dividend Period shall be equal to the product of (a) the Dividend Rate, (b) the Relevant Proportion of the Dividend Calculation Amount (or the Nominal Amount if the paragraph "Accrual of Dividend upon Credit Event" is specified as being "Guaranteed Dividend" in the applicable Supplemental Memorandum) and if any (c) the applicable Day Count Fraction.

1.2.2.2 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Structured Dividend Preference Share" is "Applicable":*

The Structured Dividend Amount (if any) shall be as specified in the clause "Structured Dividend Amount(s)" in the applicable Supplemental Memorandum.

1.2.2.3 *If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and if the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" or "Structured Dividend Preference Share" "Applicable":*

The Dividend Amount payable under each Preference Share on each Dividend Payment Date shall be equal to the aggregate of the Observed Dividend in respect of each Dividend Period preceding such Dividend Payment Date.

1.2.2.4 The Dividend Payment Date(s) will be the Dividend Payment Date(s) specified as such in the applicable Supplemental Memorandum, subject to the provisions below.

The last (or if there is only one, the only) Dividend Period will end on (but exclude) the earlier of the Maturity Date and the Scheduled Maturity Date. The last Dividend Payment Date will be the Maturity Date and the Dividend Calculation Amount will be as specified in paragraphs 1.2.2.4(a) to (g) below:

- (a) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event":

In respect of each Dividend Period, the Dividend Calculation Amount will be calculated on the fourth Business Day preceding the relevant Dividend Payment Date and be an amount equal to (i) the sum, for each day of such Dividend Period, of the Daily Dividend Calculation Amount, divided by (ii) the number of days in such Dividend Period.

- (b) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event":

In respect of each Dividend Period, the Dividend Calculation Amount will be an amount equal to the Daily Dividend Calculation Amount as of the fourth Business Day preceding the relevant Dividend Payment Date.

- (c) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event" and (ii) there is only one Dividend Period:

The Dividend Calculation Amount will be an amount, calculated on the fourth Business Day preceding the Dividend Payment Date equal to (i) the sum, for each day of the Dividend Period, of the Daily Dividend Calculation Amount, divided by (ii) the number of days in the Dividend Period.

- (d) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Not Applicable" and if (i) the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event" and (ii) there is only one Dividend Period:

The Dividend Calculation Amount will be an amount equal to the Daily Dividend Calculation Amount as of the fourth Business Day preceding the Dividend Payment Date.

- (e) If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement", if the clause "Observed Dividend" is stated as being "Not Applicable" in the applicable Supplemental Memorandum and if the clause "Accrual of Dividend upon Credit Event" is stated as being "Guaranteed Dividend":

Dividends shall accrue in respect of each Dividend Period on the Nominal Amount in respect of each Preference Share.

- (f) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event":

In respect of each Dividend Period, the Dividend Calculation Amount will be calculated on the relevant Dividend Observation Date and be an amount equal to (i) the sum, for each day of such Dividend Period, of the Daily Dividend Calculation Amount, divided by (ii) the number of days in such Dividend Period.

- (g) If the applicable Supplemental Memorandum specifies that the clause "Observed Dividend" is stated as being "Applicable" and the clause "Accrual of Dividend upon Credit Event" is stated as being "No Accrued Dividend upon Credit Event":

In respect of each Dividend Period, the Dividend Calculation Amount will be an amount equal to the Daily Dividend Calculation Amount as of the relevant Dividend Observation Date.

1.2.3 *Common provisions to Single Name Preference Shares, First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares*

For the avoidance of doubt, except in the case of a Guaranteed Dividend, if a Notice of Pending Credit Event is delivered to the Shareholders, payment of interest on the Preference Shares, or, in the case of Basket Preference Shares or Tranche Preference Shares, on the portion of the Dividend Calculation Amount relating to the relevant Reference Entity, will be deferred until:

- (A) if a Credit Event Notice is delivered in relation to the relevant event, the Maturity Date, or in the case of Basket Preference Shares or Tranche Preference Shares, the Scheduled Maturity Date or the Maturity Date, as the case may be; or
- (B) the date that is 10 Payment Business Days following the publication of a DC No Credit Event Announcement; or
- (C) if no DC No Credit Event Announcement is published and no Credit Event Notice is delivered in relation to the relevant event, the date that is 100 Business Days + 10 Payment Business Days following the Credit Event Resolution Request Date (all as defined in Condition 2 below).

For the avoidance of doubt, (x) should a Credit Event Determination Date occur within a Dividend Period but the relevant Credit Event Notice is delivered (i) less than four Business Days prior to the relevant Dividend Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Dividend Period, or (ii) during a subsequent Dividend Period and the Issuer has paid an amount of interest prior to such delivery in excess of the amount due in accordance with the provisions of this Condition 1.2.3, then the Issuer may deduct the amount of overpaid interest from (i) the next dividend amount(s) (if any) due under the Preference Shares (only in respect of Basket Preference Shares and Tranche Preference Shares), and/or (ii) the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount (or Cash Redemption), whichever comes first (the result of such deduction being in each case floored at zero); and (y) if payment of interest is deferred following the delivery of a Notice of Pending Credit Event, no additional interest will be payable on the Suspended Amounts for the period of the deferral.

1.3 Credit Event Notice after Restructuring

Upon the occurrence of a Restructuring in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date if M(M)R Restructuring is applicable in the applicable Supplemental Memorandum:

1.3.1 *Single Name Preference Shares and First-to-Default Preference Shares*

If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "American Settlement":

1.3.1.1 the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the "**Partial Redemption Amount**") that is less than the Nominal Amount outstanding of each Preference Share immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 1.1 and of Condition 1.2 shall be deemed to apply to the Partial Redemption Amount only and each such Preference Share shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount) (and for the avoidance of doubt, without prejudice to the effect of the Principal Credit Factor on the redemption amount);

1.3.1.2 for the avoidance of doubt (i) the Nominal Amount of each such Preference Share not so redeemed in part shall remain outstanding and, if applicable, dividends shall accrue on the Nominal Amount outstanding of such Preference Share as provided in the applicable Supplemental Memorandum (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of Condition 1.1 and of Condition 1.2 shall apply to such Nominal Amount outstanding of such Preference Share in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity; and

- 1.3.1.3 on redemption of part of each Preference Share, the relevant Preference Share shall be endorsed to reflect such partial redemption.

For the avoidance of doubt, the outstanding Nominal Amount of each Preference Share 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 Scheduled Last Credit Event Occurrence Date), will be redeemed on the Scheduled Maturity Date.

If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement":

- 1.3.1.4 the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the "**Partial Redemption Amount**") that is less than the Nominal Amount outstanding of each Preference Share immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 1.1 and of Condition 1.2 shall apply to the Partial Redemption Amount; and

- 1.3.1.5 for the avoidance of doubt the provisions of Condition 1.1 and of Condition 1.2 shall apply to the Nominal Amount of each Preference Share outstanding after reduction by such Partial Redemption Amount in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity.

1.3.2 ***Basket Preference Shares and Tranche Preference Shares***

- (a) The Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the "**Partial Restructuring Notional Amount**") that is less than the Reference Entity Notional Amount of the relevant Reference Entity immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 1.1 shall apply to the Partial Restructuring Notional Amount instead of the Reference Entity Notional Amount; and
- (b) For the avoidance of doubt, following such Restructuring, the provisions of these Additional Terms and Conditions for Credit Linked Preference Shares shall apply in respect of the relevant Reference Entity with such Reference Entity's Reference Entity Weighting being reduced by the ratio of the Partial Restructuring Notional Amount divided by the Reference Portfolio Notional Amount. In the event of the occurrence of further Restructurings with respect to such Reference Entity, the relevant Reference Entity Notional Amount will be further reduced by the relevant Partial Restructuring Notional Amount.

1.4 **Multiple Successors**

If the applicable Supplemental Memorandum specifies that the clause "Type of Credit Linked Preference Shares" is stated as being "Single Name Preference Shares" and if "Multiple Successor(s)" is stated as being as "Applicable" the following provisions shall apply:

Where, pursuant to the definition of Successor (see Condition 2 of these Additional Terms and Conditions for Credit Linked Preference Shares), 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 Preference Share 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 (for the avoidance of doubt, without prejudice to the effect of the Principal Credit Factor on the redemption amount). 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, unless specified as "*Not Applicable*" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information, in respect of a Multiple Successor, the Preference Shares will not be redeemed in whole but an amount shall be payable in respect of each Preference Share (an "**Instalment Amount**") which amount shall be determined in the same manner, *mutatis mutandis*, as the Cash Redemption Amount that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity, except that it shall be in respect of a principal amount of each Preference Share 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 Cash Redemption Date that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity. The provisions of Condition 1.2 shall apply, *mutatis mutandis*, to determine the dividend amount(s) that would otherwise have been determined following the occurrence 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 Preference Share equal to the relevant Multiple Successor Notional Amount only. 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 Condition 1.3 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 Shareholder of a holding of the Preference Shares and the Issuer shall use its reasonable endeavours to effect such modifications.

If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "American Settlement":

Following payment of an Instalment Amount in respect of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each Preference Share shall be correspondingly reduced by the proportion of such principal amount so redeemed and, if applicable, dividend amount(s) on each Preference Share shall accrue on the reduced Nominal Amount of each Preference Share from the date on which it would otherwise have ceased to accrue following delivery of a Credit Event Notice and, unless specified as "*Not Applicable*" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information in relation to the original Reference Entity.

If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement":

Following the occurrence of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each Preference Share shall be correspondingly reduced by the proportion of such principal amount and, if applicable, interest on each Preference Share shall accrue on the reduced Nominal Amount of each Preference Share from the date on which it would otherwise have ceased to accrue following delivery of a Credit Event Notice and, unless specified as "*Not Applicable*" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information in relation to the original Reference Entity.

If the applicable Supplemental Memorandum specifies that the clause "Type of Credit Linked Preference Shares" is stated as being "Single Name Preference Shares" and if in the Supplemental Memorandum "Multiple Successor(s)" is stated as being "Not Applicable" the following provisions shall apply:

Should more than one Successor succeed to the Reference Entity and a Credit Event occurs in respect of any one of them, the Preference Shares will be redeemed in whole in accordance with

Condition 1.1, as if the Type of Credit Linked Preference Shares was specified as "First-to-Default Preference Shares" in the applicable Supplemental Memorandum.

For the avoidance of doubt, this Condition 1.4 will not apply to First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares.

1.5 Notification of Potential Failure to Pay

In the case of the occurrence of a Potential Failure to Pay, as determined by the Calculation Agent in its sole and absolute discretion, the Issuer, or any entity acting on its behalf, shall use its reasonable endeavours to notify the Shareholders as soon as reasonably practical of such occurrence, pursuant to the terms and conditions of the Preference Shares.

1.6 Hedging Disruption, Increased Cost of Hedging, Change in Law, Merger of a Reference Entity and Societe Generale or any of its Affiliates, Consequences and Monetisation until the Maturity Date

1.6.1 Hedging Disruption, Increased Cost of Hedging

"**Hedging Disruption**" means, in respect of Preference Shares that have one or more Reference Entity(ies), that, as determined in good faith by the Calculation Agent, Societe Generale or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind and/or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk (or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk) of entering into and performing its obligations with respect to the Preference Shares or any agreement entered into by the Issuer of the Preference Shares with Societe Generale or any of its Affiliates in relation to the Preference Shares; and/or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its Affiliates in relation to the Preference Shares.

"**Increased Cost of Hedging**" means, in respect of Preference Shares that have one or more Reference Entity(ies), that Societe Generale or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Societe Generale or any of its Affiliates enters into the Hedge Positions in respect of the Preference Shares) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk (or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk) of entering into and performing its obligations with respect to the Preference Shares or any agreement entered into with the Issuer or any of its Affiliates of the Preference Shares in relation to the Preference Shares or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its Affiliates in relation to the Preference Shares.

1.6.2 Change in Law

"**Change in Law**" means in respect of Preference Shares that have one or more Reference Entity(ies) that, on or after the first to occur of (a) the Issue Date and (b) the trade date of any Hedge Position (i) due to the adoption of, or any change in, any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) 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 or brought in a court of competent jurisdiction), the Calculation Agent determines in good faith that it has become illegal for Societe Generale or any of its Affiliates to hold, acquire or dispose of Hedge Positions (as defined in Condition 2) or to maintain the agreement entered into with Societe Generale or any of its Affiliates by the Issuer of the Preference Shares.

1.6.3 ***Merger of a Reference Entity and Societe Generale or any of its Affiliates***

"**Merger of a Reference Entity and Societe Generale or any of its Affiliates**" means, in respect of Single Name Preference Shares or First-to-Default Preference Shares or Basket Preference Shares, that (i) Societe Generale or any of its Affiliates consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, a Reference Entity or (ii) a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to Societe Generale or any of its Affiliates, or (iii) Societe Generale or any of its Affiliates and a Reference Entity become Affiliates.

1.6.4 ***Consequences***

Upon the occurrence, as determined by the Calculation Agent in good faith, on or prior to the fourth Business Day before the Maturity Date of a Hedging Disruption, an Increased Cost of Hedging, Change in Law, or a Merger of a Reference Entity and Societe Generale or any of its Affiliates, then the Calculation Agent may decide, to either:

- (A) consider such event as an event triggering an early redemption of the Preference Shares (hereafter, an "**Early Redemption Event**"). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount; or
- (B) if the Hedging Disruption, Increased Cost of Hedging, Change in Law and/or Merger of a Reference Entity and Societe Generale or any of its Affiliates is applicable to one or several affected Reference Entities (the "**Affected Reference Entity(ies)**"), replace the Affected Reference Entity(ies) by a new reference entity (or new reference entities, as relevant) which is (respectively are each) a Similar Reference Entity; or
- (C) apply the Monetisation until the Maturity Date;
or, but only in the case of Increased Cost of Hedging:
- (D) deduct:
 - (i) from the Dividend Amount (if any) due under the Preference Shares on the Dividend Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new, or any increase of, any tax, duty, expense or fee, that triggered the occurrence of the Increased Cost of Hedging incurred by Societe Generale or any of its Affiliates in relation to the Hedge Positions hedging the payment obligations of the Issuer under the Preference Shares, such amount to be apportioned *pro rata* amongst the outstanding Preference Shares (the "**Reduction Amount**"); PROVIDED THAT if on a Dividend Payment Date on which a Reduction Amount shall be deducted from the Dividend Amount, the Reduction Amount in respect of each Preference Share is greater than the Dividend Amount due under each Preference Share (prior to the deduction of the Reduction Amount) on such Dividend Payment Date, the Dividend Amount will be reduced to zero and the difference between the Reduction Amount and the Dividend Amount (prior to the deduction of the Reduction Amount) will be deducted from the Dividend Amount due on one or more of the following Dividend Payment Date(s) (if any), and if a Reduction Amount has not been deducted in whole or in part on the last Dividend Payment Date under the Preference Shares, the remaining Reduction Amount will be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount (or Cash Redemption Amount), whichever comes first (the reduction of such deduction being floored at zero); or
 - (ii) in the absence of any Dividend Amount under the Preference Shares, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any), due under the Preference

Shares on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Preference Shares, from the Final Redemption Amount (or Cash Redemption Amount) due on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

Following the occurrence of a Hedging Disruption, an Increased Cost of Hedging, a Change in Law or a Merger of a Reference Entity and Societe Generale or any of its Affiliates, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Shareholders pursuant to the terms and conditions of the Preference Shares of the relevant adjustment made or decision taken by the Calculation Agent. Details of any adjustment made or decision taken may be obtained by the Shareholders upon request at the Calculation Agent's specified address.

