

Base Prospectus



**BNP PARIBAS
FORTIS**

**BNP PARIBAS FORTIS SA/NV
(INCORPORATED AS A PUBLIC COMPANY WITH LIMITED LIABILITY (SOCIÉTÉ
ANONYME/NAAMLOZE VENNOOTSCHAP) UNDER THE LAWS OF BELGIUM, ENTERPRISE
NO. 0403.199.702, REGISTER OF LEGAL ENTITIES OF BRUSSELS)**

AND



**BNP PARIBAS FORTIS
FUNDING**

**BNP PARIBAS FORTIS FUNDING
(INCORPORATED AS A SOCIÉTÉ ANONYME UNDER THE LAWS OF THE GRAND DUCHY OF
LUXEMBOURG**

**REGISTERED WITH THE REGISTRY OF COMMERCE AND COMPANIES OF LUXEMBOURG
UNDER NO. B24784)**

**UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY
BNP PARIBAS FORTIS SA/NV**

Euro Medium Term Note Programme

Under this Euro Medium Term Note Programme (the "**Programme**"), BNP PARIBAS FORTIS SA/NV ("**BNPPF**") and BNP PARIBAS FORTIS FUNDING ("**BP2F**") and together with BNPPF, the "**Issuers**" and each an "**Issuer**") may, from time to time, issue Euro Medium Term Notes (the "**Notes**"), subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate approval or other consents. Notes issued by BP2F will be guaranteed on a subordinated or unsubordinated basis by BNP Paribas Fortis SA/NV (the "**Guarantor**").

This base prospectus (the "**Base Prospectus**") is prepared in connection with the Programme and constitutes two base prospectuses, the BNPPF Base Prospectus and the BP2F Base Prospectus (each as defined below) and each a base prospectus for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the "**Prospectus Directive**"), as revised, supplemented or amended from time to time by the Issuers and the Guarantor, as the case may be. As a result, Notes issued under the Programme may be offered to the public or/and admitted to trading on a regulated market as more fully described below and subject to the relevant implementing measures of the Prospectus Directive in the relevant Member State. The term "**regulated market**" as used herein shall mean a regulated market as defined in Directive 2004/39/EC on markets in financial instruments.

The BNPPF base prospectus (the "**BNPPF Base Prospectus**") will comprise this Base Prospectus with the exception of (a) the information contained in the section entitled "*Description of BNP Paribas Fortis Funding*" and the information contained in the "*Description of the Guarantee*" and (b) the audited annual accounts of BP2F for the financial years ended 31 December 2012 and 31 December 2013 and cash flow statements of BP2F for the financial years ended 31 December 2012 and 31 December 2013 (as incorporated by reference at paragraphs 3, 4, 5 and 6 of the section entitled "*Information Incorporated by Reference*"). The BP2F base prospectus (the "**BP2F Base Prospectus**") will comprise this Base Prospectus.

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of the Prospectus Directive, as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg Law dated 10 July 2005 on prospectuses for securities, as amended (the "**Prospectus Act 2005**"), and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes ("**Non-exempt Notes**") under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Consequently Notes issued under the Programme may be offered to the public, in accordance with the requirements of the Prospectus Directive. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuers or the Guarantor in accordance with Article 7(7) of the Prospectus Act 2005.

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

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to listing on the official list (the "**Official List**") and to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (the "**Luxembourg Regulated Market**"), the regulated market of Euronext Amsterdam (the "**Amsterdam Regulated Market**") and the regulated market of NYSE Euronext Brussels (the "**Brussels Regulated Market**") under the Prospectus Directive during the period of 12 months after the date of publication of this Base Prospectus. The Luxembourg Regulated Market, the Amsterdam Regulated Market and the Brussels Regulated Market are each a regulated market for the purposes of Directive 2004/39/EC. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the "**Euro MTF**") during the period of 12 months after the date of publication of this Base Prospectus. Application may also be made for Notes issued under the

Programme to be admitted to trading on either regulated market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuers. References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Regulated Market, the Amsterdam Regulated Market, the Brussels Regulated Market or the EuroMTF, as specified in the relevant Final Terms (as defined below).

Notes issued by BP2F under the Programme may be in the form of the new global note, the format for international debt securities which will ensure compliance of the Notes with European Central Bank ("**ECB**") Standard 3 eligibility criteria for use as collateral in Eurosystem monetary operations ("**Eurosystem eligibility**"). Notes issued by BNPPF will not be issued in the form of a new global note but, being deposited with the National Bank of Belgium or any successor thereto (the "**NBB**"), are intended to be held in a manner which would allow Eurosystem eligibility. Notes issued by BNPPF in dematerialised form will be represented by a book-entry in the records of the X/N System (as defined in the Conditions) and are also intended to be held in a manner which would allow Eurosystem eligibility. Note that the designation that any Notes issued are intended to be held in a manner which would allow Eurosystem eligibility does not necessarily mean that the Notes would be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life. Such recognition will depend on the ECB being satisfied that Eurosystem eligibility criteria have been met.

A general description of the Programme can be found on page 79. The Notes will be issued on a continuous basis. The Notes may bear interest at a fixed or floating rate, on a variable coupon amount basis linked to the performance of an inflation index, a currency exchange rate or an underlying interest rate or any combination of those or may be issued on a fully discounted basis and not bear interest, and the amount payable on the redemption of Notes may be fixed or variable. Notes will be issued in series (each a "**Series**") having one or more issue dates and the same maturity date (if any), bearing interest (if any) on the same basis and at the same rate and on terms otherwise identical. The length of interest periods, and the rate of interest in respect thereof, may differ from the length and the rate of interest in respect of subsequent or, as the case may be, preceding interest periods. Each Series may be issued in tranches (each a "**Tranche**") on different issue dates. The specific terms of each Tranche will be set forth in a set of final terms to this Base Prospectus which is the final terms document substantially in the relevant form set out in the section entitled "*Form of Final Terms for Non-Exempt Notes*" on page 241 which will be completed at the time of the agreement to issue each Tranche of Notes and which will constitute final terms for the purposes of Article 5.4 of the Prospectus Directive (the "**Final Terms**") which will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "**Pricing Supplement**"). Copies of Pricing Supplements will be available from the specified office of the Principal Paying Agent (see paragraph 8 of "**General Information**" on page 313 hereof). Any reference in this Base Prospectus to "relevant Final Terms" or "applicable Final Terms" will be deemed to include a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement" in relation to Exempt Notes, to the extent applicable.

The Issuers may redeem the Notes if certain changes in Luxembourg or Belgian taxation law occur or, if the Final Terms issued in respect of any Series so provides, in the circumstances set out in it. An Issuer and, if applicable, the Guarantor, may agree with any Dealer (as defined below) that Notes may be issued, offered to the public, and/or admitted to trading on a regulated market in a form not contemplated by the terms and conditions of the Notes described in this Base Prospectus (the "**Conditions**"), in which event a supplement to the Base Prospectus, or, if appropriate, a Drawdown Prospectus (as defined below), will be submitted for approval to the relevant competent authority and will be made available.

In the case of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Moreover, an investment in Notes issued under the Programme involves certain risks. **Prospective investors and purchasers should consider the investment considerations set forth in the section entitled "Risk Factors" on page 41 as well as the selling restrictions as set out in the section entitled "Plan of Distribution" on page 230.**

BP2F's senior unsecured credit ratings are A+ with a negative creditwatch (Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**")), A2 with a negative outlook (Moody's France SAS ("**Moody's**")) and A+ with a stable outlook (Fitch Ratings Limited ("**Fitch**")) and BP2F's short-term credit ratings are A-1 (Standard & Poor's), P-1 (Moody's) and F1 (Fitch). BNPPF's long-term credit ratings are A+ with a negative creditwatch (Standard & Poor's), A2 with a negative outlook (Moody's) and A+ with a stable outlook (Fitch) and BNPPF's short-term credit ratings are A-1 (Standard & Poor's), P-1 (Moody's) and F1 (Fitch).

Standard & Poor's credit ratings in respect of the Programme are: (i) A+ (Senior Unsecured Debt maturing in one year or more), (ii) A-1 (Senior Unsecured Debt maturing in less than one year), (iii) A- (Subordinated Debt) and (iv) BBB+ (Junior Subordinated Debt). Fitch's credit ratings in respect of the Programme are A+ (long-term senior unsecured) and F1 (short-term senior unsecured). Moody's credit ratings in respect of the Programme (where BNPPF acts as Issuer) are: (i) A2 (Senior Unsecured), (ii) Baa2 (Subordinated), (iii) Baa3 (Junior Subordinated) and (iv) P-1 (Short-Term). Moody's credit ratings in respect of the Programme (where BP2F acts as Issuer (guaranteed by BNPPF)) are: (i) A2 (Senior Unsecured), (ii) Baa2 (Senior Subordinated), (iii) Baa2 (Subordinated), (iv) Baa3 (Junior Subordinated) and (v) P-1 (Short-Term).

An obligor rated 'A' by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The rating may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. An obligor rated A-1 by Standard & Poor's has strong capacity to meet its financial commitments. It is rated in the highest category by Standard & Poor's. A Standard & Poor's "negative" outlook means a rating may be lowered. A short-term obligation rated 'A-1' by Standard & Poor's is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. An obligation rated 'A' by Standard & Poor's is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The rating may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. An obligation rated 'BBB' by Standard & Poor's exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Obligations rated 'A' by Moody's are considered upper-medium grade and are subject to low credit risk. Obligations rated 'Baa' by Moody's are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Issuer's (or supporting institutions) rated 'P-1' by Moody's have a superior ability to repay short-term debt obligations. A Moody's "stable" outlook means that the rating is not likely to change.

An "A" rating by Fitch indicates a high credit quality. 'A' ratings by Fitch denote expectations of low default risk with the capacity for payment of financial commitments considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers "+" or "-" may be appended to a rating by Fitch to denote relative status within major rating categories. An 'F1' rating by Fitch indicates the strongest intrinsic capacity for timely payment of financial commitments. Rating Outlooks applied by Fitch indicate the direction a rating is likely to move over a one- to two-year period and reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. The majority of Fitch outlooks are generally Stable, which is consistent with the historical migration experience of ratings over a one- to two-year period.

Each of Moody's, Standard & Poor's and Fitch is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Moody's, Standard & Poor's and Fitch is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<http://esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Nevertheless, some Tranches of Notes issued under the Programme may be assigned a specific rating that will not necessarily be the same as the rating assigned to the Programme or may not receive any credit rating. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the relevant assigning rating agency. Please also refer to "*Credit ratings assigned to the Issuers, Guarantor or any Notes associated with an investment in those Notes may not reflect all risks*" in the Risk Factors section of this Base Prospectus.

The CSSF has been requested to provide the Belgian *Financial Services and Markets Authority* (the "**Belgian FSMA**"), the Dutch *Autoriteit Financiële Markten* ("**AFM**"), the French *Autorité des marchés financiers* ("**AMF**"), the Austrian *Österreichische Finanzmarktaufsicht* ("**FMA**") and the German *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**") (in their respective capacities as the relevant host Member States' (as defined below) competent authority for the purposes of the Prospectus Directive) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

The CSSF may be requested, from time to time, to provide certificates of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the competent authorities (for the purposes of the Prospectus Directive) of other European Economic Area Member States.

The Notes will be offered by the Issuers through BNP Paribas Fortis SA/NV (the "**Dealer**"), which expression shall include any additional dealers appointed under this Programme from time to time, for a specific Tranche of Notes or on an ongoing basis, and details of which in relation to each Tranche will be set forth in the relevant Final Terms. The Issuers or the Dealers may reject any offer as a whole or, subject to the terms of such offer, in part. Dealers may also purchase Notes on their own behalf. An issue of Notes may also be underwritten by two or more Dealers on a several basis only or on a joint and several basis. For further details, please refer to the section entitled "*Plan of Distribution*" on page 230.

Each Tranche of Notes issued by BP2F in bearer form will, unless otherwise provided on the Final Terms, initially be represented by a temporary global Note which will be deposited on the issue date with (i) a common depository or a common safekeeper (as the case may be) on behalf of Euroclear Bank SA/NV, ("**Euroclear**") and/or Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") and/or any other Relevant Clearing System (as defined below). Interests in temporary global Notes will be exchangeable for interests in permanent global Notes (together with any temporary global Note, the "**Global Notes**") or, if so provided in the relevant temporary Global Note, for definitive Notes in bearer or registered form after the date falling 40 days after the completion of distribution of the relevant Tranche upon certification as to non-U.S. beneficial ownership in the manner and upon compliance with the procedures described under "Summary of Provisions relating to Global Notes". Interests in a permanent Global Note will be exchangeable for definitive Notes in bearer form or registered form, in each case as described in the section entitled "*Summary of Provisions Relating to Global Notes and Certain Provisions with Respect to Dematerialised Notes*" on page 162.

In the case of Notes issued by BNPPF and if so provided in the relevant Final Terms, the Notes will be represented by a permanent Global Note which will be deposited on or about the issue date with NBB or any successor thereto (the "**NBB**") as operator of the X/N System (as defined in the Conditions) or its custodian. The Notes issued by BNPPF may also be issued in dematerialised form in accordance with the Belgian Company Code ("**Dematerialised Notes**"). Dematerialised Notes cannot be physically delivered and will be represented exclusively by book entries in the records of the X/N System (as defined in the Conditions).

In the case of Junior Subordinated Notes (as defined in the Conditions) issued by BP2F only, payments of principal and interest are conditional upon the Guarantor being solvent at the time of payment and in the event of the winding-up of the BP2F, the Guarantor shall become the principal debtor and the holders of the relevant Notes shall cease to have any rights or claims against BP2F, as more fully described in the section entitled "*Terms and Conditions of the Notes – Status and Guarantee*" and "*Terms and Conditions of the Notes – Events of Default*".

The Notes and Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or for the account or benefit of U.S. persons.

Arranger and Dealer for the Programme
BNP PARIBAS FORTIS SA/NV

This Base Prospectus is dated 13 June 2014

Any Notes issued under the Programme are issued subject to the provisions set out herein. This does not affect any Notes already issued or any Notes issued after the date of this Base Prospectus and forming a single Series with Notes issued prior to the date of this Base Prospectus. This Base Prospectus should be read in conjunction with any supplement hereto and any other documents or information incorporated herein by reference (see "Documents Incorporated by Reference") and, in relation to any Tranche of Notes which is subject to Final Terms, must be read and construed together with the relevant Final Terms.

Responsibility Statement

This Base Prospectus has been prepared for the purpose of giving information with regard to the Issuers, the Guarantor, their respective subsidiaries (if any) and the Notes.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus and the Issuer accepts responsibility for the information contained in the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Notice

*Each Tranche (as defined herein) of Notes will be issued on the terms set out herein in the section entitled "Terms and Conditions of the Notes" (the "**Conditions**") as (i) completed by a document specific to such Tranche called Final Terms or (ii) completed and/or supplemented in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described in the section entitled "Final Terms and Drawdown Prospectus" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.*

This Base Prospectus should be read and construed with any supplement hereto and with any other documents or information incorporated by reference herein (see "Documents Incorporated by Reference") and in relation to any Tranche (as defined herein) of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. Websites and url references referred to herein do not form part of the Base Prospectus.

Neither of the Issuers nor the Guarantor have authorised the making or provision of any representation or information regarding the Issuers, the Guarantor or the Notes other than as contained or incorporated by reference in this Base Prospectus or any Final Terms or as approved for such purpose by the Issuers or the Guarantor. Any such representation or information should not be relied upon as having been authorised by the Issuers, the Guarantor or any Dealer.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change or any event reasonably likely to involve any adverse change in the prospects or financial or trading position of the Issuers or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied, or if different, the date indicated on the same.

The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. The Notes

and Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or for the account or benefit of to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus please refer to the section entitled "Plan of Distribution" of this Base Prospectus.

Neither this Base Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for or purchase, any Notes and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that the recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers and the Guarantor.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus, nor separately verified all the information contained or incorporated by reference in this Base Prospectus and none of them makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information (including that incorporated by reference) in this Base Prospectus. Neither this Base Prospectus nor any other financial statements incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other financial statements incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and in the relevant Final Terms, and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information (including that incorporated by reference) coming to the attention of any of the Dealers.

The stabilisation manager, named in the relevant Final Terms, (the "**Stabilisation Manager**") shall comply with all relevant laws, regulations and directives. References in the next paragraph to "this issue" are to each Series in relation to which a Stabilisation Manager is appointed.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to listing on the official list and to trading on the Luxembourg Regulated Market and/or any other regulated market as defined in Directive 2004/39/EC, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

Investors should consult the Issuers should they require a copy of the 2006 ISDA Definitions.

In this Base Prospectus, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**", "**euro**" or "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, references to "**GBP**" or "**£**" refer to Sterling, the lawful currency of the United

Kingdom, references to "**dollars**", "**U.S. dollars**", "**U.S.\$**", "**USD**" or "**\$**" refer to United States dollars, references to "**Japanese Yen**", "**Yen**", "**JPY**" and "**¥**" refer to the lawful currency of Japan, references to "**Swiss Francs**" and "**CHF**" refer to the lawful currency of Switzerland, references to "**Roubles**" refer to the lawful currency of the Russian Federation, references to "**S\$**" refer to the lawful currency of Singapore, and references to "**billions**" are to thousand millions.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF NOTES

Restrictions on Non-exempt offers of Notes in Relevant Member States

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "**Non-exempt Offer**". This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Notes in each Member State in relation to which the Issuer has given its consent, as specified in the applicable Final Terms (each specified Member State a "**Non-exempt Offer Jurisdiction**" and together the "**Non-exempt Offer Jurisdictions**"). Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive*" and provided such person complies with the conditions attached to that consent.

Save as provided above, none of the Issuers, the Guarantor and any Dealer have authorised, nor do they authorise, the making of any Non-exempt Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of a Non-exempt Offer of such Notes, each of the Issuers and the Guarantor accept responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an "**Investor**") who purchases any Notes in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and, provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuers, the Guarantor or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuers, the Guarantor nor any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except in circumstances set out in the following paragraphs, neither Issuer nor the Guarantor has authorised the making of any Non-exempt Offer by any offeror and neither Issuer has consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Notes. Any Non-exempt Offer made without the consent of the relevant Issuer is unauthorised and none of the relevant Issuer, the Guarantor (where applicable) and, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of the relevant Non-exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

Consent

In connection with each Tranche of Notes and subject to the conditions set out below under "*Common Conditions to Consent*":

- (a) the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Notes by:
 - (i) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;
 - (ii) any financial intermediaries specified in the applicable Final Terms;
 - (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on (A) www.bnpparibasfortis.be in respect of the relevant Issuer in the case of each relevant Tranche of Notes and (B) www.bp2f.lu in the case of each relevant Tranche of Notes for which BP2F is the relevant Issuer only, and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer; and
- (b) if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the relevant Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Notes by any other financial intermediary which satisfies the following conditions:
 - (i) it is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC); and
 - (ii) it accepts the Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information) (the "**Acceptance Statement**"):

*"We, [insert legal name of financial intermediary], refer to the offer by [insert title of relevant Notes] (the "Notes") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [BNP Paribas Fortis SA/NV][BNP Paribas Fortis Funding] (the "**Issuer**"). In consideration of the Issue offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [Austria][Belgium][France][Germany][Luxembourg][The Netherlands] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly.."*

The "**Authorised Offeror Terms**", being the terms to which the relevant financial intermediary agrees in connection with using this Base Prospectus, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer:
 - I. act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor;
 - II. comply with the restrictions set out under "*Plan of Distribution*" in this Base Prospectus which would apply as if it were a relevant Dealer;

- III. ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- IV. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
- V. comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- VI. retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer, the relevant Issuer and the Guarantor (where applicable) or directly to the appropriate authorities with jurisdiction over the relevant Issuer, the Guarantor (where applicable) and/or the relevant Dealer in order to enable such Issuer, the Guarantor (where applicable) and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the relevant Issuer, the Guarantor (where applicable) and/or the relevant Dealer;
- VII. ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the relevant Issuer, the Guarantor (where applicable) or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- VIII. co-operate with the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph VI above) upon written request from such Issuer, the Guarantor (where applicable) or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by such Issuer, the Guarantor (where applicable) or the relevant Dealer:
 - (i) in connection with any request or investigation by any regulator in relation to the Notes, the relevant Issuer, the Guarantor (where applicable) or the relevant Dealer; and/or
 - (ii) in connection with any complaints received by the relevant Issuer, the Guarantor (where applicable) and/or the relevant Dealer relating to the relevant Issuer, the Guarantor (where applicable) and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or
 - (iii) which the relevant Issuer, the Guarantor (where applicable) or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow such Issuer, the Guarantor (where applicable) or the

relevant Dealer fully to comply with its own legal, tax and regulatory requirements,

- (iv) in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;
- (v) during the period of the initial offering of the Notes: (A) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (B) only sell the Notes for settlement on the Issue Date specified in the applicable Final Terms; (C) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (D) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (E) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;
- (vi) either (A) obtain from each potential Investor an executed application for the Notes, or (B) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- (vii) ensure that it does not, directly or indirectly, cause the relevant Issuer, the Guarantor (where applicable) or the relevant Dealer to breach any Rule or subject such Issuer, the Guarantor (where applicable) or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (viii) ensure that Investors understand the risks associated with an investment in the Notes;
- (ix) comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements or other Authorised Offeror Terms relevant to the Non-exempt Offer as specified in the applicable Final Terms;
- (x) make available to each potential Investor in the Notes this Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the relevant Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus and the applicable Final Terms; and
- (xi) if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the relevant Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the relevant Issuer, that such financial intermediary is solely responsible for such communication and that none of the relevant Issuer, the Guarantor (where applicable) and the

relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the relevant Issuer, the Guarantor (where applicable) or the relevant Dealer (as applicable), use the legal or publicity names of the relevant Issuer, the Guarantor (where applicable) or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the relevant Issuer as issuer of the relevant Notes and the Guarantor (where applicable) as the guarantor of the relevant Notes on the basis set out in this Base Prospectus;

- (B) agrees and undertakes to indemnify each of the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the relevant Issuer, the Guarantor (where applicable) or the relevant Dealer; and
- (C) agrees and accepts that:
 - I. the contract between the relevant Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the relevant Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Non-exempt Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
 - II. subject to (C)IV below, the English courts have jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the relevant Issuer and the financial intermediary submit to the exclusive jurisdiction of the English courts;
 - III. for the purposes of (C)II and (C)IV, the financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
 - IV. to the extent allowed by law, the relevant Issuer, the Guarantor, where applicable, and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
 - V. the Guarantor and each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the

agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

The financial intermediaries referred to in paragraphs (a)(ii), (a)(iii) and (b) above are together the "**Authorised Offerors**" and each an "**Authorised Offeror**".

Any financial intermediary who is an Authorised Offeror falling within (b) above who meets the conditions set out in (b) and the other conditions stated in "*Common Conditions to Consent*" below and who wishes to use this Base Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

Common Conditions to Consent

The conditions to the relevant Issuer's consent to the use of this Base Prospectus in the context of the relevant Non-exempt Offer are (in addition to the conditions described in paragraph (b) above if Part B of the applicable Final Terms specifies "*General Consent*" as "Applicable") that such consent:

- (a) is only valid during the Offer Period specified in the applicable Final Terms; and
- (b) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in Austria, Belgium, France, Germany, Luxembourg and/or the Netherlands, as specified in the applicable Final Terms.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

The only Relevant Member States which may, in respect of any Tranche of Notes, be specified in the applicable Final Terms (if any relevant Member States are so specified) as indicated in (b) above, will be Austria, Belgium, France, Germany, Luxembourg and/or the Netherlands, and accordingly each Tranche of Notes may only be offered to Investors as part of a Non-exempt Offer in Austria, Belgium, France, Germany, Luxembourg and/or the Netherlands, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish or supplement a prospectus for such offer.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. NO ISSUER WILL BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUERS, THE GUARANTOR AND, FOR THE AVOIDANCE OF DOUBT, ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and/, the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantor or/, the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including Belgium, France, Luxembourg and the United Kingdom) and Japan, see "*Plan of Distribution*".