1.6.5 ***Monetisation until the Maturity Date***

The Issuer will no longer be liable for any payment, on the Maturity Date or any Dividend Payment Date, but instead will, in full and final satisfaction of its obligations, pay an amount described in Conditions 1.6.5.1 or 1.6.5.2 below.

1.6.5.1 *In respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum could be as low as zero*

Pursuant to the provisions of Condition 1.6.5, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, with a minimum of zero, based on (a) the net positive cash amount that Societe Generale or any of its Affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting the obligations and the liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b) each converted if necessary in the Specified Currency of the Preference Shares using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its Affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its Affiliates under its Hedge Positions and the Calculation Amount mentioned above may be as low as zero; or

1.6.5.2 *in respect of the redemption of Preference Shares whose Final Redemption Amount as defined in the applicable Supplemental Memorandum cannot be in any case lower than an amount strictly positive (the "**Minimum Redemption Amount**")*

Pursuant to the provisions of Condition 1.6.5, the Issuer shall pay on the Maturity Date an amount per Preference Share, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between:

- (i) (a) the net positive cash amount that Societe Generale or any of its Affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting the obligations and the liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b), each converted if necessary in the Specified Currency of the Preference Shares using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a "**Calculation Amount**" for the purposes of this provision and of

the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a "**Calculation Period**") between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded); and

- (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by Societe Generale or any of its Affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by Societe Generale or any of its Affiliates under its Hedge Positions and the Calculation Amount mentioned above may be as low as zero.

Definitions applicable to this Condition:

"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 Societe Generale or any of its Affiliates in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned *pro rata* amongst the outstanding Preference Shares.

"Compounding Method" means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

where:

"Adjusted Calculation Amount" means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

"Compounding Date" means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

"Compounding Period" means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

"Compounding Period Amount" means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

"Compounding Rate" means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency of the Preference Shares as determined by the Calculation Agent on the first day of the relevant Compounding Period; notwithstanding this, the Compounding Rates related to the last four Compounding Periods in the Calculation Period shall be that of the fifth Compounding Period before the Maturity Date; the specific Compounding Rate used in respect of a Specified Currency of the Preference Shares shall be available at the office of the Calculation Agent for each Compounding Date;

"Day Count Fraction" means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

"Full Liquidation Date" means, the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the obligations and the liabilities of such Hedge Positions, if any, or any part thereof, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by Societe Generale or any of its Affiliates;

"**Hedge Positions**" has the meaning given to it in Condition 2 below;

"**Relevant Spot Exchange Rate**" means, in respect of a date and an amount to be converted into the Specified Currency of the Preference Shares, the rate of exchange of the currency in which such amount is denominated into the Specified Currency of the Preference Shares as determined by the Calculation Agent, used to convert such amount on such date into the Specified Currency of the Preference Shares; and

"**Similar Reference Entity**" means a reference entity with an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available), and to the extent possible as secondary criteria geographic and Transaction Type proximity.

For the purposes of this definition "**Rating**" means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Service Europe Limited, and Fitch Ratings or any of them, it 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.

1.7 **Additional provisions relating to certain specific Reference Entities**

1.7.1 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "Argentine Republic"***

If "*Argentine Republic*" is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of "*Obligation*" in Condition 2 below, any obligation that is a Bond that was issued on or prior to June 1, 2005 (other than any Bond constituting a New Security (as defined in the **Prospectus Supplement of the Republic of Argentina dated January 10, 2005**³, as the same may be amended or supplemented)) shall not be considered as an Obligation.

Notwithstanding the definition of "*Selected Obligation*" in Condition 2 below, any obligation that is a Bond that was issued on or prior to June 1, 2005 (other than any Bond constituting a New Security (as defined in the **Prospectus Supplement of the Republic of Argentina dated January 10, 2005**⁴, as the same may be amended or supplemented)) shall not be considered as a Selected Obligation.

1.7.2 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "Hellenic Republic"***

If "*Hellenic Republic*" is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of "*Obligation*" in Condition 2 below, any obligation that is of a type included in Borrowed Money Obligation Category and that was issued or incurred, as the case may be, on or prior to February 1, 2012 shall not be considered as an Obligation.

Notwithstanding the definition of "*Selected Obligation*" in Condition 2 below, any obligation that is a Bond or a Loan that was issued or incurred, as the case may be, on or prior to February 1, 2012 shall not be considered as a Selected Obligation.

1.7.3 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "Republic of Hungary"***

³ Available on the website: http://www.mecon.gov.ar/finanzas/download/us_prospectus_and_prospectus_supplement.pdf.

⁴ Available on the website: http://www.mecon.gov.ar/finanzas/download/us_prospectus_and_prospectus_supplement.pdf.

If "Republic of Hungary" is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of "*Obligation*" in Condition 2 below, "*Obligation*" shall also include any National Bank of Hungary Obligation for the purposes of the applicable Supplemental Memorandum where:

"National Bank of Hungary Obligation" means any obligation of the National Bank of Hungary (either directly or as provider of a Relevant Guarantee) and any Successor:

- (i) which has the Obligation Characteristic "Not Subordinated", where solely for such purpose the definition of "Not Subordinated" shall be construed as if the National Bank of Hungary were the Reference Entity and no Reference Obligation has been specified;
- (ii) which is described by the Obligation Category specified in respect of the Republic of Hungary;
- (iii) which has each of the Obligation Characteristics specified in respect of the Republic of Hungary; and
- (iv) in relation to which the occurrence or existence of an Event of Default (as defined below) will cause any obligation of the Republic of Hungary in respect of the Obligation Category Borrowed Money to become, with the lapse of any grace period and subject to any other requirements under the terms of such Borrowed Money obligation (including requirements as to the amounts of such default), immediately due and payable pursuant to the terms of such Borrowed Money obligation.

Notwithstanding the definition of "Selected Obligation" in Condition 2 below, "Selected Obligation" shall also include any National Bank of Hungary Selected Obligation for the purposes of the applicable Supplemental Memorandum where:

"National Bank of Hungary Selected Obligation" means any obligation of the National Bank of Hungary (either directly or as provider of a Relevant Guarantee) and any Successor:

- (i) which has the Selected Obligation Characteristic "Not Subordinated", where solely for such purpose the definition of "Not Subordinated" shall be construed as if the National Bank of Hungary were the Reference Entity and no Reference Obligation has been specified;
- (ii) which is described by the Selected Obligation Category specified in respect of the Republic of Hungary;
- (iii) which has each of the Selected Obligation Characteristics specified in respect of the Republic of Hungary; and
- (iv) in relation to which the occurrence or existence of an Event of Default (as defined below) will cause any obligation(s) of the Republic of Hungary in respect of the Obligation Category Borrowed Money, to become, with the lapse of any grace period and subject to any other requirements under the terms of such Borrowed Money obligation (including requirements as to the amounts of such default), immediately due and payable, pursuant to the terms of such Borrowed Money obligation.

"Event of Default" means any failure by the National Bank of Hungary as issuer or obligor or guarantor of the relevant obligation, to make, when due any payment of principal or premium or prepayment charge or interest, if any, on such obligation.

For the purposes only of construing the terms "*National Bank of Hungary Obligation*" and "*National Bank of Hungary Selected Obligation*", the National Bank of Hungary (either directly or as provider of a Relevant Guarantee) shall be deemed to be a Reference Entity.

1.7.4 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "Russian Federation"***

If "Russian Federation" is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of "Obligation" in Condition 2 below, any obligation that is, in the determination of the Calculation Agent, "IANs", "MinFins" or "PRINs" shall not be an "Obligation".

Notwithstanding the definition of "Selected Obligation" in Condition 2 below, any obligation that is, in the determination of the Calculation Agent, "IANs", "MinFins" or "PRINs" shall not be a "Selected Obligation".

"IANs" means floating rate interest notes due 2002 and 2015 issued by Vnesheconombank of the USSR pursuant to the Restructuring Agreement and an Exchange Agreement, dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and the Participating Creditors named therein.

"MinFins" (also known as "OVVZs" or "Taiga" bonds) means Internal Government Hard Currency Bonds issued by the Ministry of Finance of the Russian Federation representing (i) restructured debt of the former USSR (Series II, III, IV, V and VIII) or (ii) debt of the Russian Federation issued in 1996 (Series VI and VII).

"PRINs" means Vnesheconombank's loans arising under a Restructuring Agreement and an Exchange Agreement dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and the Participating Creditors named therein.

1.7.5 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is "STMicroelectronics N.V."***

If "STMicroelectronics N.V." is specified as a Reference Entity in the applicable Supplemental Memorandum, the following provisions will apply with respect to this Reference Entity:

With respect to the Reference Entity "STMicroelectronics N.V.", if the USD 1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics N.V. is a Selected Obligation; and such Selected Obligation is not immediately due and payable as of the relevant Credit Valuation Date, for the purpose of determining the Quotation Amount of such Selected Obligation, the Outstanding Principal Balance of such Selected Obligation shall be deemed to be the amount payable on the scheduled maturity date of such Selected Obligation.

1.7.6 ***Additional provisions applicable if a Reference Entity in the applicable Supplemental Memorandum is a "Monoline Insurer" (as such term is defined below)***

If a Reference Entity in the applicable Supplemental Memorandum is a "Monoline Insurer", then the following provisions will apply with respect to this Reference Entity:

1.7.6.1 *Specific Definitions*

"Monoline Insurer" means the entities (i) listed in the Monoline Insurer Reference Entities document published by ISDA on August 31, 2010 which Current Reference Entity Name (as such term is defined in this document) is ACA Financial Guaranty Corporation, Ambac Assurance Corporation, Assured Guaranty Corp., CDC IXIS Financial Guaranty North America, Inc, Financial Guaranty Insurance Company (FGIC), Assured Guaranty Municipal Corp., MBIA Insurance Corporation, Radian Asset Assurance Inc., Syncora Guarantee Inc or any Successor of the aforementioned or (ii) added to the list in (i) above by any document published by ISDA which would modify and/or cancel and replace the Monoline Insurer Reference Entities document.

"Qualifying Policy" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments

(as defined below) of an instrument that constitutes Borrowed Money (modified as set forth below) (the "**Insured Instrument**") for which another party (including a special purpose entity or trust) is the obligor (the "**Insured Obligor**"). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). "**Instrument Payments**" means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in Condition 1.7.6.4 below and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

"**Certificate Balance**" means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

1.7.6.2 *Obligation and Selected Obligation*

For the purposes of subparagraph (A) of the definition of "Obligation" in Condition 2 below and subparagraph (B) of the definition of "Selected Obligation" in Condition 2 below, the definition of Relevant Guarantee is amended by adding "or Qualifying Policy" after "a Relevant Guarantee".

1.7.6.3 *Interpretation of Provisions*

In the event that an Obligation or a Selected Obligation is a Qualifying Policy, the terms of the second part of the definition of "Qualifying Guarantee" in Condition 2 below, starting with "If an Obligation", will apply, with references to the Relevant Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

- (i) the Obligation Category Borrowed Money and the Obligation Category and Selected Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Selected Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these *Additional Terms and Conditions for Credit Linked Preference Shares – Part B (2014 definitions)* in respect of such an Insured Instrument shall be construed accordingly;
- (ii) references in the definitions of "*Assignable Loan*" and "*Consent Required Loan*" in Condition 2 below to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively;
- (iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Selected Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Supplemental Memorandum;
- (iv) if the Assignable Loan, Consent Required Loan or Transferable Selected Obligation Characteristics are specified as "*Applicable*" in the applicable Supplemental Memorandum and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument;

- (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "maturity", as such term is used in the Maximum Maturity Selected Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and
- (vi) with respect to a Qualifying Policy and an Insured Instrument, only the Qualifying Policy must satisfy on the relevant date or dates the "Not Subordinated" Obligation Characteristic or Selected Obligation Characteristic, if applicable.

1.7.6.4 *Outstanding Principal Balance*

References in the definition of "*Outstanding Principal Balance*" in Condition 2 below to a Guarantee, the Underlying Obligation and the Underlying Obligor shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument shall be disregarded for the purpose of the definition of "*Outstanding Principal Balance*" in Condition 2 below, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.

1.7.6.5 *Provisions for Determining a Successor*

Sub-sections (A), (D) and (F) of the definition of "*Successor*" in Condition 2 below are hereby amended by adding "or Qualifying Policy" after each occurrence of "a Relevant Guarantee". Sub-section (F) of the definition of "*Successor*" in Condition 2 below is amended by adding "or provider of a Qualifying Policy" after "as guarantor or guarantors".

1.7.6.6 *Original Non-Standard Reference Obligation, Substitute Reference Obligation and Substitution Event*

The definitions of "*Original Non-Standard Reference Obligation*", "*Substitute Reference Obligation*" and "*Substitution Event*" in Condition 2 below are hereby amended by adding "or Qualifying Policy" after "a guarantee".

1.7.6.7 *Restructuring*

- (i) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, part (A)(1) to (5) in the definition of "*Restructuring*" of Condition 2 below is amended to read as follows:
 - (1) a reduction in the rate or amount of the Instrument Payments described in clause (A)(x) of the definition of "*Instrument Payment*" that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);
 - (2) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition of "*Instrument Payment*" that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);
 - (3) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition of "*Instrument Payment*" or (B) the payment of the Instrument Payments described in clause (A)(y) of the definition of "*Instrument Payment*", in each case that are guaranteed or insured by the Qualifying Policy;
 - (4) a change in the ranking in priority of payment of (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination

of such Obligation to any other Obligation or (B) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or

- (5) any change in the currency of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which, in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).
- (ii) Subparagraph (B)(4) of the definition of "*Restructuring*" in Condition 2 below is deleted in its entirety and replaced by the following:

"the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (A)(5) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority or a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority or, in the case of Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy".

- (iii) Paragraphs (C), (D) and (E) of the definition of "*Restructuring*" in Condition 2 below are deleted in their entirety and replaced by the following:

"(C) For the purposes of paragraphs (A) and (B) above and, unless Multiple Holder Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, paragraph (F) 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 Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in paragraph (A) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (B) above shall continue to refer to the Reference Entity.

(D) If an exchange has occurred, the determination as to whether one of the events described under paragraphs (A)(1) to (A)(5) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

(E) For the purposes of paragraphs (A) and (B) above and, unless Multiple Holder Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, paragraph (F) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in paragraph (A) above shall be deemed to refer to the Insured Obligor and the reference to the Reference Entity in paragraph (B) above shall continue to refer to the Reference Entity.

- (F) Unless Multiple Holder Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, then, notwithstanding anything to the contrary in paragraphs (A), (B), (C) and (E) above, the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation."

1.7.6.8 *Fully Transferable Obligation and Conditionally Transferable Obligation*

In the event that a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of "*Conditionally Transferable Obligation*" to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "*final maturity date*", as such term is used in the definitions of "*Mod R*", "*Mod Mod R*" and "*Restructuring Maturity Limitation Date*" in Condition 2 below, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

1.7.6.9 *Other Provisions*

For purposes of the definitions of "*Prohibited Action*", "*Credit Event*" and "*Deliver*" in Condition 2 below, references to the Underlying Obligation and the Underlying Obligor shall be deemed to include Insured Instruments and the Insured Obligor, respectively. Any transfer or similar fee reasonably incurred by the Issuer or Societe Generale in connection with the Delivery of a Qualifying Policy and payable to the Reference Entity in respect thereof shall be deducted from the Cash Redemption Amount equally on the Cash Redemption Date.

1.7.7 *Additional provisions applicable for a Reference Entity in respect of which the applicable Supplemental Memorandum specifies that the "2014 CoCo Supplement" is applicable*

If the applicable Supplemental Memorandum specifies that the "2014 CoCo Supplement" is applicable to the Transaction Type with respect to a Reference Entity, then the following provisions will apply with respect to such Reference Entity:

1.7.7.1 *Additional definitions*

Condition 2 is hereby amended by the addition of the following new definitions:

"CoCo Provision" means, with respect to an Obligation, a provision which requires (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, in each case, if the Capital Ratio is at or below the Trigger Percentage.

"Trigger Percentage" means the trigger percentage specified in the applicable Supplemental Memorandum (or if no such trigger percentage is specified, 5.25 per cent.).

"Capital Ratio" means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

1.7.7.2 *Other Provisions*

A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes under these Additional Terms and Conditions for Credit Linked Preference Shares.

If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of one or more CoCo Provisions results in (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a

conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention within the meaning of Condition 2 below.

1.7.8 Additional provisions applicable for a Reference Entity in respect of which the applicable Supplemental Memorandum specifies that "No Asset Package Delivery" is applicable

If the applicable Supplemental Memorandum specifies that "No Asset Package Delivery" is applicable to the Transaction Type with respect to a Reference Entity, then the following provisions will apply with respect to such Reference Entity:

it shall be deemed that no Package Observable Bond nor Prior Deliverable Obligation, as applicable, exists with respect to such Reference Entity (even if such a Package Observable Bond or Prior Deliverable Obligation, as per Condition 2 below, has been published by ISDA or specified by the Calculation Agent), and, Asset Package Delivery shall not apply thereto.

1.8 No Frustration

In the absence of other reasons, performance of the Issuer's obligations under the Preference Shares will not be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

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

1.9 Timing

Subject to the paragraph below and the provisions relating to Notices set out herein, in order to determine the day on which an event occurs, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type (as specified in the applicable Supplemental Memorandum) of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

If a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Transaction Type (as specified in the applicable Supplemental Memorandum) of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

1.10 Amendments to these Additional Terms and Conditions for Credit Linked Preference Shares – Part B (2014 definitions)

The Calculation Agent may from time to time amend any provision of these *Additional Terms and Conditions for Credit Linked Preference Shares – Part B (2014 definitions)* and/or the applicable Supplemental Memorandum (i) to incorporate and/or reflect and/or take account of (x) further or alternative documents or protocols from time to time published by ISDA with respect to credit derivative transactions which may, without limitation, relate to one or more Reference Entities or Reference Entity types and/or the settlement of credit derivative transactions and/or (y) the operation or application of determinations by any Credit Derivatives Determinations Committee and/or (ii) in any manner which the Calculation Agent determines is necessary or desirable (including from the perspective of Societe Generale or any of its Affiliates) to reflect or account for market practice for credit derivatives transactions and/or to eliminate or account for any provisions of the Hedge Positions with the aim of ensuring no mismatch or discrepancy between rights and obligations under the Hedge Positions and under the Preference Shares. Such amendments may include, without limitation, varying any date or timing or procedures provided for in these *Additional Terms and Conditions for Credit Linked Preference Shares – Part B (2014 Definitions)* and/or the applicable Supplemental

Memorandum. PROVIDED THAT, subject as set out in this Condition 1.10 below, such amendments may not include changes to the currency of the Preference Shares, the dividend amount(s) payable on the Preference Shares, the Final Redemption Amount payable on the Preference Shares or the Maturity Date of the Preference Shares.

In the event that such amendments lead to a revised Reference Entity then a Credit Event may be triggered on such revised Reference Entity and the consequential provisions of these *Additional Terms and Conditions for Credit Linked Preference Shares – Part B (2014 definitions)* will apply in the usual manner.

Any amendment made pursuant to this paragraph will be notified to Shareholders pursuant to the terms and conditions of the Preference Shares.

2. DEFINITIONS

"Accelerated or Matured" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

"Accrual of Dividend upon Credit Event" means No Accrued Dividend upon Credit Event or Accrued Dividend upon Credit Event or Guaranteed Dividend as specified in the applicable Supplemental Memorandum.

"Accrued Dividend upon Credit Event" means, in respect of Credit Linked Preference Shares, that the applicable Supplemental Memorandum specifies that the clause "Accrual of Dividend upon Credit Event" is stated as being "Accrued Dividend upon Credit Event".

"Additional LPN" means any bond issued in the form of a loan participation note (an "LPN") by an entity (the "LPN Issuer") for the sole purpose of providing funds for the LPN Issuer to (A) finance a loan to the Reference Entity (the "Underlying Loan"); or (B) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the "Underlying Finance Instrument"); provided that, (i) either (a) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or (b) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics; (ii) the LPN satisfies the following Selected Obligation Characteristics: Transferable, Not Bearer, Specified Currency- Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Dividend over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

"Additional Obligation" means each of the obligations listed as an Additional Obligation of the Reference Entity in the applicable Supplemental Memorandum or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as of the Issue Date, which list is currently available at <http://www.markit.com> (or any successor website thereto) or as stipulated in the applicable Supplemental Memorandum.

"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 concerned.

"Aggregate Loss Amount" means at any time:

- (A) for a Basket Preference Share that is not a Tranche Preference Share, the aggregate of the Loss Amount in respect of all Reference Entities in respect of which a Credit Event Determination Date has occurred; or

- (B) for a Tranche Preference Share, the lowest of:
- (i) the Tranche Notional Amount; and
 - (ii) the highest of (x) zero and (y) the difference between (xx) the aggregate of the Loss Amount for all Reference Entities in respect of which a Credit Event Determination Date has occurred and (xy) the Tranche Subordination Amount.

"Aggregate Nominal Amount" means, in respect of each Class of Preference Shares, the aggregate of the Nominal Amount of each Preference Share in such Class.

"American Settlement" means in respect of Credit Linked Preference Shares that the Settlement Type specified in the applicable Supplemental Memorandum is *"American Settlement"*.

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

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

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

"Asset Package Credit Event" means:

- (A) if Financial Reference Entity Terms and Governmental Intervention is specified as *"Applicable"* in the applicable Supplemental Memorandum, (i) a Governmental Intervention; or (ii) a Restructuring in respect of the Reference Obligation, if Restructuring is specified as *"Applicable"* in the applicable Supplemental Memorandum and such Restructuring does not constitute a Governmental Intervention; and
- (B) if the Reference Entity is a Sovereign and Restructuring is specified as *"Applicable"* in the applicable Supplemental Memorandum, a Restructuring,

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

"Asset Package Delivery" will apply if an Asset Package Credit Event occurs unless (i) such Asset Package Credit Event occurs prior to the First Credit Event Occurrence Date or such later date determined by the Calculation Agent as appropriate by reference to any Hedge Position, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

"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. If the Selected Obligation Characteristic Assignable Loan is specified as *"Applicable"* in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though

such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Selected Obligation Category.

"**Attachment Point**" means in respect of Tranche Preference Shares, the number (expressed as a percentage) specified in the applicable Supplemental Memorandum.

"**Auction**" has the meaning set forth in the relevant Transaction Auction Settlement Terms.

Auction Cancellation Date has the meaning set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Method**" means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined by reference to the relevant Transaction Auction Settlement Terms.

"**Bankruptcy**" means a Reference Entity:

- (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (B) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (C) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (D) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a 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 (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
- (E) has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (G) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or
- (H) 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 (A) to (G) (inclusive) of this definition of Bankruptcy.

"**Basket Preference Share**" means a Credit Linked Preference Share indexed on several Reference Entities for which the applicable Supplemental Memorandum specifies that the clause "*Type of Credit Linked Preference Shares*" is stated as being "*Basket Preference Shares*".

"**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 Supplemental Memorandum.

"Calculation Agent" means Societe Generale. Whenever the Calculation Agent is required to act or exercise judgement (and unless otherwise provided herein), it will do so in good faith and in a commercially reasonable manner. Save as otherwise provided herein, the calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer and the Shareholders in the absence of manifest error.

"Cash Redemption Amount" means:

- (A) In respect of Single Name Preference Shares and First-to-Default Preference Shares where the Principal Credit Factor and the Principal Loss Factor are both equal to 100%, an amount, subject to a minimum of zero, equal to the product of the Final Value multiplied by the Nominal Amount of each Preference Share, minus the Unwind Costs in respect of the Credit Event Determination Date; or
- (B) In respect of Single Name Preference Shares and First-to-Default Preference Shares where the Principal Credit Factor and/or the Principal Loss Factor is different from 100%, an amount, subject to a minimum of zero, equal to the product of (i) the Principal Credit Factor and (ii) the Nominal Amount of each Preference Share, minus the product of (a) the Nominal Amount of each Preference Share, (b) the Principal Loss Factor and (c) the difference between the Reference Price and the Final Value, minus the Unwind Costs in respect of the Credit Event Determination Date; or
- (C) In respect of Basket Preference Shares and Tranche Preference Shares where the Principal Credit Factor and the Principal Loss Factor are both equal to 100%, an amount, subject to a minimum of zero, equal for each Preference Share to (i) the Relevant Proportion of the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount minus (ii) the aggregate of the Unwind Costs calculated in respect of all Credit Event Determination Dates, as at the Maturity Date; or
- (D) In respect of Basket Preference Shares and Tranche Preference Shares where the Principal Credit Factor and/or the Principal Loss Factor is different from 100%, an amount, subject to a minimum of zero, equal for each Preference Share to the product of (i) the Principal Credit Factor and (ii) the difference between (x) the Relevant Proportion of the difference between the Aggregate Nominal Amount and the product of the Principal Loss Factor and the Aggregate Loss Amount and (y) the aggregate of the Unwind Costs calculated in respect of all Credit Event Determination Dates, as at the Maturity Date.

"Cash Redemption Date" means a date that is a Payment Business Day:

- (A) *If the applicable Supplemental Memorandum specifies that "Settlement Type" is stated as being "American Settlement":*

The day that is four Payment Business Days following the Final Valuation Notice Receipt Date, or in relation to Basket Preference Shares and to Tranche Preference Shares, following the last Final Valuation Notice Receipt Date.

- (B) *If the applicable Supplemental Memorandum specifies that "Settlement Type" is stated as being "European Settlement":*

The later of (a) the Scheduled Maturity Date and (b) the day that is four Payment Business Days following the Final Valuation Notice Receipt Date, or in the case of Basket Preference Shares and Tranche Preference Shares, following the last Final Valuation Notice Receipt Date.

"Conditionally Transferable Obligation" means 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 and in each case, as of the date(s) determined by the Calculation Agent by reference to any Hedge Positions, provided, however, that a Selected Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Selected Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Selected Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Selected Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Selected Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Selected Obligation shall not be considered to be a requirement for consent for purposes of the definition of Conditionally Transferable Obligation.

"Conforming Reference Obligation" means a Reference Obligation which is a Selected Obligation determined in accordance with paragraph (B) of the definition of Selected Obligation or, where Selected Obligation is specified as *"Not Applicable"* in the applicable Supplemental Memorandum, any relevant obligation determined by the Calculation Agent by reference to any Hedge Positions.

"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. If the Selected Obligation Characteristic Consent Required Loan is specified as *"Applicable"* in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Loans (and shall only be relevant if Loans are covered by the specified Selected Obligation Category).

"Credit Derivatives Determinations Committee" means each committee established by ISDA pursuant to the DC Rules for purposes of reaching certain DC Resolutions (including, but not limited to, the determination of the occurrence of a Credit Event and the establishment of the Transaction Auction Settlement Terms) in connection with *"Credit Derivative Transactions"* as more fully described in the DC Rules.

"Credit Event" means, with respect to a Reference Entity as determined by the Calculation Agent, the occurrence during the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention, as specified in the applicable Supplemental Memorandum.

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

- (A) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

- (B) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (C) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (D) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

A Credit Event need not be continuing on the Credit Event Determination Date.

"Credit Event Determination Date" means, in relation to a Credit Event, the date specified in the related Credit Event Notice, which date will be, in the determination of the Calculation Agent (a) the Credit Event Resolution Request Date in respect of such Credit Event; (b) such other date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it deems appropriate, including without limitation, by reference to Hedge Positions; or (c) if no such date is specified, the date the Credit Event Notice is delivered.

"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 Shareholders that describes a Credit Event that occurred on or prior to the Last Credit Event Occurrence Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of a Credit Event Notice need not be continuing on the Credit Event Determination Date. Unless Notice of Publicly Available Information is specified as *"Not Applicable"* in the applicable Supplemental Memorandum, if a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

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

"Credit Linked Preference Share" means a Preference Share in respect of which these *Additional Terms and Conditions for Credit Linked Preference Shares - Part B (2014 definitions)* and the Credit Linked Preference Shares Provisions in the applicable Supplemental Memorandum apply.

"Credit Valuation Date" means:

- (A) *In the applicable Supplemental Memorandum the clause "Final Value" is stated as being "Fixed Recovery":*

The date on which the Credit Event Notice is delivered to the Shareholders.