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SUMMARY

The following section applies to both Exempt Notes and Non-exempt Notes and is provided in accordance with Article 5(2) of the Prospectus Directive.

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

Section A – Introduction and warnings

Element	
A.1	<ul style="list-style-type: none"> • This summary should be read as an introduction to the Base Prospectus. • Any decision to invest in the Notes should be based on consideration of this Base Prospectus as a whole by the investor. • Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated; and • Civil liability attaches only to those persons who have tabled this summary including any translation hereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in such Notes.
A.2	<p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "Non-exempt Offer".</p> <p>[<i>Consent:</i> Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer of Notes by the [Dealer(s)/Manager(s)], [names of specific financial intermediaries listed in final terms,] [and] [each financial intermediary whose name is published on www.bnpparibasfortis.be and www.bp2f.lu] and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer] [and any financial intermediary which is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p> <p>"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the "Notes") described in the Final Terms dated [insert date] (the "Final Terms") published by [BNP Paribas Fortis SA/NV] [BNP Paribas Fortis Funding] (the</p>

"Issuer"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [Austria] [Belgium] [France] [Germany] [Luxembourg] [the Netherlands] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly."

Offer period: The Issuer's consent referred to above is given for Non-exempt Offers of Notes during [offer period for the issue to be specified here] (the "**Offer Period**").

Conditions to consent: The conditions to the Issuer's consent [(in addition to the conditions referred to above)] are that such consent (a) is only valid during the Offer Period; and (b) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in the specified jurisdiction(s).

AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENT IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.

Section B – Issuer and Guarantor

Element	Title	
B.1	Legal and commercial name of the Issuer	Notes may be issued under the Programme by BNP Paribas Fortis SA/NV (" BNPPF ") or BNP Paribas Fortis Funding (" BP2F ").
		The Issuer of the Notes is [BNPPF][BP2F].
B.2	Domicile/ legal form/ legislation/ country of incorporation	BNP Paribas Fortis SA/NV is incorporated as a public company with limited liability (<i>société anonyme/naamloze vennootschap</i>) under the laws of Belgium having its registered office at 1000 Brussels, Montagne du Parc 3 and is a credit institution governed by the Belgian law of 25 April 2014 on the status and supervision of credit institutions (" Belgian Banking Law "). BP2F was incorporated as a <i>société anonyme</i> under the laws of the Grand Duchy of Luxembourg, registered with the Registry of Commerce and Companies of Luxembourg having its registered office at 67, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. BP2F is expecting to move its registered and principal office to rue Eugène Ruppert 19, L-2453 Luxembourg by the end of June 2014.

B.4b	Trend information	<p><i>Macro-economic environment</i></p> <p>Market and macroeconomic conditions affect [BP2F's]/[BNPPF's] results. The nature of [BP2F's]/[BNPPF's] business makes it particularly sensitive to market and macroeconomic conditions in Europe, which have been difficult and volatile in recent years.</p> <p>In 2013, the global economy began to move towards equilibrium, with several emerging countries slowing down and a slight recovery in the developed countries. In 2013, global economic conditions remained generally stable as compared to 2012. IMF and OECD economic forecasts¹ for 2014 generally indicate a renewal of moderate growth in developed economies albeit less strong and uniform in the Euro-Zone. Their analysts consider that uncertainties remain regarding the strength of the recovery, particularly in light of the U.S. Federal Reserve's announcement in December 2013 that it would gradually reduce ("taper") its stimulus program, and in the Euro-zone, where a risk of deflation exists.</p> <p>Within the Euro-zone, sovereign credit spreads continued to decrease in 2013 following the decrease recorded in 2012 from the previous historically high levels. The financial condition of certain sovereigns has markedly improved but there remains uncertainty as to the solvency of some others.</p> <p><i>[Laws and Regulations Applicable to Financial Institutions.</i></p> <p>Laws and regulations applicable to financial institutions that have an impact on BNPPF have significantly evolved in the wake of the global financial crisis. The measures that have been proposed and/or adopted in recent years include more stringent capital and liquidity requirements (particularly for large global banking groups such as the BNP Paribas Group), taxes on financial transactions, restrictions and taxes on employee compensation, limits on the types of activities that commercial banks can undertake and ring-fencing or even prohibition of certain activities considered as speculative within separate subsidiaries, restrictions on certain types of financial products, increased internal control and reporting requirements, more stringent conduct of business rules, mandatory clearing and reporting of derivative transactions, requirements to mitigate risks in relation to over-the-counter derivative transactions and the creation of new and strengthened regulatory bodies. The measures that were recently adopted, or in some cases proposed and still under discussion, that have or are likely to affect BNPPF, include in particular the EU Directive and</p>
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¹ See in particular: IMF – World Economic Outlook Update – January 2014 and G20 Note on Global Prospects and Policy Challenges – February 2014, OECD – The Global Economic Outlook – November 2013

		<p>Regulation on prudential requirements “CRD IV” dated 26 June 2013 and many of whose provisions have been applicable since 1 January 2014; the proposals of technical regulatory and execution rules relating to the Directive and Regulation CRD IV published by the EBA; the Belgian Banking Law replacing the previous law of 1993 and introducing important changes; the public consultation for the reform of the structure of the EU banking sector of 2013 and the European Commission’s proposed regulation on structural measures designed to improve the strength of EU credit institutions of 29 January 2014; the proposal for a regulation on indices used as benchmarks in financial instruments and financial contracts; the European single supervisory mechanism; the European proposal for a single resolution mechanism and the proposal for a European Directive on bank recovery and resolution; the final rule for the regulation of foreign banks imposing certain liquidity, capital and other prudential requirements adopted by the U.S. Federal Reserve; the proposal of the U.S. Federal Reserve relating to liquidity ratios of large banks; and the “Volcker” Rule imposing certain restrictions on investments in or sponsorship of hedge funds and private equity funds and proprietary trading activities (of U.S. banks and to some extent non-U.S. banks) that was recently adopted by the U.S. regulatory authorities. More generally, regulators and legislators in any country may, at any time, implement new or different measures that could have a significant impact on the financial system in general or BNPPF in particular.]</p>
B.5	Description of the Group	<p>BNP Paribas ("BNPP") is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 75 countries and has almost 185,000 employees, including over 141,000 in Europe. BNPP is the parent company of the BNP Paribas Group (together the "BNPP Group").</p> <ul style="list-style-type: none"> • BP2F is a subsidiary of BNPPF and acts as a financing vehicle for BNPPF and the companies controlled by BNPPF. • BNPPF is a subsidiary of BNPP.
B.9	Profit forecast or estimate	Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.
B.10	Audit report qualifications	Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus.
B.12	Selected historical key financial information of BNPPF:	
	In millions of EUR	

		31/12/2012	31/12/2013
	Revenues	5,881	6,515
	Cost of risk	(374)	(493)
	Net Income	551	960
	Net Income attributable to shareholders	313	638
	Total Consolidated Balance Sheet	272,390	261,463
	Shareholders' equity	18,655	18,660
	Consolidated loans and receivables due from customers	147,781	160,519
	Consolidated items due to customers	146,246	160,839
	Tier 1 Capital	18,538	18,620
	Tier 1 Ratio	14.9%	14.8%
	Total Capital	22,972	21,913
	Total Capital Ratio	18.5%	17.4%
	Selected historical key financial information of BP2F:		
		31/12/2012	31/12/2013
		EUR	EUR
	Selected items of the Balance Sheet		
	Assets		
	Fixed assets (loans to affiliated undertakings)	6,763,911,498	5,167,738,500
	Current assets (Amounts owed by affiliated undertakings becoming due and payable after less than 1 year)	933,735,013	235,086,058
	Total assets	7,853,435,205	5,501,021,541
	Liabilities		
	Capital and reserves	7,136,902	7,046,710
	Subordinated creditors	1,811,125,851	1,656,721,743
	Non-subordinated debts		
	Non-convertible loans		
	- becoming due and payable within 1 year	2,043,358,203	201,683,146
	- becoming due and payable after more than 1 year	3,040,052,136	3,326,487,586

	Charges & Income: selected items		
	Income from financial fixed assets derived from affiliated undertakings	164,102,344	129,660,813
	Total income	368,793,560	388,490,879
	Interest payable and similar charges	291,638,574	335,364,583
	Profit for the financial year	1,583,350	1,109,807
<p>Statements of no significant or material adverse change</p> <p>There has been no significant change in the financial or trading position of BNPPF or BP2F since 31 December 2013 and there has been no material adverse change in the prospects of the BNPPF or BP2F since 31 December 2013.</p>			
B.13	Events impacting the Issuer's solvency	Not Applicable - There are no recent events particular to BNPPF or BP2F which are to a material extent relevant to the evaluation of BNPPF's or BP2F's solvency.	
B.14	Dependence upon other group entities	BNPPF and BP2F are dependent on other members of the BNPP Group. See also see Element B.5 above.	
B.15	Principal activities	<ul style="list-style-type: none"> BP2F's main object is to grant loans to BNPPF and the companies controlled by BNPPF. In order to implement its main object, BP2F may issue bonds or similar securities, raise loans, with or without a guarantee and in general have recourse to any sources of finance. BP2F can carry out any operation it perceives as being necessary to the accomplishment and development of its business, whilst staying within the limits of the Luxembourg law of 10 August 1915 on commercial companies (as amended). BNPPF's object is to carry on the business of a credit institution, including brokerage and transactions involving derivatives. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature that benefit the realisation thereof. BNPPF is free to hold shares and share interests within the limits set by the legal framework for banks. 	
B.16	Controlling shareholders	<p>BNPP holds 99.93 per cent. of the share capital of BNPPF.</p> <p>BNPPF holds 99.995 per cent. of the share capital of BP2F.</p>	
B.17	Credit ratings	<p>BP2F's senior unsecured credit ratings are A+ with a negative creditwatch (Standard & Poor's Credit Market Services France SAS ("Standard & Poor's")), A2 with a negative outlook (Moody's France SAS ("Moody's")) and A+ with a stable outlook (Fitch Ratings Limited ("Fitch")) and BP2F's short-term credit ratings are A-1 (Standard & Poor's), P-1 (Moody's) and F1 (Fitch).</p> <p>BNPPF's long-term credit ratings are A+ with a negative</p>	

		<p>creditwatch (Standard & Poor's), A2 with a negative outlook (Moody's) and A+ with a stable outlook (Fitch) and BNPPF's short-term credit ratings are A-1 (Standard & Poor's), P-1 (Moody's) and F1 (Fitch).</p> <p>Standard & Poor's credit ratings in respect of the Programme are: (i) A+ (Senior Unsecured Debt maturing in one year or more), (ii) A-1 (Senior Unsecured Debt maturing in less than one year), (iii) A- (Subordinated Debt) and (iv) BBB+ (Junior Subordinated Debt). Fitch's credit ratings in respect of the Programme are A+ (long-term senior unsecured) and F1 (short-term senior unsecured). Moody's credit ratings in respect of the Programme (where BNPPF act as Issuer) are: (i) A2 (Senior Unsecured), (ii) Baa2 (Subordinated), (iii) Baa3 (Junior Subordinated) and (iv) P-1 (Short-Term). Moody's credit ratings in respect of the Programme (where BP2F act as Issuer (guaranteed by BNPPF)) are: (i) A2 (Senior Unsecured), (ii) Baa2 (Senior Subordinated), (iii) Baa2 (Subordinated), (iv) Baa3 (Junior Subordinated) and (v) P-1 (Short-Term).</p> <p>Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency.</p>
		<p>[The Notes [[have been/are expected to be] rated <i>[specify rating(s) of Tranche being issued]</i> by <i>[specify rating agent(s)]</i>][are not rated].]</p>
[B.18]	Description of the Guarantee	<p>Notes issued by BP2F pursuant to the programme will be unconditionally and irrevocably guaranteed by BNP Paribas Fortis SA/NV (the "Guarantor" or "BNPPF"). The obligations of the Guarantor under its guarantee will be either senior, senior subordinated or junior subordinated obligations.</p> <p>[The Notes have the benefit of a [senior][senior subordinated][junior subordinated] guarantee by the Guarantor.]</p>
B.19	Information about the Guarantor	
B.19/B.1	Legal and commercial name of the Guarantor	BNP Paribas Fortis SA/NV, acting under the commercial name of BNP Paribas Fortis.
B.19/B.2	Domicile/ legal form/ legislation/ country of incorporation	The Guarantor is incorporated as a public company with limited liability (<i>société anonyme/naamloze vennootschap</i>) under the laws of Belgium with its registered office at 1000 Brussels, Montagne du Parc 3 and is a credit institution governed by the Belgian Banking Law.

B.19/B.4b	Trend information	<p>Macro-economic environment.</p> <p>Market and macroeconomic conditions affect BNPPF's results. The nature of BNPPF's business makes it particularly sensitive to market and macroeconomic conditions in Europe, which have been difficult and volatile in recent years.</p> <p>In 2013, the global economy began to move towards equilibrium, with several emerging countries slowing down and a slight recovery in the developed countries. In 2013, global economic conditions remained generally stable as compared to 2012. IMF and OECD economic forecasts^[1] for 2014 generally indicate a renewal of moderate growth in developed economies albeit less strong and uniform in the Euro-Zone. Their analysts consider that uncertainties remain regarding the strength of the recovery, particularly in light of the U.S. Federal Reserve's announcement in December 2013 that it would gradually reduce ("taper") its stimulus program, and in the Euro-zone, where a risk of deflation exists.</p> <p>Within the Euro-zone, sovereign credit spreads continued to decrease in 2013 following the decrease recorded in 2012 from the previous historically high levels. The financial condition of certain sovereigns has markedly improved but there remains uncertainty as to the solvency of some others.</p> <p>Laws and Regulations Applicable to Financial Institutions.</p> <p>Laws and regulations applicable to financial institutions that have an impact on BNPPF have significantly evolved in the wake of the global financial crisis. The measures that have been proposed and/or adopted in recent years include more stringent capital and liquidity requirements (particularly for large global banking groups such as the BNP Paribas Group), taxes on financial transactions, restrictions and taxes on employee compensation, limits on the types of activities that commercial banks can undertake and ring-fencing or even prohibition of certain activities considered as speculative within separate subsidiaries, restrictions on certain types of financial products, increased internal control and reporting requirements, more stringent conduct of business rules, mandatory clearing and reporting of derivative transactions, requirements to mitigate risks in relation to over-the-counter derivative transactions and the creation of new and strengthened regulatory bodies. The measures that were recently adopted, or in some cases proposed and still under discussion, that have or are likely to affect BNPPF, include in particular the EU Directive and</p>
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^[1] See in particular: IMF – World Economic Outlook Update – January 2014 and G20 Note on Global Prospects and Policy Challenges – February 2014, OECD – The Global Economic Outlook – November 2013

		<p>Regulation on prudential requirements “CRD IV” dated 26 June 2013 and many of whose provisions have been applicable since 1 January 2014; the proposals of technical regulatory and execution rules relating to the Directive and Regulation CRD IV published by the EBA; the Belgian Banking Law replacing the previous law of 1993 and introducing important changes; the public consultation for the reform of the structure of the EU banking sector of 2013 and the European Commission’s proposed regulation on structural measures designed to improve the strength of EU credit institutions of 29 January 2014; the proposal for a regulation on indices used as benchmarks in financial instruments and financial contracts; the European single supervisory mechanism; the European proposal for a single resolution mechanism and the proposal for a European Directive on bank recovery and resolution; the final rule for the regulation of foreign banks imposing certain liquidity, capital and other prudential requirements adopted by the U.S. Federal Reserve; the proposal of the U.S. Federal Reserve relating to liquidity ratios of large banks; and the “Volcker” Rule imposing certain restrictions on investments in or sponsorship of hedge funds and private equity funds and proprietary trading activities (of U.S. banks and to some extent non-U.S. banks) that was recently adopted by the U.S. regulatory authorities. More generally, regulators and legislators in any country may, at any time, implement new or different measures that could have a significant impact on the financial system in general or BNPPF in particular.</p>
B.19/B.5	Description of the Group	The Guarantor is a subsidiary of BNPP.
B.19/B.9	Profit forecast or estimate	Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.
B.19/B.10	Audit report qualifications	Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus.

B.19/B.12	Selected historical key financial information		
	Comparative Annual Financial Data - in millions of EUR		
		31/12/2012	31/12/2013
	Revenues	5,881	6,515
	Cost of risk	(374)	(493)
	Net Income	551	960
	Net Income attributable to shareholders	313	638
	Total Consolidated Balance Sheet	272,390	261,463
	Shareholders' equity	18,655	18,660
	Consolidated loans and receivables due from customers	147,781	160,519
	Consolidated items due to customers	146,246	160,839
	Tier 1 Capital	18,538	18,620
	Tier 1 Ratio	14.9%	14.8%
	Total Capital	22,972	21,913
	Total Capital Ratio	18.5%	17.4%
Statements of no significant or material adverse change			
There has been no significant change in the financial or trading position of the Guarantor since 31 December 2013 and there has been no material adverse change in the prospects of the Guarantor since 31 December 2013.			
B.19/B.13	Events impacting the Guarantor's solvency	Not Applicable - There are no recent events particular to the Guarantor which are to a material extent relevant to an evaluation of its solvency.	
B.19/B.14	Dependence upon other Group entities	The Guarantor is dependent on other members of the BNPP Group. See also Element B.19/B.5 above.	
B.19/B.15	The Guarantor's Principal activities	The Guarantor's object is to carry on the business of a credit institution, including brokerage and transactions involving derivatives. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature that benefit the realisation thereof. The Guarantor is free to hold shares and share interests within the limits set by the legal framework for credit institutions (including the Belgian Banking Law).	

B.19/B.16	Controlling shareholders	BNPP holds 99.93 per cent. of the share capital of the Guarantor.
B.19/B.17	Credit ratings	The Guarantor's long-term credit ratings are A+ with a negative creditwatch (Standard & Poor's), A2 with a negative outlook (Moody's) and A+ with a stable outlook (Fitch) and BNPPF's short-term credit ratings are A-1 (Standard & Poor's), P-1 (Moody's) and F1 (Fitch).]

Section C – Securities

Element	Title	
C.1	Type and class of Notes/ISIN	<p>The Notes described in this section are debt or derivative securities with a denomination of less than €100,000 (or its equivalent in any other currency). The Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes or a combination of the foregoing.</p> <p>[The Notes are [£/€U.S.\$/other] [[●] per cent./Floating Rate/Zero Coupon/Inflation Index-Linked [Interest/Redemption]/ Foreign Exchange (FX) Rate-Linked [Interest/Redemption]/Underlying Interest Rate-Linked [Interest]] Notes due [●].]</p> <p>International Securities Identification Number (ISIN): [●]</p> <p>The Notes will be consolidated and form a single series with [<i>identify earlier Tranches</i>] on [the Issue Date/ exchange of the Temporary Global Note for interests in the Permanent Global Note, which is expected to occur on or about [●]]]</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer at the time of issue.</p> <p>The currency of this Series of Notes is [Pounds Sterling ("£")/Euro ("€")/U.S. dollars ("U.S.\$")/Other ("[●]")].</p>
C.5	Restrictions on free transferability	<p>The Notes will be freely transferable, subject to the offering and selling restrictions in Austria, Belgium, France, The Netherlands, the United Kingdom, Hong Kong, Japan, Switzerland, the United States of America and under the Prospectus Directive and the laws of any other jurisdiction in which the relevant Notes are offered or sold.</p>

C.8	Rights attached to the Notes, including ranking and limitations on those rights	Notes issued under the Programme will have terms and conditions relating to, among other matters:
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		<p><i>Status and Subordination</i></p> <p>Notes may be issued on either a senior, a senior subordinated or a junior subordinated basis. Notes issued on a senior basis (the "Senior Notes") constitute direct, unconditional, unsubordinated and unsecured and general obligations of the relevant Issuer and will rank <i>pari passu</i> (subject to mandatorily preferred debts under applicable laws) among themselves and at least equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations including guarantees and other obligations of a similar nature of the relevant Issuer.</p>
		<p>Notes issued on a senior subordinated basis (the "Senior Subordinated Notes") constitute senior subordinated obligations of the relevant Issuer and rank <i>pari passu</i> (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding senior subordinated obligations, including guarantees and other obligations of a similar nature of such Issuer. Accordingly, the liabilities of the relevant Issuer under or pursuant to the Senior Subordinated Notes shall not be required to be satisfied until satisfaction of all indebtedness of such Issuer to the depositors (in the case of BNPPF) and all present and future unsubordinated creditors of the relevant Issuer or the amount necessary for that purpose shall have been deposited in consignment.</p>
		<p>Notes issued on a junior subordinated basis (the "Junior Subordinated Notes") constitute direct, unsecured, junior subordinated and conditional obligations of such Issuer and rank (a) <i>pari passu</i> without any preference among themselves and with any other Junior Subordinated Notes and, in the case of BNPPF, the junior subordinated guarantees, (b) junior to all present and future unsecured obligations of such Issuer which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of such Issuer but not further or otherwise (the "Senior Subordinated Obligations"), (c) at least equally and rateably with all other present and future obligations of such Issuer which rank or are expressed to rank junior to the Senior Subordinated Obligations and (d) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by such Issuer, subject to mandatory provisions of Belgian law (in the case of Junior Subordinated Notes issued by BNPPF) or the laws of Luxembourg (in the case of Junior Subordinated Notes issued by BP2F).</p>
		<p>Claims in respect of the Junior Subordinated Notes are subordinated to the claims of senior and subordinated creditors and payments of principal and interest by the</p>

		<p>relevant Issuer in respect of Junior Subordinated Notes will be conditional upon such Issuer being solvent at the time of payment by that Issuer and no principal or interest shall be due and payable in respect of Junior Subordinated Notes except to the extent that (assuming a payment was then due by the relevant Issuer) such Issuer could make such payment in whole or in part, rateably with payments in respect of other <i>pari passu</i> claims, and still be solvent immediately thereafter.</p> <p>These Notes are [Senior Notes/Senior Subordinated Notes/Junior Subordinated Notes].</p>
		<p><i>Events of default</i></p> <p>The terms of the Senior Notes will contain, amongst others, the following events of default:</p>
		<p>(a) default in payment of any principal or interest due in respect of the Notes, continuing for a period of 30 days;</p> <p>(b) default arising from the non-performance or non-observance by the Issuer or (in the case of Notes issued by BP2F) the Guarantor of any other obligation condition or other provision under Notes or the Guarantee continuing for a period of 45 days;</p> <p>(c) default by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor in the payment of the principal of, or premium or prepayment charge (if any) or interest on, any other loan indebtedness of or assumed or guaranteed by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), when and as the same shall become due and payable (as a result of maturity or acceleration of maturity), if, other than in the case of acceleration of maturity, such default shall continue for more than the applicable period of grace and the time for payment of such interest or principal has not been effectively extended;</p>
		<p>(d) events relating to the dissolution, insolvency or winding up of the relevant Issuer or the Guarantor (as applicable) except as a result of a permitted reorganisation pursuant to the conditions or the relevant Issuer ceases to be subsidiary of the Guarantor (unless as a result of a permitted substitution of the Issuer in accordance with the conditions);</p>

		<p>(e) it becomes unlawful for the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor to perform any of their respective obligations under the Notes or the Guarantees, or any of their obligations ceases to be valid, binding or enforceable; and</p>
		<p>(f) the Guarantee, if applicable, ceases to be in full force and effect.</p> <p>Any holder of a Senior Subordinated Note or a Junior Subordinated Note may declare his Note to be due and payable at its principal amount together with accrued interest to the date of repayment if an order is made or an effective resolution is passed for the bankruptcy (<i>faillissement/faillite</i>), or liquidation (<i>vereffening/liquidation</i>) of the relevant Issuer or the Guarantor, as the case may be.</p>
		<p><i>Governing law</i></p> <p>The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law except for (a) in the case of Notes issued by BP2F, Conditions 3.2 and 3.3 which shall be governed by, and construed in accordance with Luxembourg law and Conditions 3.5 and 3.6 which shall be governed by, and construed in accordance with Belgian law and (b) in the case of Notes issued by BNPPF, Conditions 1.2, 3.2, 3.3 and 10.1(b) which shall be governed by, and construed in accordance with Belgian law. Guarantees to which Condition 3.4 applies are governed by, and shall be construed in accordance with English law. Guarantees to which Condition 3.5 applies and Guarantees to which Condition 3.6 applies are governed by, and shall be construed in accordance with Belgian law.</p>
C.9	Interest/Redemption	<p><i>Interest</i></p> <p>Notes issued pursuant to the programme may or may not bear interest. Notes that do not bear interest may also be sold at a discount to their nominal amount. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate or at a variable rate linked to one or more inflation indices, currencies and/or underlying interest rates.</p> <p>[The Notes do not bear interest[and will be offered and sold at a discount to their nominal amount].]</p> <p>[<i>Complete if appropriate for Notes other than Junior Subordinated Notes:</i> The Notes bear interest [from their date of issue/from [●]] at the fixed rate of [●] per cent. per annum. [The yield of the Notes is [●] per cent.] [Interest</p>

		<p>will be paid [annually] in arrear on [●] in each year [at an amount equal to [insert currency]][insert Fixed Coupon Amount] in respect of each Note].] <i>[Applicable for Junior Subordinated Notes only:</i> Interest will be paid in arrear on [●] in each year, provided that in the calendar year immediately preceding each relevant date, any dividend has been declared or paid on any class of share capital of the Guarantor and if the Guarantor is solvent (a "Compulsory Interest Payment Date"). If such date is not a Compulsory Interest Payment Date, interest may (at the election of the Issuer [or the Guarantor]) be paid but any failure to pay shall not constitute and event of default. Any such unpaid interest shall be "Arrears of Interest" and such Arrears of Interest may be paid at the option of the Issuer [or the Guarantor], following notice to the Noteholders, or will become due in full following either the first occurring Compulsory Interest Payment Date, the date set for redemption or following an order or an effective resolution for the winding-up, liquidation or bankruptcy of the Issuer [or the Guarantor].][The first interest payment will be made on [●]].</p> <p><i>[Complete if appropriate for Notes other than Junior Subordinated Notes:</i> The Notes bear interest [from their date of issue/from [●]] at floating rates calculated by reference to [LIBOR/EURIBOR/LIBID/LIMEAN][insert ISDA Rate] [plus/minus] [a margin of [●] per cent.] [Interest will be paid [annually/semi-annually/quarterly] in arrear on [●] and [●] in each year[, subject to adjustment for non-business days].] <i>[Applicable for Junior Subordinated Notes only:</i> Interest will be paid in arrear on [●] in each year, provided that in the calendar year immediately preceding each relevant date, any dividend has been declared or paid on any class of share capital of the Guarantor and if the Guarantor is solvent (a "Compulsory Interest Payment Date"). If such date is not a Compulsory Interest Payment Date, interest may (at the election of the Issuer [or the Guarantor]) be paid but any failure to pay shall not constitute and event of default. Any such unpaid interest shall be "Arrears of Interest" and such Arrears of Interest may be paid at the option of the Issuer [or the Guarantor], following notice to the Noteholders, or will become due in full following either the first occurring Compulsory Interest Payment Date, the date set for redemption or following an order or an effective resolution for the winding-up, liquidation or bankruptcy of the Issuer [or the Guarantor].] [The first interest payment will be made on [●].] [The rate of interest will be payable calculated by reference to the performance of [insert inflation index or inflation indices] [insert foreign exchange rate(s)] [insert underlying interest rate(s)].] [The Interest Rate will be [FI Digital Coupon] [Range Accrual Coupon] [Combination Floater Coupon] [PRDC Coupon] [FI Digital Floor Coupon] [FI Digital Cap Coupon]][FI Target Coupon]][FI</p>
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		<p>FX Vanilla Coupon][FI Digital Plus Coupon] and will be determined as follows:</p> <p><i>[Insert formula, relevant value(s) and other related provisions from Payout Conditions].]</i></p> <p>[The [minimum]][maximum] rate of interest will be [●].]</p>
		<p>Redemption</p> <p>The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.</p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] [or, if later, the specified Extended Maturity Date] at [par/[●] per cent. of their nominal amount/an amount calculated by reference to the performance of <i>[insert inflation index/inflation indices][insert foreign exchange rate(s)][insert underlying interest rate(s)]</i>]. [The Note is an [FI FX Vanilla Note][FI Inflation Note]].</p>
		<p>The Notes may be redeemed early for tax reasons or due to illegality at the Early Redemption Amount.</p> <p><i>[Include if applicable: The Notes may be redeemed early at the option of the [Issuer (an "Issuer Call")][Noteholders (a "Noteholder Put")]] at the Early Redemption Amount.][Include if Inflation Index-Linked Notes: The Notes may also be cancelled or redeemed early following the occurrence of certain disruption, adjustment, extraordinary or other events relating to the underlying inflation index(ices).] [The Early Redemption Amount applicable following [an Issuer Call][,/and][a Noteholder Put][,/and] [an early redemption [for tax reasons]][and/or] [due to illegality] is [par/[●] per cent. of their nominal amount/the fair market value of such Note less costs on the date of the notice of redemption]. (to be repeated as necessary if different Early Redemption Amounts apply)]</i></p> <p>[The Notes will be redeemed in instalments on <i>[[insert Instalment Dates]</i> at <i>[insert Instalment Amounts]</i> (repeat as necessary if different Instalment Amounts apply in respect of different Instalment Dates)].]</p> <p>Representative of holders</p> <p>Not Applicable – No representative of the Noteholders has been appointed by the Issuer.</p>

		<p><i>Meetings</i></p> <p>The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Please also refer to Element C.8.</p>
C.10	Derivative component in the interest payments	<p>[Payments of interest in respect of certain Tranches of Notes may be determined by reference to the performance of certain specified underlying reference(s).</p> <p>[Please also refer to Element C.9.]]</p> <p>[Not Applicable – there is no derivative component in the interest payments.]</p>
C.11	Admission to trading	<p>Notes issued under the Programme may be admitted to trading on the regulated market of the Luxembourg Stock Exchange, Brussels Stock Exchange and/or Amsterdam Stock Exchange or such other stock exchange or market specified below, or may be issued on an unlisted basis.</p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market] of the [Luxembourg/Brussels/Amsterdam Stock Exchange.]] [The Notes are not intended to be admitted to trading on any market.]</p> <p>[Not applicable – the Notes are issued on an unlisted basis.]</p>
C.15	Any underlying which may affect the value of the Notes	<p>The amount (if any) payable in respect of interest or the amount payable on redemption of the Notes may be calculated by reference to certain specified underlying reference assets.</p> <p>[The amount payable in respect of interest for the Notes will be calculated by reference to a [single][basket of] [inflation ind[ex][ices]][currenc[y][ies]][underlying interest rate[s]].</p> <p>[The amount payable on redemption of the Notes will be calculated by reference to a [single][basket of] [inflation ind[ex][ices]][currenc[y][ies]] .]</p> <p>[Not Applicable – there are no underlying reference assets applicable to the Notes.]</p>

C.16	Exercise date/final reference date	<p>The maturity date of the Notes will be [<i>insert date</i>] (the "Maturity Date").</p> <p>[The extended maturity date will be [<i>insert date</i>] (the "Extended Maturity Date")]</p>
C.17	Settlement procedure of derivative securities	These Notes are cash settled.
C.18	Return on derivative securities	<p>See item C.8 above for the rights attaching to the Notes.</p> <p>Information on interest in relation to the Notes is set out in Element C.9 above.</p> <p><i>Final Redemption</i></p> <p>Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer on the Maturity Date [or the Extended Maturity Date] at an amount per Note calculated by the Calculation Agent equal to either (a) par, (b) the Calculation Amount multiplied by a specified percentage or (c) the relevant Final Payout (the "Final Redemption Amount").</p> <p>[The Final Redemption Amount applicable to the Notes is an amount per Note equal to [par][the Calculation Amount multiplied by [<i>insert percentage</i>]][the Final Payout.</p> <p>The Notes are [FI FX Vanilla Notes][FI Inflation Notes]. Accordingly, the Final Payout will be calculated as follows:</p> <p>[<i>Insert formula, relevant value(s) and other related provisions from Payout Conditions</i>]]</p> <p><i>Automatic Early Redemption</i></p> <p>If an Automatic Early Redemption Event occurs [on any Automatic Early Redemption Valuation Date][in respect of an Automatic Early Redemption Valuation Period], the Notes will be redeemed early at the Automatic Early Redemption Amount on the Automatic Early Redemption Date.</p> <p>The Automatic Early Redemption Amount in respect of each nominal amount of Notes equal to [●] (the "Calculation Amount") will be the Automatic Early Redemption Payout.</p> <p>[The Automatic Early Redemption Payout is [Target Automatic Early Redemption][FI Underlying Automatic Early Redemption][FI Coupon Automatic Early Redemption]. Accordingly, the Automatic Early Redemption Payout will be calculated as follows:</p>

[Insert formula, relevant value(s) and other related provisions from Payout Conditions]]

"Automatic Early Redemption Event" means [insert in the case of a Target Automatic Early Redemption: the Cumulative Coupon is equal to or greater than [●] (the **"Automatic Early Redemption Percentage"**)] [insert in the case of a FI Underlying Automatic Early Redemption: the [specify Underlying Reference Level] is equal to or greater than [●] (the **"Automatic Early Redemption Percentage Down"**) and less than or equal to [●] (the **"Automatic Early Redemption Percentage Up"**)] [insert in the case of a FI Coupon Automatic Early Redemption: the product of the rate of interest and the applicable day count fraction in respect of the Current Interest Period is equal to or greater than [●] (the **"Automatic Early Redemption Percentage"**)] [insert in the case of Standard Automatic Early Redemption: the [in the case of a single underlying asset: specify Underlying Reference Level] [insert in the case of a basket of underlying assets: Basket Price] is [greater than][greater than or equal to][less than][less than or equal to] [insert level] (the **"Automatic Early Redemption Level"**)]. [**"Automatic Early Redemption Valuation Date"** means [●], subject to adjustment.]

"Automatic Early Redemption Valuation Period" means [●]

"Automatic Early Redemption Date" means the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs.]

"Basket Price" means, in respect of an Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each underlying reference as the product of (a) [specify the Underlying Reference Level] of such underlying reference on such Automatic Early Redemption Valuation Date and (b) the relevant weighting.]

"Cumulative Coupon" means, in respect of an Automatic Early Redemption Valuation Date, (a) the sum of the values calculated for each interest period preceding the Current Interest Period as the product of (i) the rate of interest and (ii) the applicable day count fraction, in each case for such interest period plus (b) the product of (i) the rate of interest and (ii) the applicable day count fraction, in each case for the Current Interest Period.]

		[" Current Interest Period " means, in respect of an Automatic Early Redemption Valuation Date, the interest period during which such Automatic Early Redemption Valuation Date falls.]
C.19	Exercise price/final reference price of the underlying	[Not applicable, there is no final reference price of the Underlying.] [The final reference price of the Underlying Reference will be determined in accordance with the valuation mechanics set out in Element C.9 and Element C.18 above, as applicable.]
C.20	Type of the underlying	One or more foreign exchange rate, inflation index and/or underlying interest rate. The underlying reference(s) in relation to the Notes [is/are] [a/an] [single/basket of] [foreign exchange rate[s]] [inflation ind[ex][ices]][underlying interest rate[s]].

Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer and the Guarantor	<p>In purchasing Notes, investors assume the risk that the relevant Issuer and/or, if BP2F is the Issuer, the Guarantor, may become insolvent or otherwise be unable to make all payments due in respect of the Notes. In the event of the insolvency of BNPPF or BP2F, as applicable or if it is otherwise unable or unwilling to repay the Notes when repayment falls due, an investor may lose all or part of his investment in the Notes.</p> <p>There is a wide range of factors which individually or together could result in the relevant Issuer and the Guarantor, where applicable, becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, the Issuers and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and/or the Guarantor's control. The Issuers and/or the Guarantor have identified a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes. These factors include:</p> <p>[[BNPPF/the Guarantor]:</p> <p>The following is a summary of some of the investment considerations relating to the business of BNPPF:</p>

		<p>(a) Difficult market and economic conditions including, without limitation, concerns regarding the ability of certain countries in the eurozone to refinance their debt obligations, could in the future have a material adverse effect on the operating environment for financial institutions and hence on BNPPF's financial condition, results of operations and cost of risk.</p> <p>(b) Legislative action and regulatory measures taken in response to the global financial crisis may materially impact BNPPF and the financial and economic environment in which it operates.</p> <p>(c) BNPPF's access to and cost of funding could be adversely affected by a further deterioration of the euro zone sovereign debt crisis, worsening economic conditions, a ratings downgrade or other factors.</p> <p>(d) The soundness and conduct of other financial institutions and market participants could adversely affect BNPPF.</p> <p>(e) BNPPF may incur significant losses on its trading and investment activities due to market fluctuations and volatility.</p> <p>(f) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPPF's results of operations and financial condition.</p> <p>(g) BNPPF may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.</p> <p>(h) BNPPF's hedging strategies may not prevent losses.</p> <p>(i) Significant interest rate changes could adversely affect BNPPF's net banking income or profitability.</p> <p>(j) Protracted market declines can reduce liquidity in the markets making it harder to sell assets and possibly leading to material losses.</p> <p>(k) Notwithstanding BNPPF's risk management policies, procedures and methods it could still be BNPPF exposed to unidentified or unanticipated risks, which could lead to material losses.</p> <p>(l) While each of BNPPF's businesses manages its operational risks, these risks remain an inherent part of all of the BNPPF's businesses.</p>
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		<p>(m) BNPPF has significant counterparty risk exposure and exposure to systemic risks.</p> <p>(n) BNPPF's competitive position could be harmed if its reputation is damaged.</p> <p>(o) An interruption in or a breach of BNPPF's information systems may result in lost business and other losses.</p> <p>(p) Litigation or other proceedings or actions may adversely affect BNPPF's business, financial condition and results of operations.</p> <p>(q) Uncertainty linked to fair value accounting and use of estimates.</p> <p>(r) Risks and uncertainties connected to the integration and optimisation of the operations of BNPPF following its acquisition by BNP Paribas.</p> <p>(s) A deterioration of the credit rating of BNP Paribas of its debt quality could adversely affect BNPPF.</p> <p>(t) Risks connected to the discussions of BNP Paribas with the US. Department of Justice and the New York County District Attorney's Office, among other U.S. Regulators and law enforcement and other governmental authorities, related to U.S. Dollar payments involving parties subject to U.S. sanctions, may impact BNPPF.</p> <p>(u) Unforeseen external events can interrupt BNPPF's operations and cause substantial losses and additional costs.</p> <p>(v) BNPPF is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.</p> <p>(w) Intense competition in the financial services industry could adversely affect BNPPF revenues and profitability.]</p> <p>[BP2F:</p> <p>The following is a summary of some of the additional investment considerations relating to the business of BP2F:</p> <p>(a) The primary credit protection for Notes issued by BP2F will derive from the guarantees given by BNPPF.</p> <p>(b) BP2F's ability to make payments under the Notes</p>
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		<p>may depend on the operating performance of those companies to which the proceeds of the Notes are lent.</p> <p>(c) BP2F's ability to perform its obligations in respect of the structured return on structured securities may depend on the ability of its hedging counterparties to meet their obligations under any hedge.</p>
		<p>(d) The financial condition of the operating companies to which the proceeds of the Notes are lent may deteriorate and this may affect BP2F's ability to make payments under the Notes which it issues.</p> <p>(e) During deteriorating or challenging economic conditions BP2F may find it difficult to raise further finance.</p> <p>(f) Transfer pricing tax rules in Luxembourg generate additional costs, which may vary from time to time.]</p>
D.3	Key risks regarding the Notes	<p>[There are certain factors which are material for the purposes of assessing the market risks associated with Notes issued under the Programme, including that [Notes including leverage involve a higher level of risk and whenever there are losses on such Notes those losses may be higher than those of a similar security which is not leveraged,] [the trading price of the Notes is affected by a number of factors including, but not limited to, the price of the relevant underlying reference(s), time to expiration or redemption and volatility and such factors mean that the trading price of the Notes may be below the Final Redemption Amount,] [exposure to the underlying reference in many cases will be achieved by the relevant Issuer entering into hedging arrangements and, in respect of Notes linked to an underlying reference, potential investors are exposed to the performance of these hedging arrangements and events that may affect the hedging arrangements and consequently the occurrence of any of these events may affect the value of the Notes,] [the Notes may have a minimum trading amount and if, following the transfer of any Notes, a Holder holds fewer Notes than the specified minimum trading amount, such Holder will not be permitted to transfer their remaining Notes prior to expiration or redemption, as applicable, without first purchasing enough additional Notes in order to hold the minimum trading amount,][the occurrence of an additional disruption event or optional additional disruption event may lead to an adjustment to the Notes, or early redemption or may result in the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption and consequently the occurrence of an additional disruption event and/or optional additional</p>

		<p>disruption event may have an adverse effect on the value or liquidity of the Notes,][[expenses and]taxation may be payable in respect of the Notes,] [the Global Notes are held by or on behalf of the clearing systems, therefore investors will have to rely on their procedures for transfer, payment and communication with the Issuer [and the Guarantor].The Issuer [and the Guarantor] will discharge their payment obligations under the Notes by making payments to the relevant common depositary for the relevant clearing system for distribution to their account holders. The Issuer [and the Guarantor] will have no responsibility for the proper performance by the clearing systems relating to payments made in respect of, the Notes within any relevant clearing system,] [the Notes may be redeemed in the case of illegality or impracticability and such cancellation or redemption may result in an investor not realising a return on an investment in the Notes,][the meetings of Holders provisions permit defined majorities to bind all Holders,][any judicial decision or change to an administrative practice or change to English law after the date of the Base Prospectus could materially adversely impact the value of any Notes affected by it,][a reduction in the rating, if any, accorded to outstanding debt securities of the Issuer or Guarantor (if applicable) by a credit rating agency could result in a reduction in the trading value of the Notes,][certain conflicts of interest may arise (see Element E.4 below),][the only means through which a Holder can realise value from the Notes prior to its Maturity Date is to sell it at its then market price in an available secondary market and that there may be no secondary market for the Notes (which could mean that an investor has to exercise or wait until redemption of the Notes to realise a greater value than its trading value)] and the conditions of the Notes contain provisions which may permit their modification without the consent of all investors.</p> <p>In addition, there are specific risks in relation to Notes which are linked to an underlying reference and an investment in such Notes will entail significant risks not associated with an investment in a conventional debt security. Risk factors in relation to such Notes include: <i>[Insert in the case of Inflation Index-Linked Notes: exposure to an inflation index, market disruption,][Insert in the case of Foreign Exchange (FX) Rate-Linked Notes: exposure to a foreign exchange rate, similar market risks to a direct currency investment, market disruption] [Insert in the case of Underlying Interest Rate-Linked Notes: exposure to an interest rate][, the holder will have no claim against the relevant underlying reference in respect of the Notes] [and that the Issuer will not provide post-issuance information in relation to the underlying reference].</i></p> <p>[Furthermore there are specific risks in relation to Notes linked to an underlying reference from an emerging or</p>
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		<p>developing market (including, without limitation, risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation and uncertainties as to status, interpretation and applicable of laws, increased custodian costs and administrative difficulties and higher probability of the occurrence of a disruption or adjustment event). Notes traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile.]</p> <p>[In certain circumstances Holders may lose the entire value of their investment.]]</p>
[D.6]	Risk warning	Investors may lose all or part of their investment in the Notes as a result of the terms and conditions of the Notes.]

Section E – Offer

Element	Title	
E.2b	Reasons for the offer and use of proceeds	<p>The net proceeds from each issue of Notes will be applied by BNPPF or BP2F, as applicable for its general corporate purposes, which include making a profit, and may also be applied for particular uses, as determined by BNPPF or BP2F, as applicable.</p> <p>The net proceeds from the issue of Notes will be applied by [BNPPF]/[BP2F] for its general corporate purposes, which include making a profit [and [●]].</p>
E.3	Terms and conditions of the offer	<p>Under the Programme, the Notes may be offered to the public in a Non-Exempt Offer in Austria, Belgium, France, Germany, Luxemburg and/or The Netherlands.</p> <p>The terms and conditions of each offer of Notes will be determined by agreement between the relevant Issuer and the relevant Dealers at the time of issue. An investor intending to acquire or acquiring any Notes in a Non-exempt Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p> <p>[This issue of Notes is being offered in a Non-Exempt Offer in <i>[specify particular country/ies]</i>].</p> <p>The issue price of the Notes is [●] per cent. of their nominal amount.</p>

		<i>[Summarise any public offer, copying the language from paragraphs 9(g) and 11 of Part B of the Final Terms.]</i>
E.4	Interest of natural and legal persons involved in the issue/offer	<p>The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, BNPPF, BP2F and/or the Guarantor and their affiliates in the ordinary course of business.</p> <p>The [Dealers/Managers] will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes. Any [Dealer/Manager] and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the [BNPPF]/[BP2F] [and the Guarantor] and [its]/[their] respective affiliates in the ordinary course of business.</p> <p>[Other than as mentioned above,[and save for [●],] so far as [BNPPF]/[BP2F] is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
E.7	Expenses charged to the investor by BNPPF or BP2F,	[Not Applicable – No expenses will be charged to investors by the Issuer.]

RISK FACTORS

The following section applies to both Exempt Notes and Non-exempt Notes.

In purchasing Notes, investors assume the risk that the Issuers and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuers or the Guarantor becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuers and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuers' and the Guarantor's control. The Issuers and the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes.

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

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Before making an investment decision with respect to any Notes issued under the Programme, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this section.

Factors that may affect the Issuers' and the Guarantor's ability to fulfil their obligations under Notes issued under the Programme

Risk factors relating to the business of BNP Paribas Fortis SA/NV

Difficult market and economic conditions could in the future have a material adverse effect on the operating environment for financial institutions and hence on BNPPF's financial condition, results of operations and cost of risk.

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

European markets have recently experienced significant disruptions as a result of concerns regarding the ability of certain countries in the eurozone to refinance their debt obligations and of the financial assistance provided to certain European Union member states. These disruptions have contributed to increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the near-term economic prospects of countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union.

BNPPF holds and in the future may hold substantial portfolios of sovereign debt obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in, certain of the countries that have been most significantly affected by the current crisis. BNPPF is also active in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis has had, and may continue to have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and therefore on the environment in which BNPPF operates.