- (B) *In the applicable Supplemental Memorandum the clause "Final Value" is stated as being "Floating Recovery":*

- (1) If the Final Value is to be determined pursuant to Auction Method, the auction date or any other date specified by the relevant Transaction Auction Settlement Terms; or
- (2) If the Final Value is to be determined pursuant to Quotation Dealers Method, the Calculation Agent will select in its own discretion a date that is on or before the

160th Business Day following the Credit Event Determination Date (the "**Original Credit Valuation Date**"),

PROVIDED THAT if the Calculation Agent is unable to determine the Final Value at the latest on the Original Credit Valuation Date, the Credit Valuation Date will be such later date, within the fifteen Business Day period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine the Final Value,

PROVIDED FURTHER THAT, under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

"Daily Dividend Calculation Amount" means, in respect of any day during a Dividend Period, the product of:

(A) The Dividend Credit Factor; and

(B) Either:

- (1) If the Preference Shares are Basket Preference Shares (which are not Tranche Preference Shares) and if the applicable Supplemental Memorandum specifies that the clause "Dividend Recovery" is stated as being "Fixed Dividend Recovery":

An amount, subject to a minimum of zero, equal to the sum of (a) the sum, for each Reference Entity in respect of which a Credit Event Determination Date has occurred on or prior to such day, of the product of (i) the Reference Entity Notional Amount for such Reference Entity and (ii) 1 (one) minus the product of (x) the Dividend Loss Factor and (y) the difference between the Reference Price and the Dividend Recovery Rate, and (b) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which no Credit Event Determination Date has occurred on or prior to such day.

- (2) If the Preference Shares are Basket Preference Shares or Tranche Preference Shares and if the applicable Supplemental Memorandum specifies that the clause "Dividend Recovery" is stated as being "Floating Dividend Recovery":

an amount, subject to a minimum of zero, equal to the Aggregate Nominal Amount minus the product of the Dividend Loss Factor and the Aggregate Loss Amount, provided that any Loss Amount that has not been determined on or before such day, shall be deemed to be equal to the relevant Reference Entity Notional Amount. The difference between the Dividend Amount that would have been payable if the Loss Amount had been determined on such date and the Dividend Amount actually paid shall be payable following the determination of such Loss Amount and paid either on the first Dividend Payment Date after the fourth Business Day following the Credit Valuation Date, or if, such determination occurs after the last Dividend Payment Date, on the fourth Payment Business Day following the corresponding Final Valuation Notice Receipt Date.

- (3) If the Preference Shares are Tranche Preference Shares and if the applicable Supplemental Memorandum specifies that the clause "Dividend Recovery" is stated as being "Fixed Dividend Recovery":

an amount, subject to a minimum of zero, equal to the Aggregate Nominal Amount minus an amount equal to the product of the Dividend Loss Factor and the Aggregate Loss Amount that would be calculated if the Final Value for all Reference Entities in respect of which a Credit Event Determination Date has occurred was deemed to be equal to the Dividend Recovery Rate.

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

"DC Credit Event Question" means, with respect to a Reference Entity, a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or one or more Obligations thereof).

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

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

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

"DC Rules" means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"DC Secretary" has the meaning given to it in the DC Rules.

"Default Requirement" means USD 10,000,000 or the amount specified in the applicable Supplemental Memorandum (or in each case its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event).

"Detachment Point" means in respect of Tranche Preference Shares the number (expressed as a percentage) specified in the applicable Supplemental Memorandum.

"Dividend Calculation Amount" means, in respect of Basket Preference Shares and Tranche Preference Shares, the amount for the purposes of calculating the interest payable under the Preference Shares on any Dividend Payment Date determined by the Calculation Agent in accordance with the provisions of Condition 1.

"Dividend Credit Factor" means 100 per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Dividend Loss Factor" means 100 per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Dividend Observation Dates" means the dates specified as such in the applicable Supplemental Memorandum.

"Dividend Rate" means the rate so specified in the applicable Supplemental Memorandum.

"Dividend Recovery Rate" means in respect of Basket Preference Shares or Tranche Preference Shares, zero per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Domestic Currency" means the currency specified as such in the applicable Supplemental Memorandum and any successor currency thereto (or if no such currency is specified, 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 organized, if the Reference Entity is not a Sovereign).

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

"Downstream Affiliate" means an entity, whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

"Due and Payable Amount" means the amount that is due and payable by the relevant Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the date selected by the Calculation Agent by reference to any Hedge Positions.

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

"Eligible Transferee" means:

- (A) any (i) bank or other financial institution; (ii) insurance or reinsurance company; (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (C)(i) below); and (iv) 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;
- (B) an Affiliate of an entity specified in the preceding paragraph (A);
- (C) each of a corporation, partnership, proprietorship, organisation, trust or other entity: (i) 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; (ii) that has total assets of at least USD 500,000,000; or (iii) 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 paragraphs (A), (B), (C)(ii) or (D) of this definition; and
- (D) (1) any Sovereign; (2) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition of Eligible Transferee to USD include equivalent amounts in other currencies, as determined by the Calculation Agent.

"European Settlement" means in respect of Credit Linked Preference Shares that the Settlement Type specified in the applicable Supplemental Memorandum is "*European Settlement*".

"Excluded Obligation" means, in respect of a Reference Entity and unless provided otherwise in the applicable Supplemental Memorandum:

- (a) any obligation of the Reference Entity specified as such or of a type described in the applicable Supplemental Memorandum;
- (b) if "Financial Reference Entity Terms" is specified as applicable in the applicable Supplemental Memorandum and the Preference Shares constitute a Senior Transaction in respect of the Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable in the applicable Supplemental Memorandum and the Preference Shares constitute a Subordinated Transaction in respect of the Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

"Excluded Selected Obligation" means, in respect of a Reference Entity and unless provided otherwise in the applicable Supplemental Memorandum:

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

"Exercise Cut-off Date" means, with respect to a Credit Event:

- (A) if such Credit Event is not an M(M)R Restructuring, either:
 - (1) the Relevant City Business Day (as defined in the DC Rules) prior to the Auction Final Price Determination Date (as specified in the relevant Transaction Auction Settlement Terms), if any; or
 - (2) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (3) the date that is 14 calendar days following the No Auction Announcement Date, if any; or
 - (4) in case sub-sections (A)(1) to (A)(3) above do not apply, the date that is 150 Business Days after the Credit Event Determination Date; or
 - (5) such other date as determined by the Calculation Agent as appropriate by reference to any Hedge Positions.
- (B) if such Credit Event is an M(M)R Restructuring, and:
 - (1) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
 - (2) a No Auction Announcement Date occurs, the date that is 14 calendar days following such No Auction Announcement Date; or
 - (3) in case sub-sections (B)(1) and (B)(2) above do not apply, the date that is 150 Business Days after the Credit Event Determination Date; or
 - (4) such other date as determined by the Calculation Agent as appropriate by reference to any Hedge Positions.

"Extension Date" means the later of (i) the Scheduled Maturity Date and (ii) the fourth Business Day following the Last Credit Event Occurrence Date, or, in the event of delivery of a Notice of Pending Credit Event, the date that is 110 Business Days following the DC Credit Event Meeting Announcement.

"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.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

"Fallback Settlement Event" means:

- (a) a No Auction Announcement Date occurs pursuant to paragraph (a) or (c)(i) of the definition thereof;
- (b) an Auction Cancellation Date occurs; or
- (c) a DC Credit Event Question Dismissal occurs.

A Fallback Settlement Event may occur on any date from and including the Credit Event Determination Date to and including the 160th Business Day following the Credit Event Determination Date.

"Final List" has the meaning given to that term in the DC Rules.

"Final Price" means, in respect of a Selected Obligation, a quotation (expressed as a percentage) of the Outstanding Principal Balance or Due and Payable Amount, as applicable, of such Selected Obligation, obtained from Quotation Dealers in the manner provided below. The Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at approximately 11.00 a.m. in the principal trading market of the relevant Selected Obligation or such other location as selected by the Calculation Agent. To such end:

- (A) 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).
- (B) 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).
- (C) 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.

- (D) 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.
- (E) 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 that the Calculation Agent shall determine on the next Business Day on which the Calculation Agent obtains two or more Full Quotations or a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the Credit Valuation Date, the Final Price will be deemed to be zero.

"Final Valuation Notice" means the notice delivered on the Final Valuation Notice Receipt Date, specifying:

- (A) *except if the Final Value is specified as Fixed Recovery in the applicable Supplemental Memorandum or if the Final Value is specified as Floating Recovery and Auction Method is specified as applicable in the applicable Supplemental Memorandum, the Selected Obligations (with an aggregate Outstanding Principal Balance or Due and Payable Amount, as applicable, equal to the Exercise Amount);*
- (B) *the Cash Redemption Amount; and*
- (C) *the Cash Redemption Date.*

"Final Valuation Notice Receipt Date" means the day (such day being expected to be no later than the 7th 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 Shareholders.

"Final Value" means, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, either:

- (A) *If the applicable Supplemental Memorandum specifies that the clause "Final Value" is stated as being "Fixed Recovery":*

The percentage specified as such in the applicable Supplemental Memorandum; or

- (B) *If the applicable Supplemental Memorandum specifies that the clause "Final Value" is stated as being "Floating Recovery":*

- (1) If Auction Method is specified as applicable in the applicable Supplemental Memorandum and therefore the Final Value is to be determined pursuant to a Transaction Auction Settlement Terms and if a Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date, that provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred, subject to the occurrence of a Fallback Settlement Event, the Auction Final Price (as specified in the relevant Transaction Auction Settlement Terms and expressed as a percentage) determined, if any, under such Transaction Auction Settlement Terms and applicable to the seniority of the Reference Obligation; or

- (2) If (i) Auction Method is specified in the applicable Supplemental Memorandum and (x) a Fallback Settlement Event occurs or (y) no Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date or (ii) Quotation Dealers Method is specified in the applicable Supplemental Memorandum, the amount determined by the Calculation Agent on the Credit Valuation Date as follows:

- (a) the Final Price if there is only one Selected Obligation; or
- (b) the weighted average of the Final Prices of the Selected Obligations if the latter are a portfolio,

in each case, minus the Valuation Hedging Cost for such Selected Obligation(s).

"First Credit Event Occurrence Date" is the date specified as such in the applicable Supplemental Memorandum.

"First Ranking Interest" means a charge, security interest (or other type of interest having similar effect) (an **"LPN Interest"**), which is expressed as being "first ranking", "first priority", or similar (**"First Ranking"**) in the document creating such LPN Interest (notwithstanding that such LPN Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

"First-to-Default Preference Share" means a Credit Linked Preference Share indexed on two or more Reference Entities, in respect of which the First-to-Default Reference Entity will be treated as if it were the sole Reference Entity and for which the Type of Credit Linked Preference Shares is specified as *"First-to-Default Preference Shares"* in the applicable Supplemental Memorandum.

"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 Condition 1. If the Type of Credit Linked Preference Shares is specified as *"First-to-Default Preference Shares"* in the applicable Supplemental Memorandum, the definitions of Obligation or Selected Obligation shall be construed as though such definitions had been specified only with respect to the First-to-Default Reference Entity.

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

"Fixed Recovery" means in respect of Credit Linked Preference Shares that the Final Value specified in the applicable Supplemental Memorandum is specified as *"Fixed Recovery: [] per cent."*

"Floating Recovery" means in respect of Credit Linked Preference Shares that the Final Value specified in the applicable Supplemental Memorandum is specified either as *"Floating Recovery with Auction Method"* or *"Floating Recovery with Quotation Dealers Method"*.

"Full Quotation" means each firm bid quotation obtained from a Quotation Dealer for an amount equal to the Quotation Amount.

"Fully Transferable Obligation" means a 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 Selected Obligation other than Bonds and in each case, as of the date(s) determined by the Calculation Agent by reference to Hedge Positions. 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 definition.

"Further Subordinated Obligation" means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

"Governmental Authority" means:

- (i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of a Reference Entity or some or all of its obligations; or
- (iv) any other authority which is analogous to any of the entities specified in paragraphs (i) to (iii) above.

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

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

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

"Grace Period" means:

- (A) subject to paragraphs (B) and (C) below, the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (B) if Grace Period Extension is specified as "*Applicable*" in the applicable Supplemental Memorandum, a Potential Failure to Pay has occurred on or prior to the Scheduled Last Credit Event Occurrence Date, and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Last Credit Event Occurrence Date, the Grace Period will be deemed to be the lesser of such grace period and thirty calendar days or such other period specified in the applicable Supplemental Memorandum; and

- (C) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that; unless Grace Period Extension is specified as "*Applicable*" in the applicable Supplemental Memorandum, such deemed Grace Period shall expire no later than the Scheduled 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, (a) if the Obligation Currency is the euro, a TARGET2 Business Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

"Grace Period Extension Date" means, if (a) Grace Period Extension is specified as "*Applicable*" in the applicable Supplemental Memorandum and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence 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 applicable Supplemental Memorandum, Grace Period Extension shall not apply to the Preference Shares.

"Greenwich Mean Time (GMT)" means the mean solar time at the Greenwich meridian, in Greenwich, London.

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

"Guaranteed Dividend" means, in respect of Credit Linked Preference Shares, that the applicable Supplemental Memorandum specifies that the clause "*Accrual of Dividend upon Credit Event*" is stated as being "Guaranteed Dividend".

"Hedge Positions" means any purchase, sale, entry into or maintenance, by Societe Generale or any of its Affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the part of Societe Generale's or any of its Affiliates' obligations under the Preference Shares.

"Largest Asset Package" means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of assets with the highest immediately realisable value, determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it deems appropriate, including (without limitation) any Hedge Positions and the methodology, if any, determined by the Credit Derivatives Determinations Committee.

"Last Credit Event Occurrence Date" means the latest of:

- (A) the Scheduled Last Credit Event Occurrence Date;
- (B) *if the applicable Supplemental Memorandum specifies that "Repudiation/Moratorium" is "Applicable" to the relevant Reference Entity:*

the Repudiation/Moratorium Evaluation Date (if any), or, in the case of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, the last Repudiation/Moratorium Evaluation Date (if any); and

- (C) *if the applicable Supplemental Memorandum specifies that "Failure to Pay" and "Grace Period Extension" are "Applicable" to the relevant Reference Entity:*

the Grace Period Extension Date, or, in the case of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, the last Grace Period Extension Date, if the Potential Failure to Pay with respect to the relevant Failure to Pay has occurred on or prior to the Scheduled Last Credit Event Occurrence Date.

"Latest Notification Date" means the 30th Business Day following the Exercise Cut-off Date provided that it will be no later than the 180th Business Day after the Credit Event Determination Date.