If economic conditions in Europe or in other parts of the world were to deteriorate, particularly in the context of an exacerbation of the sovereign debt crisis (such as a sovereign default), BNPPF could be required to record additional impairment charges on its sovereign debt holdings or record further losses on sales thereof, and the resulting market and political disruptions could have a significant adverse impact on the credit quality of BNPPF's customers and financial institution counterparties, on market parameters such as interest rates, currency exchange rates and stock market indices, and on BNPPF's liquidity and ability to raise financing on acceptable terms.

Legislative action and regulatory measures taken in response to the global financial crisis may materially impact BNPPF and the financial and economic environment in which it operates

Legislation and regulations recently have been enacted or proposed with a view to introduce a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the financial crisis, the impact of the new measures could be to change substantially the environment in which BNPPF and other financial institutions operate.

The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements, taxes on financial transactions, restrictions and taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and, potentially, investment banking activities more generally), restrictions on certain types of financial products such as derivatives, and the creation of new and strengthened regulatory bodies.

Certain measures that have been or are in the process of being adopted, and will be applicable to BNPPF, (prudential frameworks such as Basel 3 and Capital Requirements Directive 4, the requirements in relation to them announced by the European Banking Authority), will increase BNPPF's regulatory capital and liquidity requirements and may limit its permissible leverage. Ensuring and maintaining compliance with these measures in the future may lead BNPPF to take various actions, such as further reducing its balance sheet or bolstering its capital base, that could affect its financial condition and results of operations.

Some of the new regulatory measures are proposals that are under discussion and that are subject to revision, and would in any case need adaptation to each country's regulatory framework by national regulators. As a result, it is not possible to predict which proposed new measures will ultimately be adopted, what their final form will be or what impact they will have on BNPPF. Depending on the nature and scope of regulatory measures that are ultimately adopted, they could (in addition to having the effects noted above) affect BNPPF's ability to conduct (or impose limitations on) certain types of activities, its ability to attract and retain talent (particularly in its investment banking and financing businesses) and more generally its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations. Finally, it is difficult to predict what impact these measures might have on financial market conditions. It is conceivable that they could trigger or exacerbate future financial crises, particularly if they required significantly enhanced disclosure of risks or problem loan exposures that could be misinterpreted by investors, hence heightening their concern about banks and therefore restricting their sources of financing.

BNPPF's access to and cost of funding could be adversely affected by a deterioration of the euro zone sovereign debt crisis, worsening economic conditions, a ratings downgrade or other factors.

The Euro-zone sovereign debt crisis as well as the general macroeconomic environment adversely affected the availability and cost of funding for European banks in 2011. This was due to several factors, including a sharp increase in the perception of bank credit risk due to their exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including BNPPF, experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank increased substantially. Were such adverse credit market conditions to persist for an extended period or worsen due to factors relating to the economy or the financial industry in general or to BNPPF in particular (such as ratings downgrades), the effect on the liquidity of the European financial sector in general and BNPPF in particular could be materially adverse.

BNPPF's cost of funding may also be influenced by the credit rating on its long-term debt. Any downgrade in the credit ratings by any of the three principal rating agencies may increase BNPPF borrowing costs.

A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPPF's results of operations and financial condition.

In connection with its lending activities, BNPPF regularly establishes provisions for loan losses. BNPPF's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although BNPPF uses its best efforts to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of increases in non-performing assets or for other reasons, as was the case in the second half of 2008 and throughout 2009. Any significant increase in provisions for loan losses or a significant change in BNPPF's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on BNPPF's results of operations and financial condition.

BNPPF may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

BNPPF maintains trading and investment positions in the debt, currency, commodity and equity markets, and in private equity, property and other assets. These positions could be adversely affected by volatility in financial and other markets, i.e. the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. The capital and credit markets have been experiencing unprecedented volatility and disruption since mid-2007 and particularly since the bankruptcy filing of Lehman Brothers in mid-September 2008. As a result BNPPF incurred significant losses on its trading and investment activities. There can be no assurance that this extreme volatility and market disruption will not re-occur in the future but BNPPF has taken action, where possible, to decrease the trading exposure and to decrease the size of the potential losses on its trading activities as a result. Volatility trends (or other trends in parameters that are sensitive to market fluctuations such as correlations) that prove substantially different from BNPPF's expectations may lead to losses relating to a broad range of other trading and hedging products BNPPF uses, including swaps, forwards and futures, options and structured products.

To the extent that BNPPF owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that BNPPF has sold assets that it does not own, or has net short positions, in any of those markets, a market upturn could expose it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. BNPPF may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn net revenues based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that

BNPPF did not anticipate or against which it is not hedged, BNPPF might realise a loss on those paired positions. Such losses, if significant, could adversely affect BNPPF's results of operations and financial condition.

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

Market downturn can lead to a decline in the volume of transactions that BNPPF executes for its clients and, therefore, to a decline in its net banking income from this activity. In addition, because the fees that BNPPF charges for managing its clients' portfolios are in many cases based on the value or on the performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues BNPPF receives from its asset management, equity derivatives and private banking businesses. Even in the absence of a market downturn, below-market performance by BNPPF's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues BNPPF receives from its asset management business.

During recent market downturns in the last couple of years, BNPPF experienced all of these effects and a corresponding decrease in revenues in the relevant business lines. There can be no assurance that BNPPF will not experience similar trends in future market downturns, which may occur periodically and unexpectedly.

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

In some of BNPPF's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if BNPPF cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that BNPPF calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to unanticipated losses.

Significant interest rate changes could adversely affect BNPPF's revenues or profitability.

The amount of net interest income earned by BNPPF during any given period significantly affects its overall net banking income and profitability for that period. Interest rates are sensitive to many factors beyond BNPPF's control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in BNPPF's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to BNPPF's short-term financing may adversely affect BNPPF's profitability.

The soundness and conduct of other financial institutions and market participants could adversely affect BNPPF.

BNPPF's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumours or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to further losses or defaults. BNPPF has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients, with which it regularly executes transactions. Many of these transactions expose BNPPF to credit risk in the event of default of a group of BNPPF's counterparties or clients. In addition, BNPPF's credit risk

may be exacerbated when the collateral held by it cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to BNPPF.

In addition, misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff, as a result of which numerous financial institutions globally have announced losses or exposure to losses in substantial amounts.

There can be no assurance that any losses resulting from the risks summarised above will not materially and adversely affect BNPPF's results of operations.

BNPPF's competitive position could be harmed if its reputation is damaged.

In the highly competitive environment arising from globalisation and convergence in the financial services industry, a reputation for financial strength and integrity is critical to BNPPF's ability to attract and retain customers. BNPPF's reputation could be harmed if it fails to adequately promote and market its products and services. BNPPF's reputation could also be damaged if, as it increases its client base and the scale of its businesses, BNPPF's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, BNPPF's reputation could be damaged also by other compliance risks, including but not limited to, employee misconduct, misconduct by market participants or funds to which BNPPF is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. The loss of business that could result from damage to BNPPF's reputation could have an adverse effect on its results of operations and financial position.

An interruption in or a breach of BNPPF's information systems may result in lost business and other losses.

As with most other banks, BNPPF relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in BNPPF's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. BNPPF cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have an adverse effect on BNPPF's financial condition and results of operations.

Unforeseen external events can interrupt BNPPF's operations and cause substantial losses and additional costs.

Unforeseen events such as political and social unrest, severe natural disasters, terrorist attacks or other states of emergency could lead to an abrupt interruption of BNPPF's operations and, to the extent not covered by insurance, could cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to additional costs (such as relocation of employees affected) and increase BNPPF's costs (particularly insurance premiums).

BNPPF is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.

BNPPF is exposed to regulatory compliance risk, such as the inability to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging legal or regulatory requirements. Besides damage to BNPPF's reputation and private rights of action, noncompliance could lead to significant fines, public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of operating licenses. This risk is further exacerbated by continuously increasing regulatory oversight. This is the case in particular with respect to money laundering, the financing of terrorist activities or transactions with countries that are subject to economic sanctions.

More generally, BNPPF is exposed to the risk of legislative or regulatory changes in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which BNPPF operates;
- general changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable capital adequacy and liquidity frameworks;
- general changes in securities regulations, including financial reporting and market abuse regulations;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls; and
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect BNPPF, and have an adverse effect on its business, financial condition and results of operations.

Notwithstanding BNPPF risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses.

BNPPF has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, BNPPF risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that BNPPF may have failed to identify or anticipate. BNPPF's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behaviour, valuations, assumptions or estimates. Some of BNPPF's qualitative tools and metrics for managing risk are based on its use of observed historical market behaviour. BNPPF applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process used to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g. if BNPPF does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit BNPPF's ability to manage its risks. BNPPF losses could therefore be significantly greater than the historical measures indicate. In addition, BNPPF quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

BNPPF's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that BNPPF uses to hedge its exposure to various types of risk in its businesses is not effective, BNPPF may incur losses. Many of its strategies are based on historical

trading patterns and correlations. However, the hedging strategies may not protect against all future risks or may not be fully effective in mitigating BNPPF's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of BNPPF's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in BNPPF's reported earnings.

Risks and uncertainties connected to the integration and optimisation of the operations of BNPPF following its acquisition by BNP Paribas.

The integration of the operations of BNPPF following its acquisition by BNP Paribas is ongoing. It is a process that is complex, expensive and that presents a number of challenges for the management of BNPPF and BNP Paribas, its staff and potentially its customers. Although the integration is currently achieving all the foreseen objectives, the integration may not be able to achieve the anticipated synergies or other expected benefits of the acquisition. The expected business growth opportunities, revenue benefits, cost synergies and other operational efficiencies and other benefits expected from the integration may not develop or may be delayed. To the extent that higher integration costs are incurred or lower revenue benefits or fewer cost savings are achieved than was expected, BNP Paribas' and BNPPF's operating results, financial conditions and prospects and share price may suffer.

While the legal acquisition has already occurred, the technical integration of BNPPF and BNP Paribas, including the integration of the banks' IT systems and other processes is ongoing and is expected to take some time to be fully completed. The potential for future growth of the integrated entity will depend on a number of factors, including the ability of BNPPF and BNP Paribas to integrate the operating systems, achieve synergies in a timely manner and control costs.

Challenges may also be faced with respect to obtaining required approvals of various regulatory agencies, retaining key employees, redeploying resources in different areas of operations to improve efficiency, unifying financial reporting and internal control procedures, minimising diversion of management attention from ongoing business concerns, addressing differences between BNPPF's and BNP Paribas' business culture, processes, controls, procedures, systems, accounting practices and implementation of accounting standards.

Intense competition in the financial services industry could adversely affect BNPPF revenues and profitability.

There is substantial competition in Belgium, Luxembourg and the other regions in which BNPPF carries on business for the types of banking, asset management and insurance, and other products and services BNPPF provides.

Such competition is most pronounced in the core Benelux markets of BNPPF where BNPPF faces competition from companies such as KBC Bank, ING Group, Belfius and BIL. As a result, BNPPF's strategy is to maintain customer loyalty and retention, which can be influenced by a number of factors, including service levels, the prices and attributes of products and services, financial strength and actions taken by competitors. If BNPPF is unable to compete with attractive product and service offerings that are profitable, BNPPF may lose market share or incur losses on some or all of BNPPF's activities.

Competitive pressures could result in increased pricing pressures on a number of BNPPF's products and services, particularly as competitors seek to win market share, and may harm BNPPF's ability to maintain or increase profitability.

In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favourable terms. It is also possible that the increased presence in the global marketplace of nationalised financial institutions, or financial institutions benefiting from State

guarantees or other similar advantages, following the recent financial crisis or the imposition of more stringent requirements (particularly capital requirements and activity restrictions) on larger or systematically significant financial institutions could lead to distortions in competition in a manner adverse to large private-sector institutions such as BNPPF.

Litigation or other proceedings or actions may adversely affect BNPPF's business, financial condition and results of operations.

In its normal course of business, BNPPF is subject to the risk of litigation by customers, employees or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation or similar proceedings or actions is difficult to assess or quantify. Plaintiffs in these types of actions may seek recovery of large or indeterminate amounts or other remedies that may affect BNPPF's ability to conduct business, and the magnitude of the potential loss relating to such actions may remain unknown for substantial periods of time. The cost to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of BNPPF's services, regardless of whether the allegations are valid or whether BNPPF is ultimately found liable. As a result, the possibility cannot be ruled out that the outcome of such litigations or investigations may adversely affect BNPPF's business, financial condition and results of operations.

Furthermore, several (previous) shareholders and entities representing shareholders of Ageas SA/NV (previously Fortis SA/NV and Fortis N.V.) have initiated proceedings in Belgium and in The Netherlands against, amongst others, BNPPF in connection with events and developments in respect of the former Fortis group between May 2007 and October 2008, amongst others in connection with the rights issue of Ageas SA/NV in October 2007. In February 2013 the public prosecutor in Brussels has requested the court ("*raadkamer/chambre du conseil*") to refer certain individuals for trial before the Criminal court of Brussels in respect of certain of these events and developments. Investigation is still ongoing. Moreover, other litigations or investigations are pending in relation to the restructuring of the former Fortis group. It cannot be ruled out that the outcome of such litigations and/or investigations might also have an impact on BNPPF.

More information on these litigations and investigations can be found on pages 188 to 189 in the 2013 annual report of BNP Paribas Fortis for the year ended December 2013 as well as in the "*Description of BNP Paribas Fortis SA/NV*" starting on page 169 below.

A deterioration of the credit rating of BNP Paribas of its debt quality could adversely affect BNPPF

As part of the BNP Paribas Group, BNPPF can be highly sensitive to a downgrade by rating agencies of the rating of the parent company of the BNP Paribas Group or a deterioration of its debt quality. BNP Paribas took control of BNPPF on 12 May 2009 (formerly Fortis Bank NV/SA) and subsequently increased its stake in BNPPF to 74.93 per cent. BNP Paribas is now the major shareholder of BNPPF.

Risks connected to the discussions of BNP Paribas with the U.S. Department of Justice and the New York County District Attorney's Office, among other U.S. Regulators and law enforcement and other governmental authorities, related to U.S. Dollar payments involving parties subject to U.S. sanctions

Following discussions with the U.S. Department of Justice and the New York County District Attorney's Office, among other U.S. regulators and law enforcement and other governmental authorities, BNP Paribas ("BNPP"), the parent company of BNPPF, conducted over several years an internal, retrospective review of certain U.S. dollar payments involving countries, persons and entities that could have been subject to economic sanctions under U.S. law in order to determine whether BNPP had, in the conduct of its business, complied with such laws. The review identified a significant volume of transactions that, even though they were not prohibited by the laws of the countries of the BNPP entities that initiated them, were denominated in U.S. dollars and therefore potentially considered impermissible under U.S. regulations, in particular, those of the Office of Foreign Assets Control (OFAC). Having presented the findings of this review to the U.S. authorities in December, in accordance with IFRS requirements BNPP recorded a provision of

USD 1.1 billion (EUR 0.8 billion) in its financial statements for the fourth quarter of 2013. The U.S. authorities had not passed upon the adequacy or reasonableness of such provision. The discussions that have taken place since then demonstrate that a high degree of uncertainty exists as to the nature and amount of penalties that the U.S. authorities could impose on BNPP following completion of the ongoing process. The amount of the fines is likely to be far in excess of the amount of the provision. BNPP continues the discussions. Although not involved in those discussions, BNPPF may be impacted by their outcome.

While each of BNPPF's businesses manages its operational risks, these risks remain an inherent part of all of BNPPF's businesses

BNPPF is subject to operational risk because of the uncertainty inherent in all business undertakings and decisions. This risk can be broken down into business risk and event risk.

Business risk is the risk of 'being in business', which affects any enterprise, financial or non-financial. It is the risk of loss due to changes in the competitive environment that damage the business's franchise or operating economics. Typically, the fluctuation originates with variations in volume, pricing or margins against a fixed cost base. Business risk is thus mostly externally driven (by regulatory, fiscal, market and or competition changes, as well as strategic, reputation risks and other related risks).

Event risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal and compliance risk. Event risk is often internally driven (internal and external fraud involving employees, clients, products and business practices, as well as technological and infrastructure failures and other related malfunctions) and can be limited through management processes and controls.

BNPPF attempts to keep these risks at appropriate levels by maintaining a sound and well controlled environment in light of the characteristics of its business, the markets and the regulatory environments in which BNPPF operates. While these control measures mitigate operational risks they do not eliminate them.

BNPPF has significant counterparty risk exposure and exposure to systemic risks

BNPPF's business is subject to general credit risks, including credit risks of borrowers and other counterparties. Third parties that owe BNPPF money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans made, the issuers whose securities BNPPF holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to BNPPF due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

In addition, in the past, the general credit environment has been adversely affected by significant instances of fraud. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom BNPPF interacts on a daily basis, and could have an adverse effect on BNPPF's business.

Uncertainty linked to fair value accounting and use of estimates

According to BNPPF's valuation rules financial assets can be carried at fair value through profit or loss. Concerned assets include financial assets held for trading, including non-cash flow hedging derivatives, and financial assets that BNPPF has irrevocably designated to be held at fair value through profit or loss ('fair value option'). The fair value of a financial instrument is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation

techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows, and take into consideration, where applicable, model risks. Such techniques include market prices of comparable investments, discounted cash flows, option pricing models and market multiples valuation methods. In the rare case where it is not possible to determine the fair value of a financial instrument, it is accounted for at cost. The effect of changing the assumptions for those financial instruments for which the fair values are measured using valuation techniques that are determined in full or in part on assumptions that are not supported by observable inputs may have a material adverse effect on BNPPF's earnings.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying these accounting policies. Actual results may differ from those estimates and judgmental decisions.

Financial institutions may use different accounting categorisations for the same or similar financial assets due to their different intentions regarding those assets. In determining fair value of financial instruments, different financial institutions may use different valuation techniques, assumptions, judgments and estimates which may result in lower or higher fair values for such financial instruments.

Additional investment considerations relating to the business of BNP Paribas Fortis Funding

The primary credit protection for securities issued by BP2F will derive from the guarantees given by BNPPF. The principal activity of BP2F is to act as a financing vehicle for BNPPF and the companies controlled by BNPPF by issuing bonds, notes or other securities, by performing any refinancing operations with or without a guarantee and in general having recourse to any sources of finance. Securities issued by BP2F have the benefit of guarantees issued by BNPPF so the primary credit protection for investors will derive from these guarantees.

When BP2F issues structured securities, it hedges the structured components with hedging counterparties such as BNPPF, BNP Paribas (London or/and Paris) or BNPP B.V.. BP2F's ability to perform its obligations in respect of the structured return may depend on the ability of these hedging counterparties to meet their obligations under the hedge.

BP2F's ability to perform its obligations in respect of securities may depend on the operating performance of those companies to which the proceeds of the securities are lent. BP2F will lend the proceeds from the securities to certain of BNP Paribas Fortis group's operating companies. Investors are, therefore, also exposed to the operating performance of the operating companies to which BP2F may lend proceeds, whose performance could change over time.

The financial condition of the operating companies to which the proceeds of the securities are lent may deteriorate and this may affect BP2F's ability to perform its obligations under the securities as BP2F's ability to meet its obligations will be reliant on the financial condition of the operating companies, if such operating companies' financial condition were to deteriorate and to the extent that funds are not available under the guarantees, BP2F and holders of securities could suffer direct and materially adverse consequences, including insufficient return on the securities and, if a liquidation or bankruptcy of BP2F were to occur, loss by holders of all or part of their investment.

BP2F is not an operating company so has limited capital resources. Its financial condition therefore mainly depends on its ability to issue securities and otherwise raise finance. A deteriorating or challenging economic situation can make it more difficult for BP2F to raise finance, or may make the terms on which it is able to do so more onerous, which could have a negative effect on BP2F's financial condition.

Transfer pricing tax rules in Luxembourg generate additional costs, which may vary from time to time

On 8 April 2011 the Luxembourg direct tax authorities issued Circular L.I.R. 164/2 bis (Circular Bis), which clarifies the conditions for application of their previous circular dated 28 January 2011 relating to the tax treatment of intra-group financing transactions (Advance Pricing Arrangements ("**APA**")).

According to Luxembourg and OECD principles, any related party transaction should be performed at arm's length. In other words, remuneration should be in line with what independent third parties would have charged in a similar transaction. These transfer pricing principles apply to intra-group financings (being defined as any financing granted between companies that participate directly or indirectly in the management, control or capital of each other or have a common person doing so).

Furthermore, it states that from 1 January 2012, the tax authorities will no longer be bound by APAs obtained before 28 January 2011 in relation to intra-group financing transactions which would otherwise fall within the scope of the Initial Circular.

The filing of the APA will thus generate additional costs, which may vary from time to time.

Investors are cautioned that all such risks should be borne in mind and analysed when investing in the securities of BP2F.

On 22 May 2012 following the filing of an APA with the Luxembourg Tax authorities, BP2F has received a positive answer for its APA for the fiscal years 2012 to 2016.

See also the risk factors relating to BNPPF set out above which are also applicable to BP2F but must be considered in the light of the specific activities, businesses, location, jurisdiction, applicable laws, composition of assets and liabilities, finances and other features of BP2F. BNPPF is the parent company of BP2F.

Risk factors that may affect the Notes generally

The Notes may not be a suitable investment for all investors

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

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

Some Notes are sophisticated financial instruments. A potential investor should not invest in Notes which are sophisticated financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

None of the Issuers, the Guarantor, the Dealer or any of their respective affiliates is responsible for the lawfulness or suitability of the acquisition of any Notes by a prospective investor or purchaser of Notes or for compliance by a prospective investor or purchaser of Notes (whether it is acquiring the Notes in a principal or in a fiduciary capacity) with any law, regulation, directive or policy applicable to it or, if it is acquiring the Notes in a fiduciary capacity, any law, regulation, directive or policy applicable to the beneficiary. A prospective investor or purchaser of Notes may not rely on the Issuers, the Guarantor, the Dealer or any of their respective affiliates when making determinations in relation to any of these matters.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

Notes are issued in the currency specified in the Final Terms applicable thereto (the "**note currency**") and as such income and principal arising from such Notes are subject to exchange rate risk for an investor who has to convert another currency (the "**investor currency**") into such note currency to purchase the Notes. Investors should be aware that as a result of such risk they may receive at maturity an amount in the note currency that, if converted back into the investor currency by the investor, may be less than the initially converted amount. The same cross-currency exposure risk applies to the interest payments made in the note currency that are intended to be converted at a spot rate into an investor currency by the holder of the Note.

This currency risk may arise as a result of (but is not limited to) significantly changes to exchange rates (including changes due to devaluation of the note currency or revaluation of the investor currency) and the risk that authorities with jurisdiction over the investor currency may impose or modify exchange controls. An appreciation in the value of the investor currency relative to the note currency would decrease (1) the investor currency-equivalent yield on the Notes, (2) the investor currency equivalent value of the principal payable on the Notes and (3) the investor currency equivalent market value of the Notes.

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

The Notes entail particular risks

The Notes to be issued under the Programme will entail particular risks. The Notes are investment instruments which may or may not bear interest and which at maturity or earlier in case of early termination pay the final redemption amount or the early redemption amount which may or may not be equal to the nominal amount of the relevant Note.

Notes which are not principal protected may result in the holder thereof losing some or, in certain limited cases, all of such holder's initial investment. In addition, all Notes, including Notes which are expressed to be fully or partially principal protected, will give an investor exposure to the credit and default risk of the Issuer and Guarantor.

Notes issued under the Programme may be structured such that principal, interest and/or premium, if any, payable on such Notes are determined by reference to the value or level of various underlying factors or a combination thereof, including, but not limited to an inflation index, a basket of inflation indices, one or more currencies (including exchange rates or swap indices between currencies or composite currencies), one

or more interest rates, formulae or other variables (the "**Underlying Reference**"). Notes where the principal amount, interest amount and/or premium payable (if any) is dependent upon the performance of the Underlying Reference may result in the Noteholder receiving no, or only a limited return on his investment.

The price at which a holder of Notes will be able to sell Notes prior to their redemption may be at a substantial discount to the market value of the Notes at the issue date depending upon the performance of the Underlying Reference at the time of sale.

The value of the Notes may fluctuate

The value of the Notes may move up and down between their date of purchase and their maturity date. Holders of the Notes may sustain a total loss of their investment depending on the factors stated below (subject to any principal protection provided for under the terms of the relevant Notes, if applicable). Prospective purchasers should therefore ensure that they understand fully the nature of the Notes before they invest in the Notes.

Several factors, many of which are beyond the relevant Issuers' and Guarantor's control, will influence the value of the Notes at any time, including (but not limited to) the following:

- (a) **General economic conditions.** The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other countries and areas. There can be no assurance that events occurring elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect. In particular, in 2008 the global economy entered the most severe downturn for 80 years. Economic conditions remain fragile, and there is a risk that major economies may suffer a "double dip" recession where the improvements in a number of markets reverse. Such a deterioration in market conditions could adversely affect the price of the Notes or have another adverse effect.
- (b) **Valuation of the Underlying Reference.** Where the Notes are linked to the performance of an Underlying Reference, the market value of the Notes at any time is expected to be affected primarily by changes in the price, value level or rate (as the case may be) of the Underlying Reference to which such Notes are linked. It is impossible to predict how the price, value, level or rate (as the case may be) of the relevant Underlying Reference will vary over time. Factors that may have an effect on the price, value, level or rate (as the case may be) of the Underlying Reference include economic, financial and political events. Potential investors should also note that whilst the market value of the Notes is linked to the changes in the price, value, level or rate (as the case may be) of the Underlying Reference and will be influenced (positively or negatively) by such changes, any change may not be comparable and may be disproportionate. It is possible that while the price, value, level or rate (as the case may be) of the Underlying Reference is increasing, the value of the Notes may fall.
- (c) Because the Global Notes are held by or on behalf of Euroclear and/or Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and/or (in the case of Notes issued by BP2F) the Guarantor. Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or, the NBB in the case of Notes issued by BNPPF where the relevant Global Note is deposited with the NBB as operator of the X/N System. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg, or the NBB, as the case may be, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg or the NBB, as the case may be.

While the Notes are represented by one or more Global Notes the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor will discharge their payment obligations under the Notes by making payments to the common depositary for Euroclear and/or Clearstream, Luxembourg or the NBB, as the case may be for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, or the X/N System operated by the NBB, as the case may be, to receive payments under the relevant Notes. The Issuers and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Notes issued by BNPPF may be issued in dematerialised form under the Belgian Company Code ("**Dematerialised Notes**"). Dematerialised Notes cannot be physically delivered and will be represented exclusively by book entries in the records of the X/N System.

Access to the X/N System, Euroclear and Clearstream is available through their respective participants whose membership extends to the Notes. X/N System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), and Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Notes will be effected between the participants in the X/N System, Euroclear and/or Clearstream, Luxembourg in accordance with the rules and operating procedures of the relevant clearing systems and any other financial intermediaries through which investors hold their Notes.

The relevant Issuer, the Domiciliary Agent, the Fiscal Agent and Paying Agent will have no responsibility for the proper performance by the X/N System, Euroclear and Clearstream, Luxembourg and the relevant Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the X/N System, Euroclear and Clearstream, Luxembourg.

- (d) **Interest Rates.** Investors in Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes. Investments in the Notes may involve interest rate risk with respect to the currency of denomination of the Underlying Reference and/or the Notes. A variety of factors influence interest rates such as macroeconomic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Notes at any time prior to valuation of the Underlying Reference relating to the Notes.
- (e) **Volatility of the Underlying Reference.** The term "volatility" of an Underlying Reference refers to the actual and anticipated frequency and magnitude of changes of the price, value, level or rate (as the case may be) of an Underlying Reference. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of an Underlying Reference will move up and down over time (sometimes more sharply than others) and different Underlying References will most likely have separate volatilities at any particular time. Where Notes are linked to an Underlying Reference, the volatility of the Underlying Reference(s) may have an effect on the volatility of the Notes.
- (f) **Exchange Rates.** Even where payments in respect of the Notes are not expressly linked to a rate or rates of exchange between currencies, the value of the Notes could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Notes is to be made and any currency in which the Underlying Reference is traded, appreciation or depreciation of any such currencies and any existing or future governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of any Notes will be representative of the relevant rates of exchange used in computing the value of the relevant Notes at any time thereafter.

- (g) **Disruption.** If so provided in the applicable Conditions, the Calculation Agent (as specified in the applicable Final Terms) may determine that a Disruption Event (as defined in the Conditions) has occurred or exists at a relevant time. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

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

Potential investors should consequently be willing to hold the Notes through their life. The nature and extent of any secondary market in the Notes cannot be predicted. As a consequence any person intending to hold the Notes should consider liquidity in the Notes as a risk. If the Notes are listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if equivalent Notes were not so listed or quoted. However, if Notes are not listed or quoted there may be a lack of transparency with regard to pricing information. Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The relevant Issuer may affect the liquidity of the Notes by purchasing and holding the Notes for its own account during trading in the secondary market. Any such Notes may be resold at any time into the market.

Purchasing the Notes as a hedge may not be effective

Any person intending to use the Notes as a hedge instrument should recognise the correlation risk. The Notes may not be a perfect hedge to an Underlying Reference or portfolio of which the Underlying Reference forms a part. In addition, it may not be possible to liquidate the Notes at a level which directly reflects the price of the Underlying Reference or portfolio of which the Underlying Reference forms a part.

Potential Conflicts of Interest

Potential conflicts of interest may exist between the relevant Issuer, the Guarantor, the Dealer, the Calculation Agent and the Noteholders, including (but not limited to) with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence any interest amount due on, and for the amount receivable upon redemption of, the Notes.

The Issuers and their affiliates (including, if applicable, any Dealer) may engage in trading activities (including hedging activities) related to any Notes, any Underlying Reference and any other instruments or derivative products for their proprietary accounts or for other accounts under their management. The Issuers and their affiliates (including, if applicable, any Dealer) may also issue other derivative instruments in respect of or related to any Notes or any Underlying Reference. The Issuers and their affiliates (including, if applicable, any Dealer) may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Notes or, in the case of Exempt Notes only, may act as financial adviser to certain companies or companies whose shares are included in the Underlying Reference or in a commercial banking capacity for such companies. The Issuers and their affiliates (including, if applicable, any Dealer) may carry out activities that minimise its and/or their risks related to the Notes, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Reference whether for risk reduction purposes or otherwise. In connection with such

hedging or market making activities or with respect to proprietary or other trading activities by the Issuers and their affiliates, the Issuers and their affiliates may enter into transactions in the Underlying Reference which may affect the market price, liquidity or value of the Underlying Reference and/or the Notes and which could be deemed to be adverse to the interests of the holders of the Notes. The Issuers and their affiliates are likely to modify their hedging positions throughout the life of the Notes whether by effecting transactions in the Underlying Reference or in derivatives linked to the Underlying Reference. Further, it is possible that the advisory services that the Issuers and their affiliates provide in the ordinary course of their business could have an adverse effect on the value of the Underlying Reference. Such activities could present certain conflicts of interest, could influence the prices of the Underlying Reference or other securities and could adversely affect the value of the Notes.

Actions taken by the Calculation Agent may affect the Notes

The Calculation Agent is the agent of the relevant Issuer and not the agent of the Noteholders. The relevant Issuer may itself act as the Calculation Agent. The Calculation Agent will have discretion to make such adjustments to the Notes as it considers appropriate in certain circumstances (as set out in the Conditions of the Notes or, in the case of Exempt Notes only, the applicable Pricing Supplement). In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every corporate action or other event or circumstance entitling it to make an adjustment.

Holders have no ownership interest in the Underlying Reference

The following paragraph is relevant to Exempt Notes only:

The Notes convey no interest in the Underlying Reference. The relevant Issuer may choose not to hold the Underlying Reference or any derivatives contracts or other instruments linked to the Underlying Reference. Under the Conditions of the Notes, there is no restriction on the ability of the relevant Issuer and/or its affiliates to sell, pledge or otherwise convey all right, title and interest in any Underlying Reference or any derivative contracts or other instruments linked to the Underlying Reference.

Holders have no claim against the Underlying Reference

The Notes do not represent a claim against any Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference) and Noteholders will not have any right of recourse under the Notes to any such Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference). The Notes are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an Underlying Reference and such entities have no obligation to take into account the consequences of their actions on any Noteholders.

Risk of Leveraged Exposure

Leverage involves the use of a number of financial techniques to increase the exposure to an Underlying Reference, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Underlying Reference moves in the anticipated direction, it will conversely magnify losses when the Underlying Reference moves against expectations. If the relevant Notes include leverage, potential holders of such Notes should note that these Notes will involve a higher level of risk, and that whenever there are losses such losses will be higher (other things being equal) than those of a similar Note which is not leveraged. Investors should therefore only invest in leveraged Notes if they fully understand the effect of leverage.

Taxes may be payable by investors

Potential purchasers and sellers of the Notes should be aware that they may be required to pay stamp duties, taxes or other documentary charges in accordance with the laws and practices of the country where the Notes are transferred. In addition, if so indicated in the relevant Final Terms, payments in respect of the Notes may be made subject to deduction for or on account of withholding taxes imposed within Luxembourg, as provided in Condition 7 and without the relevant Issuer being obliged to make additional payments in respect of such deduction or withholding. Consequently, the payment of principal, interest and/or premium, if any, in respect of the Notes may be less than expected. The applicable Final Terms will specify in each case whether the Issuer will pay additional amounts as specified in the Conditions. Potential purchasers should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment that will apply at any given time.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Withholding under the EU Savings Directive.

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

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

Payments made in respect of the Notes may be subject to Belgian withholding tax

Belgian withholding tax, currently at a rate of 25 per cent., will in principle be applicable to the interest on the Notes issued by BNPPF that are not held in the X/N System or that are held in a non-exempt securities account (an "**N account**") in the X/N System, as further described in *Taxation* below. Potential investors should be aware that any relevant tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Notes may change at any time (including during any subscription period or the term of the Notes). Any such change may have an adverse effect on a Noteholder, including that the liquidity of the Notes may decrease and/or the amounts payable to or receivable by an affected Noteholder may be less than otherwise expected by such Noteholder.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

Hiring Incentives to Restore Employment Act withholding may affect payments on the Notes

The U.S. Hiring Incentives to Restore Employment Act (the "**HIRE Act**") imposes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. While significant aspects of the application of the relevant provisions of the HIRE Act to the Notes are uncertain, if an Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation – Hiring Incentives to Restore Employment Act.*"

U.S. Foreign Account Tax Compliance Withholding

While the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the "**ICSDs**"), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. An Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer or registered holder of the Notes) and an Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act.*"

EU financial transaction tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's proposal**"), for a financial transaction tax ("**FTT**") to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) 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 would apply to persons both within and outside of the participating member states. Generally, it would apply 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 tax liabilities for the Issuer 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 the Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets). The Issuers are, in certain circumstances, able to pass on any such tax liabilities to holders of the Notes and therefore this may result in investors receiving less than expected in respect of the Notes. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (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 exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

A joint statement issued in May 2014 by ten of the eleven participating member states indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating member states. It may therefore be altered prior to any implementation. Additional EU member states may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

The Notes may be redeemed prior to their stated maturity date

The relevant Issuer may at its discretion and without obligation redeem the Notes early for tax reasons, following an event of default or because the relevant Issuer determines that the performance of its obligations under the Notes has become illegal or impractical in whole or in part for any reason. If the relevant Issuer redeems the Notes early, the relevant Issuer will, if so provided in the Conditions as completed by the relevant Final Terms and if and to the extent permitted by applicable law, pay the holder of each such Note the Early Redemption Amount specified in the relevant Final Terms. In addition, the Conditions as completed by the relevant Final Terms may provide for redemption at the option of the Issuer on the Issuer's Option Period at the Early Redemption Amount(s) (as specified in the in the relevant Final Terms). In the event of any early redemption, a Noteholder may not be able to reinvest the proceeds of such redemption in a comparable security. The relevant Issuer is not liable for any disadvantage a holder of Notes incurs in respect of the new investment or non-investment of its capital.

Risks associated with Notes held in global form

Notes in bearer or registered form, as the case may be, will initially be held by or on behalf of one or more clearing systems specified in the applicable Final Terms (each a "**Relevant Clearing System**" and together, the "**Relevant Clearing Systems**")), in the form of a Global Note which will be exchangeable for definitive Notes only in limited circumstances described in the Global Notes. For so long as any Notes are held by or on behalf of a Relevant Clearing System, payments of principal, interest and any other amounts will be made through the Relevant Clearing System, where required, against presentation or surrender (as the case may be) of the relevant Global Note and, in the case of a temporary Global Note, certification as to non-U.S. beneficial ownership. The risk is that the bearer of the relevant Global Note or the registered holder of the relevant Global Registered Note (as defined below), typically a depository for the Relevant Clearing System,

and not the holders of only a beneficial interest in the Global Note shall be treated by the relevant Issuer and any Paying Agent as the sole holder of the relevant Notes with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes or any securities deliverable in respect of the Notes. Notes which are held by or on behalf of a Relevant Clearing System will be transferable only in accordance with the rules and procedures for the time being of the Relevant Clearing System.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the Relevant Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the relevant Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant (as defined in the Conditions).

Settlement Risk

Settlement of the Notes is subject to all applicable laws, regulations and practices in force at the relevant time and neither the relevant Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the relevant Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any clearing system in relation to the performance of its duties in relation to the Notes.

Risk associated with nominee arrangements

Where a nominee service provider is used by an investor to hold Notes or such investor holds interests in any Note through accounts with a Relevant Clearing System, such investor will receive payments in respect of principal, interest, or any other amounts due, or securities deliverable, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or Relevant Clearing System, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or Relevant Clearing System to distribute all payments or securities attributable to the relevant Notes which are received from the relevant Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or Relevant Clearing System, as well as the relevant Issuer.

In addition, such a Noteholder will only be able to sell any Notes held by it prior to their stated maturity date with the assistance of the relevant nominee service provider. None of the Issuers or any Paying Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Relevant Clearing System nor makes any representation or warranty, express or implied, as to the service provided by any relevant nominee service provider or Relevant Clearing System.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

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

Trading in the clearing systems

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the Relevant Clearing System at the relevant time may not receive all of his entitlement in the

form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

The return on an investment in Notes will be affected by charges incurred by investors

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or Relevant Clearing System used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts or delivery of securities. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

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

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

Credit ratings assigned to the Issuers, Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes

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

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

A credit rating reduction may result in a reduction in the trading value of the Notes

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuers and, if applicable, the Guarantor. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuers by standard statistical rating services, such

as Moody's, Standard & Poor's and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuers by one of these or other rating agencies could result in a reduction in the trading value of the Notes.

Legal investment considerations may restrict certain investments

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

Change of law

The Conditions are predominantly based on English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Bank Recovery and Resolution Measures

The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Notes.

On 6 May 2014, the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recover and Resolution Directive**" or "**BRRD**"). The BRRD will come into force following its publication in the Official Journal of the EU, which is expected to be in June 2014. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institutions failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Senior Notes and Subordinated Notes to equity (the "**general bail-in tool**"), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework..

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be less than its liabilities; it is or likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as Subordinated Notes at the point of non-viability and before any other resolution action is taken ("**non-viability loss absorption**"). Any shares issued to holders of Subordinated Notes upon any such conversion into equity may also be subject to any application of the general bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments (such as Subordinated Notes) are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable. The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016.

The powers currently set out in the draft BRRD would impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, holders of Senior Notes and Subordinated Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool and, in the case of Subordinated Notes, non-viability loss absorption, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuers or the Guarantor, as the case may be, to satisfy its obligations under any Notes or the Guarantee, where relevant.

The New Belgian Banking Law includes a number of measures relating to bank recovery and bank resolution that pre-empt the measures included in the BRRD. In this vein, by way of example, the New Belgian Banking Law includes powers of a resolution authority with respect to a sale of the business and asset separation, as well as the requirement to cease certain activities and to have a forced transfer of certain assets (and liabilities) to the state or a public entity. It will need to be determined how the New Belgian Banking Law will be further amended in light of the BRRD. The statutory bail-in provisions in the New Belgian Banking Law are currently limited to certain qualifying capital instruments, which would include additional tier 1 and tier 2 debt instruments issued under CRD IV.

Currently the New Belgian Banking Law grants the power to the supervisor to impose certain recovery measures, including the power to impose in certain circumstances a suspension of activities. Any suspension of activities can, to the extent determined by the competent supervisor, result in the partial or complete suspension of the performance of agreements entered into by the relevant financial institution. This may impact the performance by BNPPF of its obligations under the Notes and the Guarantees and execution of the transaction documents to which BNPPF is a party. The New Belgian Banking Law also grants the power to a resolution authority to take a number of resolution measures, including (i) a forced sale of the credit institution, (ii) the establishment of a bridge bank or (iii) the forced transfer of all or part of the assets, rights or obligations of the credit institution. These resolution measures may also have an impact on the performance by BNPPF of its obligations under the Notes and the Guarantees and execution of the transaction documents to which BNPPF is a party.

There can be no assurance that, once implemented, the existence of applicable loss absorption provisions or the taking of any actions currently contemplated or as finally reflected in the relevant legal provisions would not adversely affect the price or value of the holder's investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may, in addition to the risks described above, have features which contain particular risks for potential investors.

Prospective investors should consult their own financial, tax and legal advisors as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances and ensure that its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to make. The Issuers believe that such Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves, in particular relating to options and derivatives and related transactions, and should be prepared to sustain a total loss of the purchase price of their Notes.

Set out below is a description of some of the most common of such features.

Structured Notes in general

An investment in Notes, the payment of principal, interest and/or premium of which is determined by reference to one or more Underlying Reference (either directly or indirectly) and has certain structural features or combination of structural features ("**Structured Notes**"), may entail significant risks not associated with similar investments in a conventional debt security or a direct investment in the Underlying Reference, including the risks that the resulting rate of return will be less than that on a conventional debt security or the Underlying Reference and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant Underlying Reference should be taken as an indication of future performance of (a) such Underlying Reference or (b) the trading or market value of a Note, during the term of any Note.

An issue of Structured Notes may not give a holder the right to reimbursement of the nominal value of such Note. Accordingly, investment in Structured Notes is reserved for investors who are prepared to accept the risk that all or part of their capital may be lost.

The Underlying Reference(s) and/or the composition thereof, method of calculation (if applicable) or other factors of the Underlying Reference(s) may change in the future. There is no assurance that issuers, sponsors, licensors of the Underlying Reference(s) or any other third party (as the case may be) who have an influence on the Underlying Reference(s) will not change the composition thereof, method of calculation or other factors of the Underlying Reference(s). Any such change to the Underlying Reference(s) may be beyond the control of the relevant Issuer and may adversely affect the value of the Notes.

If the formula used to determine the amount of principal and interest, if any, with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the Underlying Reference(s) will be magnified. In recent years, values of certain Underlying Reference(s) have been highly volatile; such volatility in the past is not necessarily indicative, however, of fluctuations that may occur in the future.

Structured Notes are Notes which do not provide for predetermined redemption amounts and/or interest payments but amounts payable (whether in respect of principal and/or interest) will be dependent upon the performance of the Underlying Reference which themselves may contain substantial interest rate, foreign exchange, correlation, time value, political and/or other risks. The exposure to the Underlying Reference in many cases will be achieved by the relevant Issuer entering into hedging arrangements. Potential investors should be aware that under the terms of Structured Notes they are exposed to the performance of these hedging arrangements and the events that may affect these hedging arrangements and consequently the occurrence of any of these events may affect the value of the Notes.

An investment in Structured Notes linked to an Underlying Reference therefore entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include, among other things, the possibility that:

- the Underlying Reference may be subject to significant changes, whether due to the composition of any such Underlying Reference itself, or because of fluctuations in value of the Underlying Reference;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the relevant Issuer at the same time;
- the holder of a Structured Note linked to an Underlying Reference could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest may cease to be payable on such Note;
- any Note that is linked to more than one type of Underlying Reference, or on formulae that encompass the risks associated with more than one type of Underlying Reference, may carry levels of risk that are greater than Notes that are indexed to one type of Underlying Reference only;
- it may not be possible for investors to hedge their exposure to these various risks relating to Structured Notes linked to an Underlying Reference;
- a significant market disruption could mean that any Underlying Reference ceases to exist; and
- as a result of one or more of the above factors the trading or market value of the Structured Notes may be volatile or non-correlated with the Underlying Reference.

Notes subject to optional redemption by the relevant Issuer

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

The relevant Issuer may choose to redeem Notes early for various reasons. For example, the relevant Issuer may choose to redeem Notes early when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time and that it may not be able to find a comparable product to the Note being redeemed at the time of redemption. In addition, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes and part of the Noteholders' investment may be lost.

Additional Disruption Events and Optional Additional Disruption Events

If an Additional Disruption Event or any Optional Additional Disruption Event specified in the applicable Final Terms occurs, the Notes may be subject to adjustment or redemption or the amount payable on scheduled redemption may be different from the amount expected to be paid at scheduled redemption. The Additional Disruption Events relate to changes in law (including changes in tax or regulatory capital requirements) and hedging disruption in respect of any hedging transactions relating to the Notes (both as more fully set out in the Conditions). Optional Additional Disruption Events relate to increased cost of any hedging transactions in respect of the Notes (as set out in the Conditions).

Consequently the occurrence of an Additional Disruption Event and/or an Optional Additional Disruption Event may have an adverse effect on the value or liquidity of the Notes.

Limited Exposure to Underlying Reference

If the applicable Final Terms provide that the exposure of any Structured Notes to one or more Underlying References is limited or capped to a certain level or amount, such Notes will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

Partly-Paid Notes

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

Inverse Floating Rate Notes

Investments in Notes which bear interest at an inverse floating rate comprise (a) a fixed base rate minus (b) a reference rate ("**Inverse Floating Rate Notes**"). Investors should note that any increase in the value or level of the Underlying Reference will not lead to a corresponding increase in the principal, interest and/or premium payable on the Notes and consequently the value of the Notes. Any increase in the value or level of the Underlying Reference will result in a decrease in the principal, interest and/or premium payable on the Notes, and therefore the market value of such Notes. The market value of such Notes is usually more volatile than the market value of floating rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which may further reduce the market value of these Notes.

Variable Rate Notes

The relevant Issuer may issue Notes where the redemption amount, interest and/or premium, if any payable on the Notes is linked to changes in one or more rates and/or Underlying References specified in the Final Terms ("**Variable Rate Notes**") during the period specified therein. Prospective purchasers of the Notes should make their own independent evaluation of the risks associated with an investment in the Notes. The rates and/or Underlying References to which the Variable Rate Notes are linked to may be volatile and unpredictable. Investors should be aware that it may be possible that there may be significant changes in such rates and/or Underlying References and such changes may lead to a decrease in the value of the value of the Notes and the amount of redemption amount, interest and/or premium, if any, payable on the Notes.

Fixed to Floating Rate Notes

Fixed to floating rate Notes initially bear interest at a fixed rate. Conversion from a fixed rate to a floating rate then takes place either automatically or, in the case of Exempt Notes only, at the option of the relevant Issuer (if certain predetermined conditions are met or at the sole discretion of the relevant Issuer). The conversion (whether automatic or optional) of the interest rate will affect the secondary market and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes.