"Limitation Date" means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: two and a half years (the **"2.5-year Limitation Date"**), five years, seven and half years, ten years (the **"10-year Limitation Date"**), twelve and a half years, fifteen years, or twenty years as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange:

- (A) if the Obligation Characteristic Listed is specified as *"Applicable"* in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds; and
- (B) if the Selected Obligation Characteristic Listed is specified as *"Applicable"* in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Bonds.

"Loan" means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

"Loss Amount" means:

- (A) *In respect of Basket Preference Shares and Tranche Preference Shares if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Not Applicable":*

In relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero; and

- (B) *In respect of Tranche Preference Shares if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Applicable"*

In relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred:

- (1) which has a Ranking strictly lower than N: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the Reference Price.
- (2) which has a Ranking higher than or equal to N and lower than or equal to M: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.

- (3) which has a Ranking strictly higher than M: an amount equal to zero.

"LPN Reference Obligation" means each Reference Obligation other than any Additional Obligation. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation. Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference Entity. For the purposes of the Preference Shares each such loan shall be an Underlying Loan. For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the Outstanding Principal Balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation. The definitions of "Substitute Reference Obligation(s)" and "Substitution Event" shall not be applicable to LPN Reference Obligations.

"M" means the number specified as such in the applicable Supplemental Memorandum corresponding to the Ranking above which the Aggregate Loss Amount ceases to increase.

"M(M)R Restructuring" means a Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable in the applicable Supplemental Memorandum.

"Maturity Date" means a date that is a Payment Business Day:

(A) *If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "American Settlement":*

- (1) the Final Redemption Date or other date specified as such in the applicable Supplemental Memorandum (the "**Scheduled Maturity Date**"); or
- (2) the Cash Redemption Date if a Credit Event Notice is delivered during the Notice Delivery Period; or
- (3) the later of the two following dates:
 - (a) if the applicable Supplemental Memorandum specifies that "Repudiation/Moratorium" is stated as being "Applicable" to the relevant Reference Entity:

the day that is four Payment Business Days following the Repudiation/Moratorium Evaluation Date, or in the case of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, following the last Repudiation/Moratorium Evaluation Date, if:

- (1) a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date;
 - (2) the Repudiation/Moratorium Extension Condition is satisfied;
 - (3) such Repudiation/Moratorium Evaluation Date falls after the Scheduled Maturity Date; and
 - (4) no Credit Event Notice in respect of such Potential Repudiation/Moratorium is delivered during the Notice Delivery Period; and
- (b) if the applicable Supplemental Memorandum specifies that "Grace Period Extension" is stated as being "Applicable" to the relevant Reference Entity:

the day that is four Payment Business Days following the Grace Period Extension Date, or, in the case of First-to-Default Preference Shares,

Basket Preference Shares and Tranche Preference Shares, following the last Grace Period Extension Date if

- (1) a Potential Failure to Pay occurs on or prior to the Scheduled Last Credit Event Occurrence Date;
- (2) such Grace Period Extension Date falls after the Scheduled Maturity Date; and
- (3) no Credit Event Notice in respect of such Potential Failure to Pay is delivered during the Notice Delivery Period.

(B) *If the applicable Supplemental Memorandum specifies that the clause "Settlement Type" is stated as being "European Settlement":* the later of the dates set out in paragraphs (A)(1), (A)(2) and (A)(3) above.

PROVIDED that, in all cases, if a Notice of Pending Credit Event in relation to a Reference Entity is delivered prior to the Scheduled Maturity Date and is still effective on the Scheduled Maturity Date, the Maturity Date will be either the date on which the Suspended Amounts are paid to the Shareholders or, if a Credit Event Notice relating to the event in the Notice of Pending Credit Event is delivered, the Cash Redemption Date.

PROVIDED FURTHER that, unless Preliminary Cash Redemption is specified as "Not Applicable", with respect to Basket Preference Shares and Tranche Preference Shares in relation to which an Unsettled Credit Event exists, a Preliminary Cash Redemption Amount will be paid on the Scheduled Maturity Date in relation to the portion of the Nominal Amount of Preference Shares not affected by the Unsettled Credit Event and, (i) if the Retained Amount is equal to zero, the Maturity Date will be the Scheduled Maturity Date; or (ii) in all other cases, the Maturity Date will be as defined in paragraphs (A) and (B) above.

"Maximum Maturity" means an obligation that has a remaining maturity of not greater than the period specified in the applicable Supplemental Memorandum (or if no such period is specified, thirty years).

For purposes of the application of the Selected Obligation Characteristic Maximum Maturity, remaining maturity shall be determined on the basis of the terms of the Selected Obligation in effect at the time of making such determination, and in the case of a Selected Obligation that is due and payable, the remaining maturity shall be zero.

"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.

"Mod R" means, if specified as *"Applicable"* in the applicable Supplemental Memorandum and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, then unless the Selected Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, that a Selected Obligation may only be specified in the Final Valuation Notice if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case, as of the date(s) determined by the Calculation Agent by reference to any applicable Hedge Positions.

For the purposes of making a determination pursuant to the above, final maturity date shall be determined on the basis of the terms of the Selected Obligation in effect at the time of making such determination and, in the case of a Selected Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2014 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled

Termination Date (as defined in the 2014 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Preference Shares, the condition set out in (ii) above shall not be applicable.

PROVIDED FURTHER that, whether or not Transaction Auction Settlement Terms are published, the Calculation Agent may, in its sole discretion but by reference to Hedge Positions, deem the condition set out in (ii) above to be not applicable.

"Mod Mod R" means, if specified as *"Applicable"* in the applicable Supplemental Memorandum and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, then unless the Selected Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, that a Selected Obligation may only be specified in the Final Valuation Notice if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of the date(s) determined by the Calculation Agent by reference to Hedge Positions.

Notwithstanding the foregoing, for purposes of the paragraph above in this definition of Mod Mod R, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

For the purposes of making a determination pursuant to the above, final maturity date shall, subject as set out above, be determined on the basis of the terms of the Selected Obligation in effect at the time of making such determination and, in the case of a Selected Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2014 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2014 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Preference Shares, the condition set out in (ii) above shall not be applicable.

PROVIDED FURTHER that, whether or not Transaction Auction Settlement Terms are published, the Calculation Agent may, in its sole discretion but by reference to Hedge Positions, deem the condition set out in (ii) above to be not applicable.

"Modified Restructuring Maturity Limitation Date" means, with respect to a Selected Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date.

Subject to the foregoing, if the Scheduled Maturity Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Multiple Holder Obligation" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this part (ii) of this definition of Multiple Holder Obligation; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the applicable Supplemental Memorandum as *"Standard Emerging European Corporate LPN"* or *"Emerging European Corporate LPN"*, Multiple Holder Obligation shall be deemed as *"Not Applicable"* with respect to any Reference Obligation (and any Underlying Loan).

"N" means the number specified as such in the applicable Supplemental Memorandum corresponding to the Ranking starting at which the Aggregate Loss Amount will be an amount greater than zero.

"**No Accrued Dividend upon Credit Event**" means, in respect of Credit Linked Preference Shares, that the applicable Supplemental Memorandum specifies that the clause "*Accrual of Dividend upon Credit Event*" is stated as being "*No Accrued Dividend upon Credit Event*".

"**No Auction Announcement Date**" means with respect to a Credit Event, the date on which the DC Secretary first publicly announces that (a) no Transaction Auction Settlement Terms, and if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee had Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (i) no Parallel Auction will be held or (ii) one or more Parallel Auctions will be held.

"**No Standard Reference Obligation**" means if the Standard Reference Obligation is removed from the SRO List and not immediately replaced, such obligation shall cease to be a Reference Obligation (other than for the purpose of the "*Not Subordinated*" Obligation Characteristic or "*Not Subordinated*" Selected Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the relevant Reference Entity shall constitute the Reference Obligation for it.

"**Nominal Amount**" means, in respect of Single Name Preference Shares or First-to-Default Preference Shares, the amount per Preference Share specified as such in the applicable Supplemental Memorandum subject, as the case may be, to the provisions of Condition 1.

"**Non-Conforming Reference Obligation**" means a Reference Obligation which is not a Conforming Reference Obligation.

"**Non-Conforming Substitute Reference Obligation**" means an obligation which would be a Selected Obligation determined in accordance with paragraph (B) of the definition of Selected Obligation on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable), any relevant obligation determined by the Calculation Agent by reference to any Hedge Positions.

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

"**Non-Standard Reference Obligation**" means the Original Non-Standard Reference Obligation (if any) or, if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

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

"**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. If the Selected Obligation Characteristic Not Bearer is specified as "*Applicable*" in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Bonds.

"Not Domestic Currency" means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a 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 intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the 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 issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity.

If the Obligation Characteristic "*Not Domestic Issuance*" is specified as "*Applicable*" in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though not Domestic Issuance had been specified as an Obligation Characteristic only with respect to Bonds.

If the Selected Obligation Characteristic "*Not Domestic Issuance*" is specified as "*Applicable*" in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Bonds.

"Not Domestic Law" means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law.

"Not Sovereign Lender" means any obligation that is not primarily owed to (a) a Sovereign or (b) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "*Paris Club debt*".

"Not Subordinated" means, in respect of a Reference Entity, an obligation of the Reference Entity that is not Subordinated to (a) the Reference Obligation or (b) the Prior Reference Obligation, if applicable; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the applicable Supplemental Memorandum as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*" this definition shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

"Notice Delivery Period" means the period from and including the Issue Date to and including the Extension Date.

"Notice of Pending Credit Event" means a notice delivered, on a date which is expected to be no later than 10 Business Days following the relevant DC Credit Event Meeting Announcement, by or on behalf of the Issuer that (a) informs the Shareholders of the occurrence of a DC Credit Event Meeting Announcement and (b) states that payment of amounts due and payable under the Preference Shares, whether in connection with accrued interest or redemption, shall be suspended (the "**Suspended Amounts**") pending the publication of a DC Resolution or as the case may be, a DC No Credit Event Announcement.

PROVIDED THAT:

- (A) if a DC Resolution confirming the existence of a Credit Event in relation to the relevant Reference Entity in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date, is published within 100 Business Days following the DC Credit Event Meeting Announcement, the Issuer will deliver or arrange delivery of a Credit Event Notice within 10 Business Days of such publication;

- (B) if a DC No Credit Event Announcement in relation to the relevant Reference Entity is published within 100 Business Days following the DC Credit Event Meeting Announcement, the Suspended Amounts under the Preference Shares shall be paid to the Shareholders within 10 Payment Business Days of such publication;
- (C) if a DC Resolution Resolving not to determine the existence of a Credit Event in relation to the relevant Reference Entity is published within 100 Business Days following the DC Credit Event Meeting Announcement, either (i) the Suspended Amounts due under the Preference Shares shall be paid to the Shareholders within 10 Payment Business Days of such publication; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information (if applicable) within 10 Business Days of such publication; and
- (D) if no DC Resolution or DC No Credit Event Announcement is published after 100 Business Days following the DC Credit Event Meeting Announcement, the Notice of Pending Credit Event shall be deemed cancelled and either (i) the Suspended Amounts due under the Preference Shares shall be paid to the Shareholders within 10 Payment Business Days; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information (if applicable) within 10 Business Days.

"Notice of Publicly Available Information" means, in relation to a Credit Event Notice or a Repudiation/Moratorium Extension Notice, a 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. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. Unless "*Notice of Publicly Available Information*" is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, if 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.

"Obligation" means:

- (A) any obligation of a Reference Entity (either directly or as provider of a Relevant Guarantee) described by the Obligation Category specified in the applicable Supplemental Memorandum and having each of the Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum, in each case, immediately prior to the Credit Event which is the subject of the Credit Event Notice or as otherwise determined by the Calculation Agent by reference to any Hedge Positions; and
- (B) the Reference Obligation(s) (if any),

in each case, unless it is an Excluded Obligation.

"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 Supplemental Memorandum.

"Obligation Characteristics" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, as specified in the applicable Supplemental Memorandum.

If "*Financial Reference Entity Terms*" and "*Governmental Intervention*" are specified as applicable in the applicable Supplemental Memorandum, if an obligation would otherwise

satisfy a particular Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic.

"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.

"Observed Dividend" means, if the Observed Dividend option is specified as "Applicable" in the applicable Supplemental Memorandum, the amount payable under each Preference Share for each Dividend Period:

- (A) in respect of Single Name Preference Shares and First-to-Default Preference Shares, for each Dividend Period:

If the applicable Supplemental Memorandum specifies that the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" is "Applicable":

Observed Dividend shall be an amount equal to the product of (a) the Dividend Rate, (b) the Nominal Amount and if any (c) the applicable Day Count Fraction; and

If the applicable Supplemental Memorandum specifies that the clause "Structured Dividend Preference Share Provisions" is "Applicable":

Observed Dividend shall be the amount as specified in the applicable Supplemental Memorandum:

- (E) in respect of Basket Preference Shares and Tranche Preference Shares, for each Dividend Period:

If the applicable Supplemental Memorandum specifies that the clause "Fixed Rate Preference Share" or "Floating Rate Preference Share" is "Applicable":

Observed Dividend shall be an amount equal to the product of (a) the Dividend Rate, (b) the Relevant Proportion of the Dividend Calculation Amount (or the Nominal Amount if the paragraph "Accrual of Dividend upon Credit Event" is specified as being "Guaranteed Dividend" in the applicable Supplemental Memorandum) and if any (c) the applicable Day Count Fraction; and

If the applicable Supplemental Memorandum specifies that the clause "Structured Dividend Preference Share" is "Applicable":

Observed Dividend shall be the amount as specified in the applicable Supplemental Memorandum.

"Original Non-Standard Reference Obligation" means the obligation of the Reference Entity (either directly or as provider of a guarantee and which may be, for the avoidance of doubt, the Standard Reference Obligation) which is specified as the Reference Obligation in the applicable Supplemental Memorandum (if any is so specified) provided that if an obligation is not an obligation of the relevant Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the Preference Shares (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristics or "Not Subordinated" Selected Obligation Characteristics) unless (a) Non-

Reference Entity Original Non-Standard Reference Obligation is specified as applicable in the applicable Supplemental Memorandum; or (b) the Preference Shares are Reference Obligation Only Preference Shares.

"Outstanding Principal Balance" means the "Outstanding Principal Balance" of an obligation calculated as follows:

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

in each case, determined;

- (A) unless otherwise specified, in accordance with the terms of the obligation in effect on the date selected by the Calculation Agent by reference to any Hedge Positions; and
- (B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

Where:

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

"P" means the number specified as such in the applicable Supplemental Memorandum corresponding to the number of Reference Entities within the Reference Portfolio.

"Package Observable Bond" means in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within the definition of Selected Obligation set out in paragraph (A) or (B) of the definition of Selected Obligation, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

"Parallel Auction" means "Auction" as defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Settlement Terms" means, following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which the

Deliverable Obligation Terms (as defined in the relevant Transaction Auction Settlement Terms) are the same as the Deliverable Obligation Provisions (as defined in the relevant Transaction Auction Settlement Terms) applicable to the relevant Reference Entity and for which such Reference Entity would not be an Auction Covered Transaction (as defined in the relevant Transaction Auction Settlement Terms).

"Payment" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

"Payment Requirement" means USD 1,000,000 or the amount specified in the applicable Supplemental Memorandum (or in each case, its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable).

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

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

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

"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 in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

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

"Preliminary Cash Redemption Amount" means, with respect to Basket Preference Shares and Tranche Preference Shares in relation to which an Unsettled Credit Event has occurred, an amount (subject to a minimum of zero) payable on the Scheduled Maturity Date calculated for each Preference Share as an amount equal to the product of (x) the Principal Credit Factor and (y) the Relevant Proportion of the difference between (a) the Aggregate Nominal Amount minus the product of the Principal Loss Factor and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date and (b) the Retained Amount.

"Principal Credit Factor" means 100 per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Principal Loss Factor" means 100 per cent. or the percentage specified in the applicable Supplemental Memorandum.

"Prior Deliverable Obligation" means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice) any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of Selected Obligation set out in paragraph (A) or (B) of the definition of Selected Obligation, in each case, immediately preceding the date on which such Governmental Intervention was legally effective or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice), such Reference Obligation, if any.

"Prior Reference Obligation" means, in respect of a Reference Entity and in circumstances where there is no Reference Obligation applicable thereto for the purposes of the Preference Shares, (a) the Reference Obligation most recently applicable thereto, if any, and otherwise (b) the obligation specified in the applicable Supplemental Memorandum as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Issue Date and otherwise, (c) any unsubordinated Borrowed Money Obligation of such Reference Entity.

"Private-side Loan" means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

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

"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:

- (A) has been published in or on not less than the Specified Number of Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information); or
- (B) is information received from or published by:
 - (1) the relevant Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign);
 - (2) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation,
- (C) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body, or
- (D) is information contained in a public announcement by ISDA,

Provided that where any information of the type described in paragraph (B) or (C) of this definition is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

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

Without limitation, Publicly Available Information need not state (i) in relation to a Downstream Affiliate, the percentage of Voting Shares owned by the Reference Entity and (ii) that the relevant occurrence (a) has met the Payment Requirement or Default Requirement, (b) is the result of exceeding any applicable Grace Period, or (c) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both (i) and (ii) of the definition thereof.

"Public Source" means each source of Publicly Available Information specified in the applicable Supplemental Memorandum (or if no such source is specified, each of Bloomberg, Reuters, Dow Jones, Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), as well as 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 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.

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

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

- (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as "Applicable" in the applicable Supplemental Memorandum; or
- (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as "Applicable" in the applicable Supplemental Memorandum.

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

If an Obligation or Selected Obligation is a Relevant Guarantee, the following will apply:

- (A) For purposes of the application of the Obligation Category or Selected Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (B) For purposes of the application of the Obligation Characteristics or Selected Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Selected Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, and Not Domestic Law.
- (C) For purposes of the application of the Obligation Characteristics or Selected Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Selected Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum from the following list: Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (D) For the purposes of the application of the Obligation Characteristics or Selected Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

"Quotation Amount" means:

- (A) in respect of Single Name Preference Shares and First-to-Default Preference Shares, an amount selected by the Calculation Agent, subject to a cap equal to the aggregate of the Nominal Amount of each Preference Share (or the Partial Redemption Amount or the Multiple Successor Notional Amount, as applicable) (such aggregate amount, the "**Exercise Amount**") for all outstanding Preference Shares, if there is only one Selected Obligation; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be an amount selected by the Calculation Agent in respect of each Selected Obligation such that the sum of all such Quotation Amounts be subject to a cap equal to the Exercise Amount;
- (B) in respect of Basket Preference Shares and Tranche Preference Shares, an amount selected by the Calculation Agent, subject to a cap equal to the Reference Entity Notional Amount (or the Partial Restructuring Notional Amount, as applicable) (such amount, the

"Exercise Amount"), if there is only one Selected Obligation; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be an amount selected by the Calculation Agent in respect of each Selected Obligation such that the sum of all such Quotation Amounts be subject to a cap equal to the Exercise Amount;

- (C) any other amount as decided by the Calculation Agent acting in its sole and absolute discretion but in a commercially reasonable manner.

Provided that the Quotation Amount (or the sum of the Quotation Amounts as the case may be) shall be no less than EUR 1 million (or its equivalent in the relevant currency).

"Quotation Dealers" means at least five leading dealers in obligations of the type of the Selected Obligation(s), which may include Societe Generale, as selected by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

"Quotation Dealers Method" means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined by the Calculation Agent in accordance with the provisions of the definition of Final Price.

Quotation Dealers Method shall apply if "Quotation Dealers Method" is specified in the applicable Supplemental Memorandum or a Fallback Settlement Event occurs or no Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date.

"Ranking" means, for Tranche Preference Shares where N-to-M-to-Default is specified as "Applicable" in the applicable Supplemental Memorandum, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, the ranking in time of occurrence of such Credit Event Determination Date amongst all Credit Event Determination Dates, provided that if several Credit Event Determination Dates are identical in respect of several Reference Entities comprised within the Reference Portfolio, the date on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities and if the Credit Event Notices have been sent on the same date, the time on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities.

For the avoidance of doubt, the first Reference Entity in respect of which a Credit Event Determination Date occurs will have a Ranking of 1.

"Reference Entity" means any entity specified as such in the applicable Supplemental Memorandum or any Successor thereto, which may be any firm, company, corporation, any unincorporated association, establishment or other entity, or any equivalent entity, a government, state or local authority or agency of a state or of a local authority, or any state-owned or state-controlled entity, any partnership, limited or otherwise, any special purpose vehicle (incorporated or otherwise), any category or type of fund (including, without limitation, open-end funds, closed-end funds, hedge funds, mutual funds, managed funds or any other collective investment scheme, vehicle or organisation), any securitisation company and any broadly equivalent entity of any of the aforementioned entities.

"Reference Entity Notional Amount" means, unless specified otherwise in the applicable Supplemental Memorandum, for each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount.

"Reference Entity Weighting" means the proportion specified as such in the applicable Supplemental Memorandum, which will be adjusted in accordance with the provisions of (i) the definition of Successor upon the occurrence of a Succession Date or (ii) Condition 1.3.2(b), if applicable.

"Reference Obligation(s)" means, in respect of a Reference Entity, the Standard Reference Obligation, if any, unless:

- (A) "Standard Reference Obligation" is specified as "Not Applicable" in the applicable Supplemental Memorandum, in which case the Reference Obligation(s) will be the Non-Standard Reference Obligation(s), if any; or
- (B) "Standard Reference Obligation" is specified as "Applicable" in the applicable Supplemental Memorandum (or there is no election specified in the applicable Supplemental Memorandum), there is no Standard Reference Obligation and a Non-Standard Reference Obligation is specified in the applicable Supplemental Memorandum, in which case the Reference Obligation will be the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation,

provided that, in respect of a Reference Entity which has a Transaction Type being specified in the applicable Supplemental Memorandum as being "Standard Emerging European Corporate LPN" or "Emerging European Corporate LPN", Reference Obligation(s) means, as of the Issue Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Supplemental Memorandum or set forth on the relevant LPN Reference Obligations List (each, a "**Markit Published LPN Reference Obligation**"), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com> (or any successor website thereto) or as stipulated in the applicable Supplemental Memorandum, any Additional LPN, determined in accordance with the Additional LPN definition, and each Additional Obligation. For the avoidance of doubt, in respect of a Reference Entity which has a Transaction Type being specified in the applicable Supplemental Memorandum as "Standard Emerging European Corporate LPN" or "Emerging European Corporate LPN", (i) notwithstanding anything to the contrary in these *Additional Terms and Conditions for Credit Linked Preference Shares - Part B (2014 definitions)* (in particular, notwithstanding that the obligation is not an obligation of the Reference Entity), each Reference Obligation will be an Obligation and a Selected Obligation; (ii) "Standard Reference Obligation" shall be deemed specified as "Not Applicable"; and (iii) the provisions in the definition of "Original Non-Standard Reference Obligation" shall not apply.

"**Reference Obligation Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only.

"**Reference Obligation Only Preference Shares**" means that (a) "Reference Obligation Only" is specified as the Obligation Category and Selected Obligation Category, if applicable, in the applicable Supplemental Memorandum and (b) Standard Reference Obligation is specified as "Not Applicable" in the applicable Supplemental Memorandum.

"**Reference Portfolio**" means, in respect of First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares, a portfolio comprising all the Reference Entities.

"**Reference Portfolio Notional Amount**" means, unless specified otherwise in the applicable Supplemental Memorandum, (i) in respect of Tranche Preference Shares, an amount equal to the Aggregate Nominal Amount divided by the difference between the Detachment Point and the Attachment Point; and (ii) in respect of Basket Preference Shares which are not Tranche Preference Shares, an amount equal to the Aggregate Nominal Amount.

"**Reference Price**" means the percentage specified in the applicable Supplemental Memorandum (or, if not specified, 100%).

"**Relevant Guarantee**" means a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Supplemental Memorandum, a Qualifying Guarantee.

"**Relevant Holder**" means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the

Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in respect of such Prior Deliverable Obligation or Package Observable Bond by the Calculation Agent.

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

- (A) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded:
 - (1) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (A) of the definition of Successor make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
 - (2) if "Financial Reference Entity Terms" is specified as "Applicable" in the applicable Supplemental Memorandum and the Preference Shares are a Senior Transaction, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and
 - (3) if "Financial Reference Entity Terms" is specified as "Applicable" in the applicable Supplemental Memorandum, and the Preference Shares are a Subordinated Transaction, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall have the same meaning as it would if the Preference Shares were a Senior Transaction.

"Relevant Proportion" means the proportion which one Preference Share bears to the total number of Preference Shares outstanding.

"Repudiation/Moratorium" means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more 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 Repudiation/Moratorium Evaluation Date.

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Last Credit Event Occurrence Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"Repudiation/Moratorium Extension Condition" means a condition that is satisfied:

- (A) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Last Credit Event Occurrence Date, or
- (B) otherwise, by the delivery of a Repudiation/Moratorium Extension Notice and unless Notice of Publicly Available Information is specified as "Not Applicable" in the applicable Supplemental Memorandum, a Notice of Publicly Available Information by or on behalf of the Issuer to the Shareholders that is effective on or prior to the Scheduled Maturity Date.

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

"Repudiation/Moratorium Extension Notice" means an irrevocable notice delivered by or on behalf of the Issuer to the Shareholders that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Last Credit Event Occurrence 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. Unless Notice of Publicly Available Information is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, if a Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

"Residual Cash Redemption Amount" means, in relation to Basket Preference Shares and Tranche Preference Shares with respect to which one or more Unsettled Credit Event(s) has(ve) occurred, an amount payable on the Maturity Date representing the difference between the Cash Redemption Amount and the Preliminary Cash Redemption Amount.

"Resolve" has the meaning given to it in the DC Rules, and "Resolved" and "Resolves" shall be construed accordingly.

"Restructured Bond or Loan" means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

"Restructuring" means that:

- (A) with respect to one or more 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 (including, in each case, in respect of Bonds only, by way of an exchange) and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the First Credit Event Occurrence Date (or such other date determined by the Calculation Agent by reference to any Hedge Position) and the date as of which such Obligation is issued or incurred:

- (1) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (2) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (3) 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;
 - (4) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (5) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).
- (B) Notwithstanding the provisions of paragraph (A) above, none of the following will constitute a Restructuring:
- (1) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (2) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
 - (3) the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (4) the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (A)(5) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.
- (C) For the purposes of paragraphs (A) and (B) above and, unless Multiple Holder Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, paragraph (E) 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 Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in paragraph (A) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (B) above shall continue to refer to the Reference Entity.

- (D) If an exchange has occurred, the determination as to whether one of the events described under paragraphs (A)(1) to (A)(5) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.
- (E) Unless Multiple Holder Obligation is specified as "Not Applicable" in the applicable Supplemental Memorandum, then, notwithstanding anything to the contrary in paragraphs (A), (B) and (C) above, the occurrence of, agreement to or announcement of any of the events described in paragraphs (A)(1) to (A)(5) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

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

"Restructuring Maturity Limitation Date" means, with respect to a Selected Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan, occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan a **"Latest Maturity Restructured Bond or Loan"**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

"Retained Amount" means, in relation to Basket Preference Shares or Tranche Preference Shares in respect of which one or more Unsettled Credit Event(s) has(ve) occurred, the sum of (x) the Unwind Costs (if any) and (y) the lower of:

- (A) The difference between the Aggregate Nominal Amount and the product of the Principal Loss Factor and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date; and
- (B) Either:
 - (1) In respect of Basket Preference Shares, the product of the Principal Loss Factor and the aggregate of the Loss Amounts for all the Unsettled Credit Events (assuming a Final Value of zero in respect of each Unsettled Credit Event); or
 - (2) In respect of Tranche Preference Shares, the amount by which the product of the Principal Loss Factor and the Aggregate Loss Amount on the Maturity Date (assuming a Final Value of zero in respect of each Unsettled Credit Event) would exceed the product of the Principal Loss Factor and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date.

"Scheduled Last Credit Event Occurrence Date" means the date specified as such in the applicable Supplemental Memorandum.

"Selected Obligation(s)" means, for the purpose of determining the Final Price, as specified in the Final Valuation Notice, any of:

- (A) the Reference Obligation(s) (if any);
- (B) any obligation of a Reference Entity (either directly or as provider of a Relevant Guarantee) described by the Selected Obligation Category specified in the applicable Supplemental Memorandum and having each of the Selected Obligation Characteristics, if any, specified in the applicable Supplemental Memorandum (as of the date on which the Calculation Agent determines that such obligations are Selected Obligations);

- (C) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Selected Obligation; and
- (D) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "Financial Reference Entity Terms" is specified as "Applicable" in respect of the Reference Entity in the applicable Supplemental Memorandum) or any Package Observable Bond (if the Reference Entity is a Sovereign), PROVIDED THAT such Prior Deliverable Obligation or Package Observable Bond, as applicable, may be replaced by the related Asset Package, and (i) such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, and (ii) if the Asset Package is zero, the Final Price of such Asset Package shall be deemed to be zero,

in each case, (i) unless it is an Excluded Selected Obligation; and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount which is greater than zero (determined for the purposes of paragraph (D) above of this definition, immediately prior to the Asset Package Credit Event).