Certain Considerations Associated with Notes linked to Emerging Markets

The Issuer may issue Notes where the amount payable on redemption or the interest payable is linked to Underlying References which consist of (i) indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) Notes which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing

countries. Prospective investors should note that additional risks may be associated with investment in such Notes, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws including, but not limited to, those relating to expropriation, nationalisation and confiscation.

Notes traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

Increased custodian costs, if applicable, as well as administrative difficulties (such as the applicability of the laws of the jurisdictions of emerging or developing countries to custodians in such jurisdictions in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalisation and record access) may also arise from the maintenance of assets in such emerging or developing countries.

Prospective purchasers of such Notes should also be aware that the probability of the occurrence of a disruption event and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets. Prospective purchasers are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

Notes issued at a substantial discount or premium

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

Noteholders will not be able to calculate in advance their rate of return on Floating Rate Notes.

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

Zero coupon Notes are subject to higher price fluctuations than non-discounted Notes.

Changes in market interest rates generally have a substantially stronger impact on the prices of Zero Coupon Notes (as defined below) than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other notes having the same maturity and credit rating.

Subordinated Notes

(a) The relevant Issuer's obligations under Subordinated Notes are subordinated

If the relevant Issuer or the Guarantor is declared insolvent and any applicable winding up, bankruptcy, insolvency or other similar or analogous proceedings are initiated, such Issuer or the Guarantor (as the case may be) will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors and depositors but excluding any

obligations in respect of subordinated debt) in full before it can make any payments on the relevant subordinated Notes (which may be either Junior Subordinated Notes or Senior Subordinated Notes (each as defined in the Conditions, and together, the "**Subordinated Notes**"). If this occurs, the relevant Issuer or Guarantor (as the case may be) may not have enough assets remaining after these payments to pay amounts due under the Notes or the Guarantees (as the case may be).

The relevant Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. Senior Liabilities means all of the relevant Issuer's liabilities which constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the relevant Issuer become insolvent.

(b) Non Payment under Subordinated Notes

If the relevant Issuer does not make payment for a period of 7 days or more after the due date for the payment of principal or premium (if any) or for a period of 14 days or more after an Interest Payment Date for the payment of interest due in respect of any of the Subordinated Notes on such date, Noteholder(s) of Subordinated Notes have limited rights against the relevant Issuer in the event of any such failure to pay (see Condition 3.2).

Any deferral of interest payments will likely have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of the interest deferral provision of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the relevant Issuer's financial condition.

(d) Subordinated Notes may be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Issuer

The Bank Recovery and Resolution Directive contemplates that Subordinated Notes may be subject to non-viability loss absorption, in addition to the application of the general bail-in tool. See "*The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Notes*").

Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes, Dual Currency Notes and Underlying Interest Rate-Linked Notes

(a) Inflation Index-Linked Notes

Inflation Index-Linked Notes ("**Inflation Index-Linked Notes**") are Notes whose redemption amount, interest amounts and/or premium, if any, may be linked to the performance of one or more inflation or price indices during a specified period or on specified dates (as set out in the relevant Final Terms). Investment in Inflation Index-Linked Notes involves risks not associated with an investment in conventional debt securities. In addition to the risk factors that may apply to Notes in general and Structured Notes in general, potential investors should be aware that in relation to Inflation Index-Linked Notes:

- (i) the payment of principal, interest and/or premium is linked to the change in the level of the relevant inflation or price index. If there is little or no change in inflation, the level of the

inflation or price index may not change. If there is deflation, the level of the inflation or price index may decrease; consequently, the payment of principal, interest and/or premium, if any, may be less than expected, may be zero or may be the principal protected amount, if any (as specified in the relevant Final Terms);

- (ii) the inflation or price index itself and the way such inflation or price index is calculated may change in the future. There can be no assurance that the sponsor of the relevant inflation or price index will not change the method by which it calculates the index. In addition, changes in the way the inflation or price index is calculated could reduce the level of the index, lower the redemption amount, interest amount and/or premium, if any, payable on the Notes and consequently significantly reduce the value of the Notes. If the relevant inflation or price index is substantially altered or has been terminated and/or a substitute index is employed to calculate the redemption amount, interest amounts and/or premium, if any, payable on the Notes, as described in the applicable Final Terms, that substitution may adversely affect the value of the Notes;
- (iii) the historical levels of the relevant inflation or price index are not an indication of future levels of such index. Fluctuations and trends in the inflation or price index that may have occurred in the past are not necessarily indicative of fluctuations or trends that may occur in the future. Noteholders will receive the redemption amount, interest amounts and/or premium, if any, which will be affected by changes in the relevant inflation or price index and such changes may be significant. Changes in the inflation or price index may be a result of various factors over which the relevant Issuer has no control;
- (iv) where an "adjusted" inflation or price index is being used in calculating the redemption amount, interest amounts and/or premium, if any, payable on the Notes, there is a risk that the adjustments that have been made by the sponsor of such "adjusted" inflation or price index have not been made accurately in reducing the impact of seasonality and trends which affect inflation. Conversely, where a "non-adjusted" inflation or price index is being used in calculating the redemption amount, interest amounts and/or premium, if any, payable on the Notes, Noteholders should be aware that such "non-adjusted" inflation or price index is subject to the effects of seasonality and trends which affect inflation;
- (v) in certain circumstances following cessation of publication of the inflation index, the Calculation Agent may determine that there is no appropriate alternative inflation index, in which case the Issuer may redeem the Notes. Such action may have an effect on the value of the Notes;
- (vi) if the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the inflation index or the indices on principal or interest payable will be magnified; and
- (vii) the market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the inflation index or indices. The level of the inflation index or indices may be affected by the economic, financial and political events in one or more jurisdictions.

Potential investors in any such Notes should be aware that depending on the terms of the Inflation Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the inflation index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the inflation index or indices may

affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an inflation index or result of a formula, the greater the effect on yield.

(b) *Foreign Exchange (FX) Rate-Linked Notes*

Foreign Exchange (FX) Rate-Linked Notes ("**Foreign Exchange (FX) Rate-Linked Notes**") are Notes whose redemption amount, interest amounts and/or premium, if any, may be linked to one or more currency exchange rate. An investment in Foreign Exchange (FX) Rate-Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On redemption of Foreign Exchange (FX) Rate-Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of one or more Subject Currencies against one or more Base Currencies.. Accordingly, an investment in Foreign Exchange (FX) Rate-Linked Notes may bear similar market risks to a direct currency investment, and investors should take advice accordingly.

Potential investors in any such Notes should be aware that, depending on the terms of the Foreign Exchange (FX) Rate-Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time or in a different currency than expected and (iii) they may lose a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in currency exchange rates, the greater the effect on yield.

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Foreign Exchange (FX) Rate-Linked Notes. Furthermore, investors who intend to convert gains or losses from the redemption or sale of Foreign Exchange (FX) Rate-Linked Notes into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Purchasers of Foreign Exchange (FX) Rate-Linked Notes risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). If additional securities relating to particular currencies or particular currency indices are subsequently issued, the supply of securities relating to such currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Notes and such other securities trade in the secondary market to decline significantly. In recent years, rates of exchange between some currencies have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Note. Fluctuations in exchange rates will affect the value of Foreign Exchange (FX) Rate-Linked Notes.

If the amount of principal and/or interest payable are dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable is dependent upon movements in currency exchange rates, may depend upon the time

remaining to the redemption date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions.

If the Calculation Agent determines that a Disruption Event (as defined in the Foreign Exchange (FX) Rate-Linked Note Conditions) has occurred or exists on such valuation date, any consequential postponement of the valuation date, or any alternative provisions for valuation provided in any such Notes may have an adverse effect on the value and liquidity of such Notes. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Notes such that the Noteholder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Notes than otherwise would have been the case. The occurrence of such a Disruption Event in relation to any currency exchange rate comprising a basket may also have such an adverse effect on Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the date of redemption of the Notes.

(c) *Dual Currency Notes*

Dual Currency Notes issued under the Programme will be Exempt Notes. The Issuer may issue Notes with principal, interest and/or premium payable in one or more currencies which may be different from the currency in which the Notes are denominated ("**Dual Currency Notes**"). In addition to the risk factors that may apply to Notes in general and Structured Notes in general, potential investors should be aware that in relation to Dual Currency Notes:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest and/or premium;
- (iii) payment of principal, interest and/or premium (if applicable) may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal; and
- (v) there may be movements in currency exchange rates which may result in significant fluctuations that may not correlate with changes in interest rates, currencies or related factors.

(d) *Underlying Interest Rate-Linked Notes*

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon movements in underlying interest rates ("**Underlying Interest Rate-Linked Notes**"). Accordingly an investment in Underlying Interest Rate-Linked Notes may bear similar market risks to a direct interest rate investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that, depending on the terms of the Underlying Interest Rate Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose a substantial portion of their investment. In addition, movements in interest rates may be subject to significant fluctuations that may not correlate with changes in other indices and the timing of changes in the interest rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in interest rates, the greater the effect on yield.

Interest rates are determined by various factors which are influenced by macro economic, political or financial factors, speculation and central bank and government intervention. In recent years, interest rates have been relatively low and stable, but this may not continue and interest rates may rise and/or

become volatile. Fluctuations that have occurred in any interest rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Note. Fluctuations in interest rates will affect the value of Underlying Interest Rate-Linked Notes.

If the amount of principal and/or interest payable are dependent upon movements in interest rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on principal or interest payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable is dependent upon movements in interest rates, may depend upon the time remaining to the redemption date and the volatility of interest rates. Movements in interest rates may be dependent upon economic, financial and political events in one or more jurisdictions.

INFORMATION INCORPORATED BY REFERENCE

The following section applies to both Exempt Notes and Non-exempt Notes.

The following documents which have previously been published or are published simultaneously within this Base Prospectus and have been filed with the CSSF shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. the 2013 annual report of BNPPF including, in particular, the audited annual financial statements of BNPPF (including the unqualified statutory auditor's report of the joint statutory auditors on the consolidated financial statements for the year ended 31 December 2013 (including their opinion with explanatory paragraphs)), including, among other things:
 - (a) the audited consolidated profit and loss account of BNPPF for the financial year ended 31 December 2013 page 44
 - (b) the statement of net income and changes in assets and liabilities recognised directly in equity of BNPPF for the financial year ended 31 December 2013 page 45
 - (c) the balance sheet of BNPPF for the financial year ended 31 December 2013 page 46
 - (d) statement of changes in shareholders' equity between 1 January 2012 and 31 December 2013 page 47
 - (e) the audited consolidated statement of cash flows of BNPPF for the financial year ended 31 December 2013 page 49
 - (f) the notes to the consolidated balance sheet and income statement for the financial year ended 31 December 2013, the segment content, risk management and capital adequacy, financing and guarantee commitments, salaries and employee benefits and additional information pages 82-196
 - (g) the joint statutory auditor's report to the general shareholder's meeting on the consolidated financial statements of the company as of and for the year ended 31 December 2013 (including their opinion with explanatory paragraphs) pages 197-199
 - (h) the section headed 'Indemnification of Directors' describing decisions of the Board of BNPPF of 7 February 2013 and 24 April 2013; pages 208-210
2. the 2012 annual report of BNPPF including, in particular, the audited annual financial statements of BNPPF (including the unqualified statutory auditor's report of the joint statutory auditors on the consolidated financial statements for the year ended 31 December 2012 (including their opinion with explanatory paragraphs)), including, among other things:
 - (a) the audited consolidated profit and loss account for the financial year ended 31 December 2012 page 44

- (b) the statement of net income and changes in assets and liabilities recognised directly in equity of BNPPF for the financial year ended 31 December 2012 page 45
 - (c) the balance sheet of BNPPF for the financial year ended 31 December 2012 page 46
 - (d) statement of changes in shareholders' equity between 1 January 2011 and 31 December 2012 page 47
 - (e) the audited consolidated cash flow statement of BNPPF for the financial year ended 31 December 2012 page 48
 - (f) the notes to the consolidated balance sheet and income statement for the financial year ended 31 December 2012, the segment content, risk management and capital adequacy, financing and guarantee commitments, salaries and employee benefits and additional information pages 49-194
 - (g) the joint statutory auditor's report to the general shareholder's meeting on the consolidated financial statements of BNPPF as of and for the year ended 31 December 2012 (including their opinion with explanatory paragraphs) pages 195-197
 - (h) the section headed 'Indemnification of Directors' describing decisions of the Board of BNPPF of 27 April 2012 and 13 December 2012 pages 207-208
3. the 2013 audited annual accounts of BP2F (including the report of the approved independent auditor issued by Deloitte S.à r.l. (*réviseur d'entreprises agréé*) on 14 March 2014 for the year ended 31 December 2013), including, among other things:
- (a) the balance sheet and profit and loss account Pages 3-5
 - (b) the notes to the annual accounts Pages 6-14
 - (c) the unqualified auditor's report to the audited annual accounts for the financial year ended 31 December 2013 Pages 1-2
4. the 2012 audited annual accounts of BP2F (including the report of the independent auditor issued by Deloitte S.à r.l. (*réviseur d'entreprises agréé*) on 15 March 2013 for the year ended 31 December 2012), including, among other things:
- (a) the balance sheet and profit and loss account Pages 3-5
 - (b) the notes to the annual accounts Pages 6-14
 - (c) the unqualified auditor's report to the audited annual accounts for the financial year ended 31 December 2012 Pages 1-2

5. the cash flow statements of BP2F for the year ended 31 December 2013 and the audit report thereon issued by Deloitte S.à. r.l. as independent auditor (*réviseur d'entreprises*) and as approved independent auditor (*réviseur d'entreprises agréé*):
 - (a) report of the *réviseur d'entreprises agréé* Pages 1-2
 - (b) Statement of cash flows for the year ended 31 December 2013 Page 3
 - (c) Notes to the statement of cash flows Pages 4-5
6. the cash flow statements of BP2F for the year ended 31 December 2012 and the audit report thereon issued by Deloitte S.à. r.l. as independent auditor (*réviseur d'entreprises*) and as approved independent auditor (*réviseur d'entreprises agréé*):
 - (a) report of the *réviseur d'entreprises agréé* Pages 1-2
 - (b) Statement of cash flows for the year ended 31 December 2012 Page 3
 - (c) Notes to the statement of cash flows Pages 4-5
7. the terms and conditions set out on page 36 to 195 of the base prospectus dated 23 September 2008 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2008 Conditions**");
8. the terms and conditions set out on page 46 to 208 of the base prospectus dated 17 June 2009 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2009 Conditions**");
9. the terms and conditions set out on page 50 to 240 of the base prospectus dated 17 June 2010 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2010 Conditions**");
10. the terms and conditions set out on page 53 to 194 of the base prospectus dated 17 June 2011 relating to the Programme under the heading "Terms and Conditions of the Notes", as supplemented by a supplement dated 6 January 2012 (the "**2011 Conditions**"); and
11. the terms and conditions set out on pages 55 to 196 of the base prospectus dated 13 June 2012 relating to the Programme under the heading "Terms and Conditions of the Notes", as supplemented by supplements dated 28 June 2012 and 30 October 2012 (the "**2012 Conditions**"); and
12. the terms and conditions set out on pages 69 to 144 of the base prospectus dated 14 June 2013 relating to the Programme under the heading "Terms and Conditions of the Notes", as supplemented by a supplement dated 25 September 2013 (the "**2013 Conditions**").

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

Any other information incorporated by reference that is not included in the cross-reference lists above is considered to be additional information to be disclosed to investors rather than information required by the

relevant Annexes of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the "**Prospectus Regulation**").

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Copies of this Base Prospectus (and all documents forming part thereof) are available free of charge from the principal offices of the respective Paying Agents and the Listing Agent in Luxembourg and the respective registered offices of the Issuers and the Guarantor. In addition, this Base Prospectus, the documents incorporated by reference as stated above, any supplements to this Base Prospectus and the Final Terms of any relevant Tranche will be available (a) in the case of any Tranche admitted to listing on the official list and to trading on the Luxembourg Regulated Market, in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu), (b) in the case of any Tranche admitted to the official list and to trading on the Brussels Regulated Market, on the website of NYSE Euronext (www.nyx.com) and, (c) in respect of any Tranche admitted to listing on the official list and to trading on the Luxembourg Regulated Market, the Brussels Regulated Market and/or the Amsterdam Regulated Market, at www.bnpparibasfortis.be.

Additionally, this Base Prospectus, any supplements to this Base Prospectus and the documents incorporated by reference at paragraphs 3, 4, 5 and 6 above will be available at www.bp2f.lu.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer and the Guarantor (where applicable) and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the relevant Issuer and the Guarantor (where applicable) have endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will therefore be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, will be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete the Conditions and this Base Prospectus and must be read in conjunction with this Base Prospectus. For a Tranche of Notes which is the subject of a Drawdown Prospectus that Drawdown Prospectus will complete, supplement, amend and/or replace the Conditions and this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed to the extent described in the relevant Final Terms or which is the subject of a Drawdown Prospectus are the Conditions as completed, supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

An Issuer and, if applicable, the Guarantor, may agree with any Dealer that Notes may be issued, offered to the public, and/or admitted to trading on a regulated market in a form not contemplated by the Conditions described in this Base Prospectus, in which event a supplement to the Base Prospectus or a Drawdown Prospectus will be submitted for approval to the relevant competent authority and will be made available. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as completed, supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

In accordance with Article 5.3 of the Prospectus Directive, the Drawdown Prospectus (the "**Drawdown Prospectus**") will be drawn up as a single document, incorporating by reference, if applicable, the relevant part of the Base Prospectus.

The Issuers and the Guarantor have undertaken in connection with the admission to listing on the official list and to trading of the Notes on the Luxembourg Regulated Market, and/or the admission to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, or/and in connection with an offer to the public of Notes, that if at any time there shall occur any significant new factor which is not reflected in this Base Prospectus or any supplements thereto and/or there shall be any material mistake or inaccuracy relating to the information included in this Base Prospectus or any supplements thereto, in each case, which is capable of affecting the assessment of the Notes, the Issuers and

the Guarantor will prepare or procure the preparation of and make available a supplement to this Base Prospectus or, as the case may be, a new Base Prospectus for use in connection with any subsequent issue of Notes to be offered to the public or/and admitted to listing on the official list and to trading on the Luxembourg Regulated Market and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system. If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus inaccurate or misleading, a new Base Prospectus or supplement will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

The following description of key features of the Programme is qualified in its entirety by the remainder of this Base Prospectus. The Notes may be issued on such terms as may be agreed between the relevant Dealer(s) and the Issuer(s) and, in the case of Exempt Notes only, unless otherwise specified in the applicable Final Terms in relation to any particular Tranche or Series, will be subject to the terms and conditions set out below. Each Series of Notes will be subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate official or other consents.

Issuers:	BNPPF and BP2F.
Guarantor:	BNPPF (in respect of Notes issued by BP2F).
Description:	Euro Medium Term Note Programme.
Guarantee:	Each of the Notes issued by BP2F have the benefit of a guarantee (the " Guarantee ") from the Guarantor.
Arranger:	BNP Paribas Fortis SA/NV
Dealer:	BNP Paribas Fortis SA/NV and such other Dealers as may be appointed from time to time by the Issuer in respect of one or more Tranche of Notes or in respect of the whole programme.
Fiscal Agent and Principal Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch
Domiciliary Agent:	BNP Paribas Fortis SA/NV.
Alternative Principal Paying Agent:	BNP Paribas Fortis SA/NV.
Paying Agents:	BNP Paribas Fortis SA/NV.
Luxembourg Listing Agent:	BNP Paribas Securities Services, Luxembourg Branch
Amsterdam Listing Agent:	BNP Paribas Fortis SA/NV, or such other person appointed specified as an Amsterdam Listing Agent in respect of any issue of Notes in the applicable Final Terms
Brussels Listing Agent:	BNP Paribas Fortis SA/NV, or such other person appointed specified as a Brussels Listing Agent in respect of any issue of Notes in the applicable Final Terms
Final Terms or Drawdown Prospectus:	Non-exempt Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and completed by a set of Final Terms or (2) pursuant to a separate prospectus prepared in connection with a particular Tranche of Notes (a " Drawdown Prospectus ") as more fully described in the section entitled " <i>Final Terms and Drawdown Prospectus</i> ".
Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Notes a copy of which will, in the case of Notes to be admitted to listing on the official list and to trading on the Luxembourg Regulated

Market be delivered to the Luxembourg Stock Exchange and in the case of Notes to be admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, be delivered to such competent authority, stock exchange and/or quotation system. The terms and conditions applicable to each Tranche will be those set out herein under "*Terms and Conditions of the Notes*" as completed or, in the case of Exempt Notes only, supplemented, modified or replaced by the relevant Final Terms. In case of offer to the public, the Final Terms will be filed with the relevant competent authority as soon as practicable and if possible in advance of the beginning of the offer.

Currencies:

Notes may be issued in U.S. dollars, Canadian dollars, Australian dollars, New Zealand dollars, Sterling, Euro, Japanese yen, Swedish kronor, Danish kroner, Hungarian Forints, New Turkish Lira, Russian Rouble or in any other currencies if the relevant Issuer and the Dealers so agree, subject in each case to all necessary consents being obtained and, subject to compliance with all relevant laws, regulations and directives.

Maturities:

Any maturity or no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by that Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by that Issuer.

Issue Price:

Notes may be issued at par or at a discount or premium to par or with a zero coupon as specified in the relevant Final Terms. Exempt Notes which are partly-paid Notes may also be issued, the issue price of which will be payable in two or more instalments ("**Partly-paid Notes**"). The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer, where applicable, the Guarantor, and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Method of Issue:

The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes with respect to each Series will either mature on the same date or have no fixed maturity date, bear interest (if any) on the same basis and otherwise be subject to

identical terms and may be issued in Tranches on a continuous basis with, save as mentioned below, no minimum issue size. Further Notes may be issued as part of an existing Series.

Fixed Interest Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms and at maturity (if any).

Floating Rate Notes:

Notes which bear interest on a floating rate basis "**Floating Rate Notes**" will bear interest set separately for each Series by reference to LIBOR, LIBID, LIMEAN or EURIBOR (each as defined in the Conditions) (or such other benchmark as may be specified in the relevant Pricing Supplement (in the case of Exempt Notes only)) as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes:

Zero coupon Notes may be issued at their principal amount or at a discount to par and will not bear interest ("**Zero Coupon Notes**").

Variable Rate Notes:

The Final Terms issued in respect of each issue of Inflation-Index Linked Notes, Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to indexes, shares, reference rates or formula or as otherwise provided in the relevant Final Terms.

Fixed Redemption Amount Notes:

Fixed Redemption Amount Notes may be redeemable at par, at a premium to par or at a discount to par by specifying the redemption amount in the relevant Final Terms.

Variable Redemption Notes:

The Final Terms in respect of each issue of Inflation Index- Linked Notes, Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes should specify the basis for calculating the redemption amounts payable, which may be calculated by reference to indexes, reference rates or formula or as otherwise provided in the relevant Final Terms. The redemption at maturity can be done at par or at an amount that is above or below the nominal amount of the Notes.

Other Notes:

Further terms applicable to High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Target Redemption Notes, Range Accrual Notes, Autocallable Notes, Fixed-to-Floating Rate Notes, Inverse Floating Rate Notes, and any other type of Note which the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms. Notes not covered by the terms and conditions of the Notes and not otherwise disclosed in this Base Prospectus may be offered as Exempt Notes.