For purposes of assessing the applicability of Selected Obligation Characteristics and the requirements specified in the definition of Mod R and Mod Mod R to a Prior Deliverable Obligation or a Package Observable Bond, any such assessment shall be made by reference to the terms of the relevant Obligation in effect immediately prior to the Asset Package Credit Event.

If "*Subordinated European Insurance Terms*" is specified as "*Applicable*" in the applicable Supplemental Memorandum, if a Selected Obligation would otherwise satisfy the Maximum Maturity Selected Obligation Characteristic, the existence of any Solvency Capital Provisions in the relevant Selected Obligation shall not cause such Selected Obligation to fail to satisfy such Selected Obligation Characteristic.

Where a Selected Obligation is denominated in a currency other than the Specified Currency of the Preference Shares, the Calculation Agent will, where required, determine the Specified Currency equivalent of the Outstanding Principal Balance or Due and Payable Amount, as the case may be, in respect of that Selected Obligation by reference to the mid-point rate of conversion published by WM/Reuters at 4:00 pm (London time), or any successor rate source selected by the Calculation Agent on the Credit Valuation Date, or on such other date as determined by the Calculation Agent as appropriate by reference to any Hedge Positions and, if such rate is not available at such time, the Calculation Agent shall determine the rate at such time and by reference to such sources as it deems appropriate.

"Selected Obligation Accrued Dividends" means (a) if "Include Selected Obligation Accrued Dividends" is specified in the applicable Supplemental Memorandum, the Outstanding Principal Balance of the relevant Selected Obligation shall include accrued but unpaid dividends, (b) if "Exclude Selected Obligation Accrued Dividends" is specified in the applicable Supplemental Memorandum, the Outstanding Principal Balance of the relevant Selected Obligation shall not include accrued but unpaid dividends, or (c) if neither "Include Selected Obligation Accrued Dividends" nor "Exclude Selected Obligation Accrued Dividends" is specified in the applicable Supplemental Memorandum, the Calculation Agent shall determine based on the then current market practice in the market of the relevant Selected Obligation whether the Outstanding Principal Balance of the relevant Selected Obligation shall include or exclude accrued but unpaid dividends and, if applicable, the amount thereof.

"Selected Obligation Category" means any one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, as specified in the applicable Supplemental Memorandum. 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 Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Assignable Loan, Consent Required Loan, Transferable, Not Bearer, Maximum Maturity, Not Domestic Issuance and Accelerated or Matured as specified in the applicable Supplemental Memorandum. If more than one of Assignable Loan and Consent Required Loan are specified as Selected Obligation Characteristics in the applicable Supplemental Memorandum, 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.

If "*Financial Reference Entity Terms*" and "*Governmental Intervention*" are specified as applicable in the applicable Supplemental Memorandum, if an obligation would otherwise satisfy a particular Selected Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Selected Obligation Characteristic.

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

"Senior Transaction" means, in respect of a Reference Entity, that (a) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation.

"Seniority Level" means, with respect to an obligation of a Reference Entity (a) "*Senior Level*" or "*Subordinated Level*" as specified in the applicable Supplemental Memorandum, or (b) if no such seniority level is specified in the applicable Supplemental Memorandum, "*Senior Level*" if the Original Non-Standard Reference Obligation is a Senior Obligation or "*Subordinated Level*" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) "*Senior Level*".

"Settlement Type" means American Settlement or European Settlement as specified in the applicable Supplemental Memorandum.

"Single Name Preference Share" means a Credit Linked Preference Share indexed on one Reference Entity for which the applicable Supplemental Memorandum specifies that the clause "*Type of Credit Linked Preference Shares*" is stated as being "*Single Name Preference Shares*".

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

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

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

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

"Specified Currency" means for the purpose of these *Additional Terms and Conditions for Credit Linked Preference Shares – Part B (2014 definitions)*, an obligation that is payable in the

currency or currencies specified as such in the applicable Supplemental Memorandum (or, if Specified Currency is specified in the applicable Supplemental Memorandum and no currency is so specified, Standard Specified Currency), provided that if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

"**Specified Number**" means the number of Public Sources specified in the applicable Supplemental Memorandum (or if a number is not specified, two).

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

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

"**Standard Specified Currency**" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

"**Standard Unwind Costs**" means in respect of each Preference Share, an amount, subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including break funding charges and loss of funding, which, for the avoidance of doubt, represents the loss of future interest amounts to be received under the funding arrangement(s) entered into in relation to the Preference Shares), tax and duties incurred directly or indirectly by Societe Generale or any of its Affiliates in relation to the occurrence of a Credit Event Determination Date and the related partial or total termination, settlement or re-establishment of any Hedge Position, such amount to be apportioned *pro rata* amongst the outstanding Preference Shares.

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

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

"**Subordinated Transaction**" means, in respect of a Reference Entity, that the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

"**Subordination**" means, with respect to an obligation (the "**Second Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**First Obligation**"), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (ii) the holders of the Second Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. "**Subordinated**" will be construed accordingly. For the purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or

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

"Substitute Reference Obligation(s)" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraph (i) or (iii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Selected Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (ii) of the definition of Substitution Event has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraph (i) or (iii) of the definition of Substitution Event occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
 - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (ii) satisfies the Not Subordinated Selected Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (iii)
 - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (I) is a Selected Obligation (other than a Loan) determined in accordance with paragraph (B) of the definition of Selected Obligation or, where Selected Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, any relevant obligation determined by the Calculation Agent by reference to any Hedge Positions; or if no such obligation is available,
 - (II) is a Loan (other than a Private-side Loan) which constitutes a Selected Obligation determined in accordance with paragraph (B) of the definition of Selected Obligation or, where Selected Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, any relevant obligation determined by the Calculation Agent by reference to any Hedge Positions;
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-

Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:

- (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (II) is a Selected Obligation (other than a Loan) determined in accordance with paragraph (B) of the definition of Selected Obligation or, where Selected Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, any relevant obligation determined by the Calculation Agent by reference to any Hedge Positions; or if no such obligation is available,
 - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan) or, if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Selected Obligation determined in accordance with paragraph (B) of the definition of Selected Obligation or, where Selected Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, any relevant obligation determined by the Calculation Agent by reference to any Hedge Positions; or
- (B) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
- (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan) or if no such obligation is available,
 - (III) is a Selected Obligation (other than a Loan) determined in accordance with paragraph (B) of the definition of Selected Obligation or, where Selected Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, any relevant obligation determined by the Calculation Agent by reference to any Hedge Positions; or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Selected Obligation determined in accordance with paragraph (B) of the definition of Selected Obligation or, where Selected Obligation is specified as "*Not Applicable*" in the applicable Supplemental Memorandum, any relevant obligation determined by the Calculation Agent by reference to any Hedge Positions.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the Preference Shares, as determined by the Calculation Agent. The Substitute Reference Obligation will replace the Non-Standard Reference Obligation on such date as determined by the Calculation Agent by reference to any Hedge Positions, which is expected to be as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above. Information about the occurrence of a Substitute Reference Obligation with a

description in reasonable detail of the facts relevant to the determination of the Substitute Reference Obligation, including the identity thereof and the date of substitution, may be requested at any time by the Shareholders at the specified office of the Calculation Agent (subject to proof of ownership of such Preference Shares in a form acceptable to the Calculation Agent).

- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

"Substitution Date" means, with respect to a Substitute Reference Obligation, the date, selected by the Calculation Agent by reference to any Hedge Positions, that the Calculation Agent has determined in accordance with the definition of Substitute Reference Obligation.

"Substitution Event" means, with respect to the Non-Standard Reference Obligation:

- (i) the Non-Standard Reference Obligation is redeemed in whole;
- (ii) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (iii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of a Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in paragraph (i) or (ii) above has occurred on or prior to the Issue Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraph (i) or (ii), as the case may be, on the Issue Date.

If a Substitution Event occurs in respect of the Reference Obligation in Reference Obligation Only Preference Shares and unless Substitution Event Early Redemption is specified as *"Not Applicable"* in the applicable Supplemental Memorandum, the Calculation Agent shall consider such event as an event triggering the early redemption of the Preference Shares and the Issuer shall terminate its obligations under the Preference Shares and shall pay or cause to be paid the Early Redemption Amount. Notice shall be given by or on behalf of the Issuer to the Shareholders informing them of the Substitution Event and the date scheduled for early redemption.

"Substitution Event Date" means, with respect to a Reference Obligation, the date of the occurrence of the relevant Substitution Event.

"Succession Date" means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (A) of the definition of Successor would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

"**Successor**" means, in respect of a Reference Entity, the entity or entities, if any, determined as follows:

- (A) subject to paragraph (C) below of this definition, the entity or entities, if any determined as follows:
- (1) subject to paragraph (A)(7) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor and, in the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the succession.
 - (2) If only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. (but less than seventy five per cent.) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor and, in the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the succession.
 - (3) If more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the terms of the Preference Shares will be amended in accordance with the provisions set out in the definition of Multiple Successor in Condition 1.4 above. In the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the succession, divided by the number of Successors.
 - (4) If one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the terms of the Preference Shares will be amended in accordance with the provisions set out in the definition of Multiple Successor in Condition 1.4 above. In the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the succession, divided by the number of Successors.
 - (5) If one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the terms of the Preference Shares will not be changed in any way as a result of such succession.
 - (6) If one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor) and, in the case of Basket

Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of such Successor(s) will be the Reference Entity Weighting of the Reference Entity before the succession, divided by the number of Successor(s).

- (7) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and either (A) the Reference Entity has ceased to exist or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, that entity (the "**Universal Successor**") will be the sole Successor and, in the case of Basket Preference Shares and Tranche Preference Shares, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the succession or as otherwise determined by the Calculation Agent by reference to Hedge Positions.

PROVIDED THAT, in the case of Basket Preference Shares and Tranche Preference Shares, if the resulting Successor of a Reference Entity affected by a succession, or as the case may be, one or more of the several resulting Successors of such Reference Entity is(are) another Reference Entity comprised in the Reference Portfolio at the legally effective date of the succession, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the succession as determined in accordance with paragraphs (A)(1), (A)(2), (A)(3), (A)(4), (A)(6) or (A)(7) above and the Reference Entity Weighting of such Successor in effect prior to the succession.

PROVIDED FURTHER THAT, in the case of Basket Preference Shares and Tranche Preference Shares, if two or more Reference Entities are affected by a succession resulting in at least one common Successor, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the succession as determined in accordance with paragraphs (A)(1), (A)(2), (A)(3), (A)(4), (A)(6) or (A)(7) above with respect to each Reference Entity in respect of which it is a Successor.

PROVIDED FURTHER THAT (for paragraph (A) above), if the applicable Supplemental Memorandum specifies that the clause "N-to-M-to-Default" is stated as being "Applicable" or in respect of First-to-Default Preference Shares, the Calculation Agent will adjust the effect of any succession as necessary so that in all cases the number of Reference Entities in the Reference Portfolio will remain unchanged and if the applicable Supplemental Memorandum - EEA specifies that the clause "N-to-M-to-Default" is stated as being "Applicable", so that the Reference Entity Weighting will remain the same for all Reference Entities comprised in the Reference Portfolio, in particular:

- (1) if the resulting Successor of a Reference Entity (the "**Legacy Reference Entity**") affected by a succession is another Reference Entity comprised in the Reference Portfolio (the "**Surviving Reference Entity**") at the legally effective date of the succession, the Calculation Agent acting in good faith and in its sole discretion shall select a new entity having an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available) to the Legacy Reference Entity immediately prior to the occurrence of the succession; such new entity shall be deemed to have replaced the Legacy Reference Entity as Reference Entity effective on and from the date of the succession and if the applicable Supplemental Memorandum specifies that the clause "*N-to-M-to-Default*" is stated as being "Applicable", the Reference Entity Weighting of the Surviving Reference Entity shall remain the Reference Entity Weighting of the Surviving Reference Entity in effect prior to the succession and the Reference Entity Weighting of the entity having replaced the Legacy Reference Entity shall be

equal to the Reference Entity Weighting of the Legacy Reference Entity prior to the succession; and

- (2) if a succession would result in more than one Successor (the "**Potential Successors**") to a Reference Entity either directly or as provider of a Relevant Guarantee, the Calculation Agent shall select in its sole discretion only one entity (the "**Chosen Successor**") among the Potential Successors to replace the Reference Entity; the Chosen Successor shall be deemed to have replaced the Reference Entity and if the applicable Supplemental Memorandum specifies that the clause "*N-to-M-to-Default*" is stated as being "*Applicable*", its Reference Entity Weighting shall be equal to the Reference Entity Weighting of the Reference Entity prior to the succession.

For the purposes of this definition "**Rating**" means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Service Europe Limited 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.

- (B) The Calculation Agent will be responsible for determining with effect from the Succession Date any Successor or Successors under paragraph (A) above; provided that the Calculation Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations. Information about the occurrence of a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) pursuant to which one or more Successors to a Reference Entity can be determined, with reasonable detail of the facts relevant to the determination, pursuant to paragraph (A) of the definition of Successor, of the identity of any Successor(s), may be requested at any time by the Shareholders at the specified office of the Calculation Agent (subject to proof of ownership of such Preference Shares in a form acceptable to the Calculation Agent), and will be notified as part of a notice of Potential Failure to Pay or a Repudiation/Moratorium Extension Notice or a Credit Event Notice (as the case may be) in respect of the relevant Reference Entity.

The Calculation Agent will make all calculations and determinations required to be made under this definition on the basis of Eligible Information.

In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (A)(1) to (7) (inclusive) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions contemplated by such Steps Plan in aggregate as if forming part of a single succession.

- (C) An entity may only be a Successor if:
 - (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014
 - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
 - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (D) For the purposes of this definition, "*succeed*" means, with respect to a Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any

protocol, treaty, convention, accord, concord, entente, pact or other agreement) or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For the purposes of this definition, "**succeeded**" and "**succession**" shall be construed accordingly.

- (E) In the case of an exchange offer, the determination required pursuant to paragraph (A) above shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.
- (F) If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to one or more Relevant Obligations (collectively, the "**Joint Relevant Obligations**") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the relevant Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

"**Successor Backstop Date**" means for purposes of any Successor determination determined by DC Resolution the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Calculation Agent determines that the succession is effective which date may be determined, without limitation, by reference to any Hedge Positions and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Calculation Agent determines that the date on which the succession is effective (determined, without limitation, by reference to any Hedge Positions) is not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

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

"**Tranche Notional Amount**" means, in respect of Tranche Preference Shares, the Aggregate Nominal Amount of the Preference Shares or such other amount specified as such in the applicable Supplemental Memorandum.