Form of Notes:

Notes may be in bearer or (only in the case of Notes issued by BP2F) registered form, or, in bearer form exchangeable for notes in registered form. Each Tranche of bearer Notes which is not intended to be issued in new global note ("**NGN**") form (a "**Classic Global Note**" or "**CGN**") as specified in the relevant Final Terms will initially be represented by a temporary Global

Note and will be deposited on or around the issue date with a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other Relevant Clearing System and (only in the case of Notes issued by BP2F) each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg and interests therein will be credited to the accounts of the relevant purchasers with Euroclear and/or Clearstream, Luxembourg and/or any other Relevant Clearing System. In the case of Bearer Notes which are exchangeable under the terms thereof for Registered Notes, the Registered Notes will be in global form, and will be registered in the name of BNP Paribas Securities Services acting as common depositary on behalf of Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System.

Interests in each temporary Global Note will be exchanged for interests in a permanent Global Note not earlier than 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in each permanent Global Note may be exchanged for definitive Notes ("**Definitive Notes**") in bearer form or (only in the case of Notes issued by BP2F) registered form on 60 days' prior notice. The physical delivery of Definitive Notes will not be possible in Belgium.

In the case of Notes issued by BNPPF and as provided in the relevant Final Terms, the Notes will be represented by a permanent Global Note which will be deposited on or about the issue date with the NBB as operator of the X/N System or its custodian and interests therein will be credited to the accounts of the relevant purchasers with the X/N System, Euroclear and/or Clearstream, Luxembourg and/or any other Relevant Clearing System. Such Notes will not be issued in NGN form. Please refer to the section entitled "*Summary of Provisions relating to Global Notes*".

In addition, Notes issued by BNPPF may be issued in dematerialised form in accordance with Article 468 et seq. of the Belgian Company Code via a book-entry system maintained in the records of the NBB as operator of the X/N System ("**Dematerialised Notes**"). No physical documents of title will be issued in respect of Dematerialised Notes that will be delivered in the form of an inscription on a securities account.

Denominations:

Notes will be issued in any denominations agreed between the relevant Issuer and the relevant Dealer(s), subject to compliance with all applicable legal and/or securities settlement systems and/or regulatory and/or central bank requirements.

Optional Redemption:

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed at the option of the relevant Issuer or the Guarantor (as the case may be) (either in whole or in part) and/or the holders, and if so, the terms applicable to such redemption.

Early Redemption:	Except as provided in " <i>Optional Redemption</i> " above, Notes will be redeemable at the option of the Issuer only for tax reasons.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Listing and Admission to Trading:	Notes may be admitted to listing on the official list and to trading on the Luxembourg Regulated Market or the Euro MTF, and/or the Brussels Regulated Market and/or the Amsterdam Regulated Market and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system specified in the relevant Final Terms. Notes issued by BNPPF under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms "regulated market" and "offer to the public" are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency) or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuers or by any entity belonging to the Issuer's group. Subject thereto, Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.
Status of Notes and the Guarantee:	Notes issued by the Issuers may either be direct, unconditional, unsubordinated and unsecured obligations, or subordinated obligations of such Issuer. The Guarantees will either be direct, unconditional, unsubordinated and unsecured obligations of the Guarantor or subordinated obligations of the Guarantor.
Cross Default:	The Senior Notes (as defined in the Conditions) will contain a cross default in respect of indebtedness for borrowed money of the Issuers and the Guarantor (in respect of Notes issued by BP2F) as more fully set out in " <i>Terms and Conditions of the Notes — 9. (Events of Default)</i> ".
Taxation:	All payments of principal and interest in respect of the Notes and the Guarantees by the Issuer or the Guarantor will be made without deduction for or on account of withholding taxes (if any), imposed in Luxembourg (in the case of BP2F) or Belgium (in the case of BNPPF), unless otherwise specified in the relevant Final Terms, subject to customary exceptions as specified in the Conditions.
Governing Law:	The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law except for (a) in the case of Notes issued by BP2F, Conditions 3.2 and 3.3 in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Luxembourg law and Conditions 3.5 and 3.6 in addition to all non-contractual obligations arising out of or in connection therewith which shall be

governed by Belgian law and (b) in the case of Notes issued by BNPPF, Conditions 1.2 3.2, 3.3 and 10.1(b) in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Belgian law.

Guarantees of BNPPF applicable in relation to any Senior Notes issued by BP2F are governed by, and shall be construed in accordance with English law and guarantees of BNPPF applicable in relation to any subordinated Notes issued by BP2F are governed by, and shall be construed in accordance with, Belgian law.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material under the laws of Belgium, France, Poland, Italy, Spain, The Netherlands, the United Kingdom, in the European Economic Area, Hong Kong, Japan, Switzerland, the United States of America, and Luxembourg please refer to the section entitled "*Plan of Distribution*" of this Base Prospectus.

Such description is only a summary at the date of the Base Prospectus of certain restrictions that can vary from time to time. Prospective investors and purchasers of Notes must inform themselves about all the relevant, applicable and up-to-date restrictions prior to investing in the applicable Notes. Moreover the selling restrictions that are applicable to a Tranche of Notes can be modified in the relevant Final Terms if agreed by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer.

TERMS AND CONDITIONS OF THE NOTES

The following section applies to both Exempt Notes and Non-exempt Notes.

PART 1: MEDIUM TERM NOTES

The following is the text of the terms and conditions which, subject to completion and, in the case of Exempt Notes (as defined below) only, amendment or variance in accordance with the provisions of the relevant Final Terms in relation to any particular Tranche or Series, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series, details of the relevant Series being shown on the relevant Notes and in the relevant Final Terms, or in the case of Dematerialised Notes, will be made applicable to such Notes.

Any reference in these terms and conditions to "relevant Final Terms" or "applicable Final Terms" shall be deemed to include a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement", as the case may be, where relevant.

Notes will be issued in series (each a "**Series**") having one or more issue dates and the same maturity date (if any), bearing interest (if any) on the same basis and at the same rate and on terms otherwise identical. The length of interest periods, and the rate of interest in respect thereof, may differ from the length, and the rate of interest in respect of subsequent or, as the case may be, preceding interest periods. Each Series may be issued in tranches (each a "**Tranche**") on different issue dates. The specific terms of each Series will be set forth in a set of final terms ("**Final Terms**") based on the form included in the Base Prospectus dated 13 June 2014.

The Notes are issued pursuant to an Amended and Restated Agency Agreement dated on or about 13 June 2014 (as amended or supplemented from time to time, the "**Agency Agreement**") between BNP Paribas Fortis Funding ("**BP2F**") and BNP Paribas Fortis SA/NV ("**BNPPF**" and together with BP2F, the "**Issuers**" and each, an "**Issuer**"), BNP Paribas Fortis SA/NV (the "**Guarantor**"), BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the "**Fiscal Agent**"), registrar (the "**Registrar**"), principal paying agent (the "**Principal Paying Agent**"), transfer agent (the "**Transfer Agent**"), BNP Paribas Securities Services, Luxembourg Branch, BNP Paribas Fortis SA/NV or any third party appointed in such capacity as calculation agent (each a "**Calculation Agent**"), BNP Paribas Fortis SA/NV as alternative principal paying agent (the "**Alternative Principal Paying Agent**") (together with the Principal Paying Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**") and as transfer agent (together with the Transfer Agent referred to above and any additional or other transfer agents in respect of the Notes from time to time appointed, the "**Transfer Agents**") and BNP Paribas Fortis SA/NV as domiciliary agent (the "**Domiciliary Agent**"). For the purposes of these Conditions, "**Principal Paying Agent**" means, in relation to any Series of Notes, the Fiscal Agent or the Principal Paying Agent specified above or the Alternative Principal Paying Agent, as specified on the relevant Note. The initial Calculation Agent (if any) is specified on the relevant Note. In relation to the Notes issued by BNPPF which are to be cleared through the book-entry clearance and settlement system (the "**X/N System**") operated by the National Bank of Belgium or any successor thereto (the "**NBB**") (the "**X/N Notes**") if so specified in the relevant Final Terms, BNPPF has in addition to the Agency Agreement it entered into with, *inter alia*, BNP Paribas Fortis SA/NV (formerly known as Fortis Bank NV/SA) as Domiciliary Agent, also entered into a clearing agreement with the NBB and the Domiciliary Agent on 14 June 2013 (as amended or supplemented from time to time, the "**Clearing Agreement**"). The Notes have the benefit of a deed of covenant dated on or about 13 June 2014 (the "**Deed of Covenant**" as amended, supplemented and replaced) executed by the Issuers and the Guarantor. The Noteholders (as defined below), the holders of the coupons (the "**Coupons**") appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the instalment receipts (the "**Receipts**") appertaining to the payment of principal by

instalments (the "**Receiptholders**") are deemed to have notice of all of the provisions of the Agency Agreement and the Deed of Covenant applicable to them.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes) attached to or endorsed on this Note or, in the case of Dematerialised Notes, applicable to such Notes, which complete (or, in the case of a Pricing Supplement, complete and/or supplement, as the case may be) these terms and conditions (the "**Conditions**") (which term shall include one or more of the parts to these terms and conditions containing additional terms and conditions relating to (i) payouts (set out at Part 2 to these Conditions (the "**Payout Conditions**")), (ii) inflation index-linked notes (set out at Part 3 to these Conditions (the "**Inflation Index-Linked Note Conditions**")), (iii) foreign exchange (FX) rate-linked notes (set out at Part 4 to these Conditions (the "**Foreign Exchange (FX) Rate-Linked Note Conditions**")) or (iv) underlying interest rate-linked notes (set out at Part 5 to these Conditions (the "**Underlying Interest Rate-Linked Note Conditions**" and, together with the Inflation Index-Linked Note Conditions and Foreign Exchange (FX) Rate-Linked Note Conditions, the "**Additional Terms and Conditions**")))) and, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an "**Exempt Note**"), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the "**applicable Final Terms**" or "**relevant Final Terms**" are, unless otherwise stated, to Part A of the Final Terms (or, in the case of Exempt Notes, Pricing Supplement) (or the relevant provisions thereof) attached to or endorsed on this Note or are, in the case of Dematerialised Notes, applicable to such Notes.

Copies of the Agency Agreement, the Clearing Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If the Notes are to be admitted to trading on the regulated market of NYSE Euronext Brussels, the applicable Final Terms will be published on the website of Euronext Brussels www.nyx.com. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Brussels Stock Exchange and/or the Amsterdam Stock Exchange, the applicable Final Terms will be published at www.bnpparibasfortis.be. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity.

1. Form, Denomination and Title

1.1 Bearer Notes, Registered Notes, Exchangeable Bearer Notes

Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes which are specified to be Exchangeable Bearer Notes) in the denominations (the "**Specified Denomination(s)**") (as specified in the relevant Final Terms), (in the case of Notes issued by BP2F only) in registered form ("**Registered Notes**") in amounts of the Specified Denomination or an integral multiple thereof ("**Authorised Denominations**") or (in the case of Notes issued by BP2F only) in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") and, in each case, serially numbered.

Bearer Notes are issued with Coupons (and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, a Talon) attached, save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date (as specified in the applicable Final Terms)), Coupons and Talons in these Conditions are not applicable. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Bearer Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes (even where such Registered Notes are in definitive form) shall pass by registration in the register (the "**Register**") (except as otherwise required by law) which the relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement and an up-to-date copy of the Register shall be kept at the registered office of the relevant Issuer. For the avoidance of doubt, title to Registered Notes issued by BP2F, shall as a matter of Luxembourg law, pass by registration in the duplicate Register maintained by it. As soon as any changes are made by the Registrar to the Register, the Registrar shall forthwith notify the relevant Issuer who shall ensure that its records in the duplicate Register are updated accordingly. For the purposes of Luxembourg law, if there is any inconsistency between the records set out in the Register maintained by the Registrar relating to Registered Notes issued by BP2F and the records set out in the duplicate Register maintained by BP2F, the records of the latter shall prevail.

Except as ordered by a court of competent jurisdiction or required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of any such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them on such Notes, the absence of any such meaning indicating that such term is not applicable to such Note.

1.2 *Dematerialised Notes*

BNPPF may issue notes in dematerialised form in accordance with Article 468 et seq. of the Belgian Company Code ("**Dematerialised Notes**"). The Dematerialised Notes are issued in accordance with Article 468 of the Belgian Company Code. The Dematerialised Notes will be represented by a book-entry in the records of the securities clearing system operated by the NBB or any successor thereto (the "**X/N System**").

Notes issued by BNPPF will be issued in the Specified Denomination specified in the applicable Final Terms and may only be settled through the X/N System in nominal amounts equal to that denomination or integral multiples thereof.

The Dematerialised Notes can be held by their holders through the participants in the X/N System, including Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking *société anonyme* ("**Clearstream, Luxembourg**") and through other financial intermediaries which in turn hold the Dematerialised Notes through Euroclear and Clearstream, Luxembourg or other participants in the X/N System. The Dematerialised Notes are transferred by account transfer. Payments of principal, interest and other sums due under the Dematerialised Notes will be made in accordance with the rules of the X/N System through the NBB. Holders of Dematerialised Notes are entitled to exercise the rights they have, including exercising their voting rights and other associative rights (for purposes of Article 474 of the Belgian Company Code) against BNPPF in accordance with the Conditions, upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream Luxembourg or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Dematerialised Notes (or the position held by the financial institution through which their Dematerialised Notes are held with the NBB, Euroclear, Clearstream, Luxembourg or such other participant, in which case an affidavit drawn up by the financial institution will also be required).

The person who is for the time being shown in the records of the X/N System or of an approved participant or sub-participant as the holder of a particular nominal amount of Dematerialised Notes shall for all purposes be treated by BNPPF and the Domiciliary Agent as the holder of such nominal amount of Dematerialised Notes, and the expressions Noteholders and holders of Notes and related expressions shall be construed accordingly for all purposes.

The Dematerialised Notes may not be exchanged for Notes in bearer form.

1.3 Clearing system regulations

Notes accepted for clearance through the X/N System are subject to the applicable clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the clearing and its annexes, as issued or modified by the NBB from time to time (the laws, rules and rules mentioned in this Condition being referred to herein as the "**NBB Clearing System Regulations**").

1.4 Alternative clearing system

Reference to the X/N System, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Domiciliary Agent.

1.5 Right of third parties

No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

2. Exchanges of Bearer Notes and Transfers of Registered Notes

2.1 Exchange of Bearer Notes

Subject as provided in Condition 2.5, Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes of an Authorised Denomination at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; **provided, however, that** where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6.2) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

2.2 Transfer of Registered Notes

A Registered Note may be transferred in whole or in part in an Authorised Denomination upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Note a new Registered Note in respect of the balance not transferred will be issued to the transferor.

2.3 Delivery of new Registered Notes

Each new Registered Note to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within three business days (being a day, other than a Saturday or Sunday, on

which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or transfer shall have been delivered) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed at the risk of the holder entitled to the new Registered Note to such address as may be specified in such request for exchange or form of transfer.

2.4 *Exchange free of charge*

Exchange of Notes on registration or transfer will be effected without charge by or on behalf of the relevant Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

2.5 *Closed periods*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (a) during the period of 15 days ending on the due date for any payment of principal on that Note, (b) during the period of 15 days prior to any date on which Notes may be redeemed by the relevant Issuer at its option pursuant to Condition 5.5 or (c) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note which is simultaneously surrendered not later than the relevant Record Date (as defined in Condition 6.2(b) below).

3. **Status and Guarantee**

The applicable Final Terms will indicate whether the Notes are Senior Notes, Senior Subordinated Notes or Junior Subordinated Notes and whether the Notes have the benefit of the Senior Guarantee, Senior Subordinated Guarantee or Junior Subordinated Guarantee (all as defined below).

3.1 *Senior Notes*

This Condition 3.1 is applicable in relation to Notes issued by the relevant Issuer on an unsubordinated basis (the "**Senior Notes**").

The Senior Notes constitute direct, unconditional, unsubordinated and unsecured and general obligations of the relevant Issuer and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations, including guarantees and other obligations of a similar nature of such Issuer.

3.2 *Senior Subordinated Notes*

This Condition 3.2 is applicable in relation to Notes issued by the relevant Issuer to which both the following conditions apply, namely (a) the Notes have a Maturity Date and (b) the Notes are being issued on a subordinated basis ("**Senior Subordinated Notes**").

The obligations of the relevant Issuer in respect of the Senior Subordinated Notes constitute senior subordinated obligations of such Issuer and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding senior subordinated obligations, including guarantees and other obligations of a similar nature of such Issuer. Accordingly, the liabilities of the relevant

Issuer under or pursuant to the Senior Subordinated Notes shall in the event of a *concours de tous les créanciers sur l'ensemble du patrimoine/samenloop van alle schuldeisers op het geheel van het vermogen* (competition between all creditors over all assets (including *faillite/faillissement*) (bankruptcy)) and liquidation *volontaire ou forcée/vrijwillige of gedwongen vereffening* (voluntary or compulsory liquidation) of the relevant Issuer or any other event under Belgian or Luxembourg law having equivalent or similar effect (each a "**Winding Up**") be irrevocably subordinated in right of payment to the claims of the depositors (in the case of BNPPF) and the Senior Creditors and by the holding of Senior Subordinated Notes, the holder thereof irrevocably waives its rights to equal treatment with such depositors (in the case of BNPPF) and Senior Creditors. Accordingly, in any such event, the relevant Issuer shall not be required to satisfy its obligations pursuant to any Senior Subordinated Notes until satisfaction of all indebtedness of such Issuer to the depositors (in the case of BNPPF) and Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment. For the purposes of this Condition 3.2, "**Senior Creditors**" means all present and future unsubordinated creditors of the relevant Issuer.

3.3 *Junior Subordinated Notes*

This Condition 3.3 is applicable in relation to Notes issued by the relevant Issuer to which both the following conditions apply, namely (a) the Notes do not have a Maturity Date and (b) the Notes are issued on a subordinated basis ("**Junior Subordinated Notes**").

The obligations of the relevant Issuer in respect of Junior Subordinated Notes constitute direct, unsecured and junior subordinated obligations of such Issuer, conditional as described below, and rank (a) *pari passu* without any preference among themselves and with any other Junior Subordinated Notes and, in the case of BNPPF, the Junior Subordinated Guarantees granted by the Guarantor under Condition 3.6, (b) junior to all present and future unsecured obligations of such Issuer which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of such Issuer but not further or otherwise ("**Senior Subordinated Obligations**"), (c) at least equally and rateably with all other present and future obligations of such Issuer which rank or are expressed to rank junior to the Senior Subordinated Obligations and (d) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by such Issuer, subject to mandatory provisions of Belgian law (in the case of Junior Subordinated Notes issued by BNPPF) or the laws of Luxembourg (in the case of Junior Subordinated Notes issued by BP2F).

Claims in respect of the Junior Subordinated Notes are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Senior Subordinated Notes and, in the case of BNPPF, holders of Senior Subordinated Notes issued by BP2F, in respect of a Senior Subordinated Guarantee granted by the Guarantor, and except in a Winding-Up of the relevant Issuer, payments of principal and interest by the relevant Issuer in respect of Junior Subordinated Notes will be conditional upon such Issuer being solvent at the time of payment by that Issuer and no principal or interest shall be due and payable in respect of Junior Subordinated Notes except to the extent that (assuming a payment was then due by the relevant Issuer) such Issuer could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims (as defined below), and still be solvent immediately thereafter. For the purposes of these Conditions the relevant Issuer shall be solvent if (a) it is able to pay its debts as they fall due and (b) its Assets exceed its Liabilities (in each case as defined below) (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the relevant Issuer by two directors of such Issuer or (if such Issuer is in winding-up, liquidation or bankruptcy) the liquidator of such Issuer, shall in the absence of proven error be treated and accepted by such Issuer, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of this Condition 3.3, "**Senior and Subordinated Creditors**" means, all creditors of the relevant Issuer (including any holders of Senior Subordinated Notes, in the case of BNPPF, holders of Notes issued by BP2F, in respect of a Senior Subordinated Guarantee granted by the Guarantor, other than creditors whose claims are in respect of: (a) any class of equity (including preference shares), subject to mandatory provisions of Belgian law (in the case of Junior Subordinated Notes issued by BNPPF) or the laws of Luxembourg (in the case of Notes issued by BP2F), or (b) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations or (c) any other obligations which rank or are expressed to rank either *pari passu* with or junior to the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto; "**Assets**" means the total assets of the relevant Issuer and "**Liabilities**" means the total liabilities of such Issuer, each as shown by the latest published audited balance sheet of such Issuer but adjusted for contingencies and for subsequent events, all valued in such manner as such directors or liquidator (as the case may be) may determine; and "**Other Pari Passu Claims**" means claims of creditors of the relevant Issuer which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto.

If the relevant Issuer would not otherwise be solvent for the purposes of these Conditions, the amount of the principal and sums which would otherwise be payable as interest on Junior Subordinated Notes will be available to meet the losses of such Issuer.

3.4 *Senior Guarantee*

This Condition 3.4 is applicable in relation to any Senior Notes issued by BP2F.

The Guarantor has, by the guarantees endorsed on such Senior Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the "**Senior Guarantees**"), unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due from BP2F under such Senior Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 7 below), when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Senior Guarantees constitute direct, unconditional, irrevocable, unsubordinated and unsecured obligations of the Guarantor and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.

3.5 *Senior Subordinated Guarantee*

This Condition 3.5 is applicable in relation to any Senior Subordinated Notes issued by BP2F.

The Guarantor has, by the guarantees endorsed on such Senior Subordinated Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the "**Senior Subordinated Guarantees**"), unconditionally and irrevocably guaranteed, on a subordinated basis, the due and punctual payment of all amounts due from BP2F under such Senior Subordinated Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 7 below) when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

As more fully described in the Senior Subordinated Guarantees, the obligations of the Guarantor in respect of the Senior Subordinated Guarantees constitute senior subordinated obligations of the Guarantor. Accordingly, in the events specified in the Senior Subordinated Guarantees, the liabilities of the Guarantor under or pursuant to the Senior Subordinated Guarantees shall not be required to be satisfied until satisfaction of all indebtedness of the Guarantor to the depositors and

Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment. As more fully described in the Guarantees, "**Senior Creditors**" means all present and future unsubordinated creditors of the Guarantor.

3.6 *Junior Subordinated Guarantee*

This Condition 3.6 is applicable in relation to Junior Subordinated Notes issued by BP2F.

The Guarantor has, by guarantees endorsed on such Junior Subordinated Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the "**Junior Subordinated Guarantees**" and together with the Senior Guarantees and the Senior Subordinated Guarantees, the "**Guarantees**"), as primary obligor guaranteed, on a subordinated basis, the due and punctual payment of all amounts payable by BP2F on or in respect of such Junior Subordinated Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 7 below) when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Junior Subordinated Guarantees constitute direct, unsecured and junior subordinated obligations of the Guarantor, conditional as described below, and rank (a) *pari passu* without any preference among the other Junior Subordinated Guarantees and the Junior Subordinated Notes, (b) junior to all present and future unsecured obligations of the Guarantor which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of the Guarantor but not further or otherwise ("**Senior Subordinated Obligations**"), (c) at least equally and rateably with all other present and future obligations of the Guarantor which rank or are expressed to rank junior to the Senior Subordinated Obligations and (d) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by the Guarantor, subject to mandatory provisions of Belgian law.