"**Tranche Subordination Amount**" means, unless specified otherwise in the applicable Supplemental Memorandum, with respect to Tranche Preference Shares, the Reference Portfolio Notional Amount multiplied by the Attachment Point.

"**Tranche Preference Share**" means a Basket Preference Share for which the applicable Supplemental Memorandum specifies that the clause "*Type of Credit Linked Preference Shares*" is stated as being "*Tranche Preference Shares*".

"**Transaction Auction Settlement Terms**" means in respect of a Reference Entity and the related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the DC Rules or any other recognised association or organisation selected by the Calculation Agent (including for the avoidance of doubt any Auction Settlement), which provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event

has occurred and which shall be used to determine the amounts payable between the parties to a credit derivatives transaction referencing such Reference Entity for which Auction Covered Transactions (as defined in the DC Rules) would be credit derivatives transactions with a scheduled termination date comparable to or later than the Scheduled Maturity Date of the Preference Shares.

"Transaction Type" means, in respect of a Reference Entity, the transaction type specified in the applicable Supplemental Memorandum.

"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:

- (A) 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);
- (B) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
- (C) restrictions in respect of blocked periods on or around payment dates or voting periods.

If the Selected Obligation Characteristic Transferable is specified as "*Applicable*" in the applicable Supplemental Memorandum, such Supplemental Memorandum shall be construed as though such Selected Obligation Characteristic had been specified as a Selected Obligation Characteristic only with respect to Selected Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified Selected Obligation Category).

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

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

"Unsettled Credit Event" means, with respect to a Reference Entity, that:

- (A) a Credit Event Determination Date has occurred prior to the Scheduled Maturity Date but the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or
- (B) a Notice of Pending Credit Event is delivered less than 100 Business Days prior to the Scheduled Maturity Date and (i) a DC No Credit Event Announcement has not been published prior to the Scheduled Maturity Date and (ii) if a Credit Event Notice has subsequently been delivered in relation to the relevant Credit Event, the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or
- (C) a Potential Repudiation/Moratorium has occurred and is continuing at the Scheduled Maturity Date; or
- (D) a Potential Failure to Pay has occurred and is continuing at the Scheduled Maturity Date.

In respect of Basket Preference Shares or Tranche Preference Shares, unless Preliminary Cash Redemption is specified as "*Not Applicable*", the occurrence of an Unsettled Credit Event shall give rise to the payment of the Preliminary Cash Redemption Amount on the Scheduled Maturity Date and of the Residual Cash Redemption Amount on the Maturity Date.

"Unwind Costs" means, in respect of each Preference Share (i) Standard Unwind Costs if specified as such in the applicable Supplemental Memorandum or (ii) the amount specified in the applicable Supplemental Memorandum or (iii) zero if specified as being "Not Applicable" in the applicable Supplemental Memorandum.

"Valuation Hedging Cost" means, in relation to a Selected Obligation, the direct and duly documented cost, if any, borne by the Issuer, the Issuer's hedging counterparty, the Calculation Agent or an agent on their behalf in relation to the determination of the Final Price.

"Voting Shares" means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"Weighted Average Quotation" means, 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 approximately equal to or greater than the Quotation Amount.

PART C (ADDITIONAL PROVISIONS FOR MIXED REFERENCE PORTFOLIO)

The provisions of this "*Part C (Additional Provisions for Mixed Reference Portfolio)*" shall be applicable for First-to-Default Preference Shares, Basket Preference Shares and Tranche Preference Shares where the applicable Supplemental Memorandum specifies that (i) "*Part C (Additional Provisions for Mixed Reference Portfolio)*" is applicable and/or (ii) the Reference Portfolio includes one or more Reference Entities where "*Part A (2009 definitions)*" is applicable and one or more Reference Entities where "*Part B (2014 definitions)*" is applicable.

1. GENERAL PROVISIONS

Subject to section 3 (Construction) below, the following sections of Condition 1 – *Credit Event Provisions of Part A (2009 definitions)* shall be deemed to be replaced in their entirety by the corresponding provisions of *Part B (2014 definitions)* (Condition 1 – *Credit Event Provisions*):

1.1 Section 1.1 (Settlement)

1.2 Section 1.2 (Provisions relating to Dividends)

1.3 Section 1.5 (Notification of Potential Failure to Pay)

1.4 Section 1.6 (Hedging Disruption, Increased Cost of Hedging, Change in Law, Merger of a Reference Entity and Societe Generale or any of its Affiliates, Consequences and Monetisation until the Maturity Date).

2. INCORPORATION OF BOTH SECTIONS

Subject to the further sections as set out in this *Part C (Additional Provisions for Mixed Reference Portfolio)*, the provisions of "*Part A (2009 definitions)*" will apply to the Reference Entities where "*Part A (2009 definitions)*" is applicable and the provisions of "*Part B (2014 definitions)*", will apply to the Reference Entities where "*Part B (2014 definitions)*" is applicable.

3. CONSTRUCTION

3.1 Where a provision in *Part A (2009 definitions)* is replicated in *Part B (2014 definitions)*, the Calculation Agent will interpret such provisions so as to ensure no conflict, overlap or double-counting.

In particular, and without limitation,

The reference to "Loss Amount" within the definition of "Aggregate Loss Amount" shall be deemed to be the Loss Amount determined for each Reference Entity in accordance with the applicable section as specified in the applicable Supplemental Memorandum (*Part A (2009 definitions)* or *Part B (2014 definitions)*) for such Reference Entity;

The reference to "Final Value" within the definition of "Cash Redemption Amount" shall be deemed to be the Final Value determined for each Reference Entity in accordance with the applicable section as specified in the applicable Supplemental Memorandum (*Part A (2009 definitions)* or *Part B (2014 definitions)*) for such Reference Entity;

3.2 Furthermore, the reference to "Last Credit Event Occurrence Date" shall be construed as the later between (a) the "Last Credit Event Occurrence Date" determined in accordance with *Part A (2009 definitions)* and (b) the "Last Credit Event Occurrence Date" determined in accordance with *Part B (2014 definitions)*.

PART D (ADDITIONAL PROVISIONS RELATED TO CDS SPREAD)

The provisions of this "Part D (Additional Provisions related to CDS Spread)" shall be applicable for Single Name Preference Shares where the applicable Supplemental Memorandum specifies that "Part D (Additional Provisions related to CDS Spread)" is applicable.

1. GENERAL DEFINITIONS

"**Adjustment Spread**" means the adjustment spread specified as such in the applicable Supplemental Memorandum, if applicable.

"**Averaging Date**" means, in respect of a Valuation Date and a CDS Spread, each date specified as such in the applicable Supplemental Memorandum for the purpose of determining an average (or if such date is not a Scheduled Trading Day for such CDS Spread, the next following Scheduled Trading Day).

"**CDS Dealer**" means any dealer (other than Societe Generale) determined by the Calculation Agent in its sole and absolute discretion as being a dealer in respect of providing quotations in respect of credit default swap transactions.

"**CDS Spread**" means the Reference Entity Spread.

"**Dealer Poll Method**" means that, on any Valuation Date where it is applicable, the Reference Entity Spread will be determined by the Calculation Agent as follows:

- (A) the Calculation Agent will attempt to obtain quotations in accordance with the Quotation Method from five CDS Dealers, whereby:
 - (a) If three or more such quotations are obtained prior to the Quotation Deadline Time on such day, the Reference Entity Spread will be the arithmetic mean of such quotations without regard to the quotation having the highest value (or, if there is more than one such highest quotation, one only of such quotations) and the quotation having the lowest value (or, if there is more than one such lowest quotation, one only of such quotations)); or
 - (b) If two such quotations are obtained prior to the Quotation Deadline Time, the Reference Entity Spread will be the arithmetic mean of such quotations; or
 - (c) If one such quotation is obtained prior to the Quotation Deadline Time, the Reference Entity Spread will be such quotation; or
- (B) If it is not possible to obtain any quotations prior to the Quotation Deadline Time, the Reference Entity Spread will be a rate determined by the Calculation Agent in its sole and absolute discretion acting in good faith, having regard to the conditions prevailing in the market, such as, but not limited to, the liquidity and trading conditions relating to the Reference CDS at the time of calculation.

"**External Provider**" means (i) the external provider (or any successor) for the Reference Entity Spread specified in the applicable Supplemental Memorandum or (ii) (only if Dealer Poll Method is specified as applicable on the Issue Date in the applicable Supplemental Memorandum), the external provider (or any successor) for the Reference Entity Spread specified in the notice to the Shareholders in accordance with the definition "*Switch Option*" below (if applicable).

"**External Provider Method**" means that, on any Valuation Date where it is applicable, the Reference Entity Spread will be determined by the Calculation Agent as follows:

- (A) The sum of (i) the mid-market spread quotation published by the External Provider around the External Provider Time on such day (the "**External Provider Spread**") and (ii) the Adjustment Spread; or

- (B) If the Reference Entity Spread cannot be obtained pursuant to (A) above or if there are less than 3 contributors to the External Provider on such day, the Calculation Agent will determine the Reference Entity Spread in accordance with the Dealer Poll Method.

"External Provider Time" means 15.00 London time, unless otherwise specified in the applicable Supplemental Memorandum.

"Quotation Deadline Time" means 17.00 London time, unless otherwise specified in the applicable Supplemental Memorandum.

"Quotation Method" means the quotation method specified in the applicable Supplemental Memorandum, which may be (i) Bid if the Reference Entity Spread is a bid rate, (ii) Offer if the Reference Entity Spread is an offer rate, or (iii) Mid-market if the Reference Entity Spread is a mid-market rate; or if no Quotation Method is so specified, Offer shall apply.

"Reference CDS" means a single-name credit default swap on the Reference Entity governed by the ISDA credit derivatives definitions relevant to Part A or Part B, as applicable, in the Reference CDS Currency, and with a maturity equal to the Reference CDS Maturity (or the nearest standard maturity that is higher than such Reference CDS Maturity if such maturity is not available).

"Reference CDS Currency" means the main trading currency for the relevant Reference Entity, unless otherwise specified in the applicable Supplemental Memorandum.

"Reference CDS Maturity" means 5-year, unless otherwise specified in the applicable Supplemental Memorandum.

"Reference Entity" means the entity specified as such in the applicable Supplemental Memorandum or any Successor thereto in accordance with the provisions of "*Part A (2009 definitions)*" if specified as applicable in the applicable Supplemental Memorandum or "*Part B (2014 definitions)*" if specified as applicable in the applicable Supplemental Memorandum, subject always to the provisions of Condition 2 (*Adjustments and Extraordinary Events*) below.

"Reference Entity Spread" means, in accordance with the Quotation Method, the rate, expressed as a quoted spread, for the Reference CDS, determined by the Calculation Agent initially in accordance with the Reference Entity Spread Method specified in the applicable Supplemental Memorandum, subject to the Switch Option.

For the avoidance of doubt, if the Calculation Agent observes or receives a quotation expressed with an upfront amount (the "**Upfront Quotation**"), it will convert such Upfront Quotation into a quoted spread by using the function QCDS in Bloomberg or any other calculation as the Calculation Agent may deem appropriate in its sole and absolute discretion, but acting in good faith and in a commercially reasonable manner.

"Reference Entity Spread Method" means either Dealer Poll Method or External Provider Method as specified in the applicable Supplemental Memorandum.

"Scheduled Trading Day" means, in respect of a CDS Spread, a Business Day for the purposes of these Additional Terms and Conditions for Credit Linked Preference Shares.

"Switch Option" means, unless Switch Option is specified as "Not Applicable" in the applicable Supplemental Memorandum, that (i) on any day where the applicable Reference Entity Spread Method is the Dealer Poll Method, the Issuer may, acting in its sole and absolute discretion but in a commercially reasonable manner, change the determination of the Reference Entity Spread to the External Provider Method, or (ii) on any day where the applicable Reference Entity Spread Method is the External Provider Method, the Issuer may, acting in its sole and absolute discretion but in a commercially reasonable manner, change the determination of the Reference Entity Spread to the Dealer Poll Method, subject in the case of both (i) and (ii) to giving to the Shareholders not less than 5 Business Days nor more than 10 Business Days notice prior to the

date of effect of the Switch Option specified in such notice, and the Switch Option shall take effect on the date of effect specified in such notice.

"**Valuation Date**" means, in respect of a CDS Spread, each date specified as such in the applicable Supplemental Memorandum (or, if such date is not a Scheduled Trading Day for such CDS Spread, the next following Scheduled Trading Day).

2. ADJUSTMENTS AND EXTRAORDINARY EVENTS

2.1 Succession Event (Part A) / succession event (Part B)

If a Succession Event (if Part A applies) or a succession event (if Part B applies) occurs in respect of the Reference Entity, the Calculation Agent may – in addition to the provisions of the Additional Terms and Conditions for Credit Linked Preference Shares (Part A or Part B, as applicable) and acting in good faith – decide to either:

- (A) replace the Reference Entity (i) by the Successor or (ii) in case of several Successors, by one, some or all (at the discretion of the Calculation Agent) of the Successors resulting from the Succession Event or succession event;
- (B) substitute the Successor or Successors by one or several Similar Reference Entity(ies) (as defined in Condition 1.6.5 of the Additional Terms and Conditions for Credit Linked Preference Shares (Part A or Part B, as applicable));
- (C) apply Monetisation until Maturity Date as per Condition 1.6.5 of the Additional Terms and Conditions for Credit Linked Preference Shares (Part A or Part B, as applicable); or
- (D) consider such Succession Event or succession event as an Early Redemption Event as defined in Condition 1.6.4 paragraph (A) of the Additional Terms and Conditions for Credit Linked Preference Shares (Part A or Part B, as applicable), which will cause an early redemption of the Preference Shares at the Early Redemption Amount;

in any case, it being understood that, in case of (A) or (B) above:

- (d) such replacement or substitution shall affect only the provisions related to Reference Entity Spread; and
- (e) the Calculation Agent will (x) calculate the corresponding adjustment, if any, to be made to the elements relating to a credit default swap on the relevant Reference Entity used to determine the Reference Entity Spread and any settlement or payment terms under the Preference Shares, and/or adjust any other terms of the Preference Shares as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Preference Shares and (y) determine the effective date of that adjustment.

2.2 External Provider Event

On any day where the applicable Reference Entity Spread Method is the External Provider Method, upon it becoming aware that the External Provider Spread is no longer available or it is illegal or impossible (as determined by the Calculation Agent) for the Calculation Agent to use the External Provider Method, the Issuer will change the determination of the Reference Entity Spread to the Dealer Poll Method with immediate effect, and give notice of the same to the Calculation Agent and to the Shareholders as soon as reasonably practicable.

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