Claims in respect of the Junior Subordinated Guarantees are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Senior Subordinated Notes issued by BNPPF and holders of Senior Subordinated Notes issued by BP2F in respect of a Senior Subordinated Guarantee granted by the Guarantor, and except in a Winding-Up of the relevant Guarantor, payments of principal and interest by BP2F in respect of such Junior Subordinated Notes will be conditional upon the Guarantor being solvent at the time of payment by BP2F and no principal or interest shall be due and payable in respect of such Junior Subordinated Notes except to the extent that (assuming a payment was then due by the Guarantor) the Guarantor could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims (as defined below), and still be solvent immediately thereafter. For the purposes of these Conditions the Guarantor shall be solvent if (a) it is able to pay its debts as they fall due and (b) its Assets exceed its Liabilities (in each case as defined below) (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the Guarantor by two directors of the Guarantor or (if the Guarantor is in winding-up, liquidation or bankruptcy) the liquidator of the Guarantor, shall in the absence of proven error be treated and accepted by the relevant Issuer, the Guarantor, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of this Condition 3.6, "**Senior and Subordinated Creditors**" means all creditors of the Guarantor (including any holders of Senior Subordinated Notes issued by BNPPF and holders of Senior Subordinated Notes issued by BP2F in respect of the Senior Subordinated Guarantee granted by the Guarantor) other than creditors whose claims are in respect of: (a) any class of equity (including preference shares), subject to mandatory provisions of Belgian law, or (b) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations of the Guarantor or (c) any other obligations which rank or are expressed to rank either *pari passu* with or junior to the claims of the holders of Junior Subordinated Notes and Coupons and

Receipts (if any) appertaining thereto under the Junior Subordinated Guarantees; "**Assets**" means the total assets of the Guarantor and "**Liabilities**" means the total liabilities of the Guarantor, each as shown by the latest published audited balance sheet of the Guarantor but adjusted for contingencies and for subsequent events, all valued in such manner as such directors or liquidator (as the case may be) may determine; and "**Other *Pari Passu* Claims**" means claims of creditors of the Guarantor which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto under the Junior Subordinated Guarantees.

If the Guarantor would not otherwise be solvent for the purposes of these Conditions, the amount of the principal and sums which would otherwise be payable as interest on Junior Subordinated Notes will be available to meet the losses of the Guarantor.

4. Interest

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes ("**Fixed Rate Notes**"), Floating Rate Notes ("**Floating Rate Notes**"), Zero Coupon Notes ("**Zero Coupon Notes**"), Inflation Index-Linked Interest Notes ("**Inflation Index-Linked Interest Notes**"), Foreign Exchange (FX) Rate-Linked Interest Notes ("**Foreign Exchange (FX) Rate-Linked Interest Notes**"), Underlying Interest Rate-Linked Interest Notes ("**Underlying Interest Rate-Linked Interest Notes**") and/or, in the case of Exempt Notes, whether a different interest basis applies.

This Condition 4 applies to Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and Underlying Interest Rate-Linked Interest Notes. Conditions 4.1, 4.2, 4.6, 4.7, 4.8, 4.9 and 4.10 apply to Fixed Rate Notes, Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and Underlying Interest Rate-Linked Interest Notes. Condition 4.3 applies solely to Fixed Rate Notes. Conditions 4.4 and 4.5 apply solely to Floating Rate Notes. Condition 4.11 applies solely to Zero Coupon Notes. Condition 4.12 applies to Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and Underlying Interest Rate-Linked Interest Notes.

The applicable Final Terms contains provisions applicable to the determination of interest and must be read in conjunction with this Condition 4 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify, (a) in respect of Fixed Rate Notes, the Interest Commencement Date, the Interest Rate(s), the Interest Payment Date(s), the Interest Period Dates, the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction, any applicable Business Day Convention, and Additional Business Centre(s) and any applicable Determination Date, (b) in respect of Floating Rate Notes, any Interest Payment Dates, any Interest Accrual Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, any Reference Bank, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any Spread or Spread Multiplier and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify whether the Primary Source for Interest Rate Quotation is a Relevant Screen Page or Reference Banks and the applicable Benchmark, Interest Determination Date(s), the Relevant Financial Centre(s) and Relevant Screen Page, (c) and in respect of Zero Coupon Notes, the Amortisation Yield, the Reference Price and the applicable Day Count Fraction.

In the case of Inflation Index-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Index and Index Sponsor, any Related Bond and relevant Determination

Dates, the Interest Rate, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Foreign Exchange (FX) Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Base Currency, any Subject Currencies, any applicable Weighting, the Interest Rate, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Underlying Interest Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the Underlying Interest Rate Determination Dates, whether ISDA Determination or Screen Rate Determination applies to the Underlying Interest Rate and, (a) where ISDA Determination applies the applicable Floating Rate Option, Designated Maturity and Reset Date or (b) where Screen Rate Determination applies, whether the Pricing Source for the Interest Rate Quotation is a Relevant Screen Page (Underlying) or Underlying Reference Bank, the Interest Rate, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

4.1 Accrual of interest

Each Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate payable (subject, in the case of Junior Subordinated Notes, to Condition 3.3 and 3.6, if such Notes have the benefit of a Junior Subordinated Guarantee) in arrear on each Interest Payment Date provided (in the case of Junior Subordinated Notes) that such date is a Compulsory Interest Payment Date (as defined below) in which case interest shall be payable in respect of the interest accrued in the Interest Period (as defined below) ending on the day immediately preceding such date.

In the case of Junior Subordinated Notes (as defined above), on any Optional Interest Payment Date (as defined below) there may be paid (if the relevant Issuer or the Guarantor, as the case may be, so elects but subject to Condition 3.3 and 3.6, if such Notes have the benefit of a Junior Subordinated Guarantee) the interest accrued in the Interest Period ending on the day immediately preceding such date but the relevant Issuer or the Guarantor, as the case may be, shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the relevant Issuer or (where such Issuer is BP2F) the Guarantor for any purpose. Any interest not paid in respect of Junior Subordinated Notes on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute "**Arrears of Interest**" which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may at the option of the relevant Issuer or the Guarantor as the case may be, be paid in whole or in part at any time upon the expiration of not less than seven days notice to such effect given to the Noteholders in accordance with Condition 13, but all Arrears of Interest on all Notes outstanding shall (subject to Condition 3.3 and 3.6, if the Notes have the benefit of a Junior Subordinated Guarantee) become due in full on whichever is the earliest of (a) the Interest Payment Date immediately following the date upon which a dividend is next declared or paid on any class of share capital of BP2F or the Guarantor (as the case may be), (b) the date set for any redemption pursuant to Condition 5.2 or 5.5 and (c) the date that an order is made or an effective resolution is passed for the winding-up, liquidation or bankruptcy of BP2F or the Guarantor (as the case may be). If notice is given by the relevant Issuer or the Guarantor, as the case may be, of its intention to pay the whole or part of Arrears of Interest, the relevant Issuer shall be obliged (subject to Condition 3.3 or 3.6, as the case may be,) to do so upon the expiration of such notice. Where Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall bear interest at the rate applicable to the Notes.

Interest will cease to accrue on each Note on the due date for redemption unless such Note is redeemed early. If such Note is redeemed early (a) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (b) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the due date for redemption of such Note. If upon due presentation or, in respect of Dematerialised Notes, on the relevant due date for redemption, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

4.2 Business Day Convention

If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day (as defined below), then, if the convention (the "**Business Day Convention**") specified is (a) the Floating Rate Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Relevant Business Day and (ii) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (b) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (c) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (d) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

4.3 Interest Rate on Fixed Rate Notes

If the Interest Rate is specified as being Fixed Rate and unless, in the case of Exempt Notes only, otherwise specified in the relevant Final Terms, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

4.4 Interest Rate on Floating Rate Notes

If the Interest Rate or Rate is specified as being Floating Rate and Screen Rate Determination is specified in the relevant Final Terms, the Interest Rate or Rate, as the case may be, will be determined by the Calculation Agent on the basis of the following provisions:

- (a) at or about the Relevant Time on the Interest Determination Date in respect of each Interest Accrual Period, the Calculation Agent will:
 - (i) in the case of Notes which specify that the Primary Source for Interest Rate Quotations is Relevant Screen Page, determine the Interest Rate or Rate for each Interest Accrual Period which shall, subject as provided below, be (x) the Relevant Rate (as defined below) so appearing in or on the specified page, section or other part of the specified information service (the "**Relevant Screen Page**") (or such replacement on that service which displays the informations) (where such Relevant Rate is a composite quotation or interest rate per annum or is customarily supplied by one entity) or (y) the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates of the persons

at the time whose Relevant Rates so appear in or on that page, section or other part of such information service as aforesaid, in any such case in respect of euro-currency deposits in the relevant currency for a period equal to the Specified Duration (as defined below) and as adjusted by the Spread or Spread Multiplier (if any) or by the Maximum Interest Rate or Minimum Interest Rate (all as specified in the relevant Final Terms); and

- (ii) in the case of Notes which specify that the Primary Source for Interest Rate Quotations is Reference Banks and in the case of Notes falling within paragraph (a)(i) above but in respect of which no Relevant Rate appears at or about such Relevant Time or, as the case may be, which are to be determined by reference to quotations of persons appearing in or on the relevant page, section or other part of such information service as aforesaid but in respect of which less than two Relevant Rates appear at or about such Relevant Time, request the principal offices in the Relevant Financial Centre (or, in the case of Notes denominated in euro, the principal offices in the euro-zone selected by the Calculation Agent) of each of the Reference Banks specified on such Notes (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to paragraph (a) below) to provide the Calculation Agent with its Relevant Rate quoted to leading banks for euro-currency deposits in the relevant currency for a period equivalent to the Specified Duration. Where this paragraph (a)(ii) shall apply, the Interest Rate for the relevant Interest Accrual Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of such Relevant Rates as adjusted by the Spread or Spread Multiplier (if any) or by the Maximum Interest Rate or Minimum Interest Rate, as calculated by the Calculation Agent.
- (b) if, at or about the Relevant Time on any Interest Determination Date where the Interest Rate or Rate falls to be determined pursuant to paragraph (a)(ii) in respect of a Note, two or three only of such Reference Banks provide such relevant quotations, the Interest Rate or Rate, as the case may be, for the relevant Interest Accrual Period shall, subject as provided below, be determined as aforesaid on the basis of the Relevant Rates quoted by such Reference Banks.
- (c) if, at or about the Relevant Time on any Interest Determination Date where the Interest Rate or Rate falls to be determined pursuant to paragraph (a)(ii), only one or none of such Reference Banks provide such Relevant Rates, the Interest Rate or Rate, as the case may be, for the relevant Interest Accrual Period shall be, subject as provided below, whichever is the higher of:
 - (i) the Interest Rate or Rate, as the case may be, in effect for the last preceding Interest Accrual Period to which paragraphs (a)(i) or (ii) or (b) above shall have applied (after readjustment for any difference between any Spread or Spread Multiplier applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period); and
 - (ii) the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates in respect of the relevant currency which banks in the principal financial centre of the country of such currency (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent) selected by the Calculation Agent (after consultation with the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor) are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to the Specified

Duration to leading banks carrying on business in that principal financial centre (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent), as adjusted by the Spread or Spread Multiplier (if any) except that, if the banks so selected by the Calculation Agent are not quoting as aforesaid, the Interest Rate shall be the Interest Rate specified in paragraph (c)(i) above.

4.5 *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Interest Rate or Rate is to be determined, the Interest Rate or Rate, as the case may be, for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph 4.5, "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent under an interest rate swap transaction if the Fiscal Agent or, as the case may be, the Domiciliary Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

- (a) the Floating Rate Option is as specified in the applicable Final Terms;
- (b) the Designated Maturity is a period specified in the applicable Final Terms; and
- (c) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph 4.5, "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

4.6 *Minimum/Maximum Interest Rates, Spreads and Spread Multipliers*

If any figure is expressed to be as adjusted by a Spread or Spread Multiplier, such adjustment shall be made by adding or subtracting any Spread specified in the relevant Final Terms or multiplying by any Spread Multiplier specified in such Final Terms, subject always to the next paragraph.

If a Maximum or Minimum Interest Rate is specified in such Final Terms, then the Interest Rate or Rate, as the case may be, shall in no event exceed the maximum or be less than the minimum.

4.7 *Calculation*

The amount of interest payable in respect of any Note for any period for which a Fixed Coupon Amount is not specified or not applicable shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount of such Note by the Day Count Fraction and rounding, if necessary, the resultant figure to the nearest minimum unit of the relevant currency (half of such unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**minimum unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

4.8 *Determination and Publication of Interest Rate, Rate and Interest Amounts by the Calculation Agent*

If a Calculation Agent is provided for in relation to any Note, it will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Interest Rate or Rate, as the case may be, and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Denomination of the Notes (in the case of Bearer Notes and Dematerialised Notes) and the minimum Denomination (in the case of Registered Notes) for the relevant Interest Accrual Period and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the relevant Issuer, the Guarantor, the Registrar, the Domiciliary Agent (if applicable), each of the Paying Agents, any competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation and the Noteholders as soon as possible after their determination but in no event later than the fourth Relevant Business Day thereafter. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest, the Interest Rate payable and/or the Rate in respect of the Notes shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of the Interest Rate, Rate and the Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

4.9 *Calculation Agent and Reference Banks*

The relevant Issuer will procure that there shall at all times be four Reference Banks with offices in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in the financial centre or centres selected by the relevant Issuer) and a Calculation Agent if provision is made for them in the Conditions applicable to such Notes and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Calculation Agent will appoint another Reference Bank with an office in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in the financial centre or centres in the euro-zone) to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate or Rate for any Interest Period or to calculate the Interest Amounts, the relevant Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

4.10 *Definitions*

As used in these Conditions:

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Final Terms.

"Benchmark" means either the London interbank offered rate ("**LIBOR**"), the Euro-zone interbank offered rate ("**EURIBOR**"), London interbank bid rate ("**LIBID**") or London inter-bank mean rate ("**LIMEAN**"), as specified in the relevant Final Terms.

"Business Day" means a Relevant Business Day or, if different for any purpose, as specified in the Final Terms.

"**Calculation Amount**" has the meaning given in the relevant Final Terms.

"**Compulsory Interest Payment Date**" means any Interest Payment Date if, in the calendar year immediately preceding such Interest Payment Date, any dividend has been declared or paid on any class of share capital of the Guarantor and if the Guarantor is solvent.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the applicable Final Terms:

- (a) if "**Actual/Actual (ICMA)**" is so specified:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actually number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if "**Actual/Actual**" is so specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is so specified, the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/360**" is so specified, the actual number of days in the Calculation Period divided by 360;
- (e) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

"**euro-zone**" means the region comprising the member states of the European Union which adopt or have adopted the euro as their lawful currency in accordance with the Treaty establishing the European Communities, as amended.

"**Interest Accrual Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date or such other period as may be specified in the applicable Final Terms.

"**Interest Commencement Date**" means the date of issue of the relevant Notes (the "**Issue Date**") or such other date as may be specified in the applicable Final Terms.

"Interest Determination Date" means, in respect of any Interest Accrual Period, that number of Relevant Business Days prior to the first day of such Interest Accrual Period or to the relevant Interest Payment Date as is set out in the relevant Final Terms.

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the Floating Rate Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

"Interest Period" means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date.

"Interest Rate" means the rate of interest payable from time to time in respect of the relevant Notes and which is either specified, or calculated in accordance with the provisions, of such Notes.

"Luxembourg Regulated Market" means the regulated market of the Luxembourg Stock Exchange.

"Optional Interest Payment Date" means any Interest Payment Date other than a Compulsory Interest Payment Date.

"Regular Period" means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where

"Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Business Day" means:

- (a) in the case of a specified currency other than euro, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are generally open for business in the

principal financial centre for that currency and/or each of the Additional Business Centre(s) so specified; and/or

- (b) in the case of euro, a TARGET Settlement Day and a day on which banks and foreign exchange markets are generally open for business in each (if any) Additional Business Centre.

"Relevant Financial Centre(s)" means London or such other financial centre as may be specified on such Note.

"Relevant Rate" means:

- (a) an offered rate in the case of a Note the Benchmark for which relates to an offered rate;
- (b) a bid rate in the case of a Note the Benchmark for which relates to a bid rate; and
- (c) the mean of an offered and bid rate in the case of a Note the Benchmark for which relates to the mean of an offered and bid rate.

"Relevant Time" means the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in that Relevant Financial Centre.

"Specified Duration" means the Interest Period.

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlements of payment in euro.

4.11 Interest Rate on Zero Coupon Notes

Where a Note the Interest Rate of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note as determined in accordance with Condition 5.4(c). As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on such Note (or as specified in the applicable Final Terms).

4.12 Interest Rate on Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and Underlying Interest Rate-Linked Interest Notes

If the Inflation Index-Linked Note Conditions, the Foreign Exchange (FX) Rate-Linked Note Conditions and/or the Underlying Interest Rate-Linked Note Conditions are specified in the relevant Final Terms as being applicable, the Interest Rate or Rate applicable to the Notes for each Interest Period will be determined in accordance with the Payout Conditions and the Inflation Index-Linked Note Conditions, the Foreign Exchange (FX) Rate-Linked Note Conditions and/or the Underlying Interest Rate-Linked Note Conditions (as the case may be) in the manner specified in the relevant Final Terms.

4.13 *Calculations by the Calculation Agent*

The Calculation Agent, the Issuer and the Guarantor (if any) will have no responsibility for good faith errors or omissions in any calculations made or provided by the Calculations Agent. The calculations and determinations of the Calculation Agent will be made in accordance with the Conditions having regards, in each case, to the relevant criteria stipulated in the Conditions, in the relevant Final Terms and, where relevant, on the basis of information provided to or obtained by it as well as after such further enquiries as it deems necessary. Such calculations will, in the absence of manifest error, be final, conclusive and binding on the holders of Notes.

The rate or amount of interest payable in respect of Exempt Notes will be determined in the manner specified in the applicable Pricing Supplement.

5. **Redemption, Purchase and Options**

5.1 *Final Redemption*

Unless the relevant Note is a Junior Subordinated Note, or it is previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5.5 or 5.6, such Note will be redeemed at its Final Redemption Amount on the later of (a) the Maturity Date specified in the relevant Final Terms; and (b) the Extended Maturity Date (if specified in the relevant Final Terms). If the relevant Note is a Junior Subordinated Note, the relevant Issuer shall not be at liberty to redeem such Note except pursuant to Condition 5.2 or (if applicable) Condition 5.5 and references to Maturity Date in these Conditions are not applicable.

The Final Redemption Amount will be an amount in the currency specified in the applicable Final Terms (the "**Specified Currency**") equal to (i) the Calculation Amount multiplied by the percentage, or (ii) the Final Payout, in each case as specified in the applicable Final Terms, provided that, if the product of the Final Payout is zero, no amount will be payable on redemption of the Note.

5.2 *Redemption for taxation reasons*

If, as a result of any amendment to or change in the laws or regulations of Luxembourg or Belgium or any political subdivision thereof or any authority or agency therein or thereof or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date, the Issuer (or, if the Guarantees were called, the Guarantor) would, on the occasion of the next payment date in respect of the Notes, be required to pay additional amounts as provided in Condition 7, the relevant Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time on giving not more than the maximum period and not less than the minimum period of notice specified in the applicable Final Terms to the Noteholders (which notice shall be irrevocable) in accordance with Condition 13 redeem all, but not some only, of the Notes at their Early Redemption Amount which, is a specified percentage of its principal amount or, if Market Value less Costs is specified in the applicable Final Terms, an amount determined by the Calculation Agent as of the date for such early redemption in its absolute discretion (acting reasonably) based on the market value of the Notes as determined by the Calculation Agent and by deducting the cost to the Issuer of unwinding any contractual or swap arrangement **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer (or (in the case of Notes issued by BP2F) the Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantees) then due. Prior to the publication of any notice of redemption pursuant to this Condition 5.2, the relevant Issuer shall deliver to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent, in each case to make available at its specified office to the Noteholders, a certificate signed by two persons each of whom is a Director of the relevant Issuer stating that the relevant Issuer is entitled to effect such redemption

and setting forth a statement of the facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred.

5.3 *Purchases*

The Issuers, the Guarantor and any of their subsidiaries may at any time purchase Notes **provided that**, in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

5.4 *Early Redemption of Zero Coupon Notes*

- (a) The Early Redemption Amount payable in respect of any Note the Interest Rate of which is specified to be Zero Coupon upon redemption of such Note pursuant to Condition 5.2 or, if applicable, Condition 5.5 or 5.6 or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (b) Subject to the provisions of sub-paragraph (c) below, the "**Amortised Face Amount**" of any such Note shall be the sum of (i) the Reference Price shown on such Note and (ii) the aggregate amortisation of the difference between the Reference Price and the principal amount of such Note from its date of issue to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on such Note compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction (as set out in the Final Terms in respect of such Note).
- (c) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5.2 or, if applicable, Condition 5.5 or 5.6, or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the principal amount of such Note together with any interest which may accrue in accordance with Condition 4.11.

5.5 *Redemption at the Option of the relevant Issuer and Exercise of such Issuer's Options*

This Condition 5.5 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons). The applicable Final Terms contains provisions applicable to redemption at the option of the Issuer and must be read in conjunction with this Condition 5.5 for full information on any such redemption. In particular, the applicable Final Terms will identify the Issuer's Option Period, the Early Redemption Amount and any minimum or maximum amount of Notes which can be redeemed.

If so provided in the relevant Note or in any event if such Notes do not have a Maturity Date, the relevant Issuer shall, or (in the case of Notes issued by BP2F) the Guarantor on giving irrevocable notice to the Noteholders falling within such Issuer's Option Period (as specified in the relevant Final Terms) redeem, or exercise any such Issuer's option in relation to, all or (in the case only of Notes which have a Maturity Date), if so provided, some of such Notes in the principal amount or integral multiples thereof and on the date or dates so provided in such notice. Any such redemption of Notes shall be at their Early Redemption Amount (as specified in the relevant Final Terms). Any such redemption must be at an amount not less than the Minimum Early Redemption Amount and not

more than the Maximum Early Redemption Amount, in each case as may be specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the relevant Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of such option the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been selected by drawing lots in such place as the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and competent authority, stock exchange or quotation system's requirements and, if applicable, the rules and procedures of Euroclear and Clearstream Luxembourg (to be reflected in the records of Euroclear and Clearstream Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). Notes that can be redeemed following the drawing of lots will only be issued by BNPPF in compliance with Article 468 of the Belgian Company Code (to the extent applicable).

5.6 Redemption at the Option of Noteholders and Exercise of Noteholders' Options

This Condition 5.6 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder. The applicable Final Terms contains provisions applicable to any redemption at the option of the Noteholder and must be read in conjunction with this Condition 5.6 for full information on any such redemption at the option of the Noteholder. In particular, the applicable Final Terms will identify the Noteholder's Option Period and the Early Redemption Amount.

If so provided on the relevant Note, the relevant Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Early Redemption Amount (as specified in the relevant Final Terms).

To exercise such option or any other Noteholders' option which may be set out on the relevant Note the holder must deposit such Note with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent within the Noteholders' Option Period (as specified in the relevant Final Terms). No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

5.7 Redemption for illegality

Unless, in the case of Exempt Notes only, otherwise specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on such date as the Issuer may notify to the Noteholders in accordance with Condition 13 if the Issuer determines that the performance by the Issuer of its obligations under the Notes has become unlawful under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.

Notes redeemed pursuant to this Condition 5.7 will be redeemed at the Early Redemption Amount.

5.8 Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified on the relevant Note) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5.5 or 5.6, each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment

Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

5.9 *Cancellation*

All Notes redeemed by the relevant Issuer and all Notes purchased (otherwise than in the ordinary course of business of dealing in securities or as a nominee) by or on behalf of such Issuer, (in the case of Notes issued by BP2F) the Guarantor or any of their subsidiaries will be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith) and may not be reissued or resold and the obligations of such Issuer and/or (in the case of Notes issued by BP2F) the Guarantor in respect of any such Notes shall be discharged, and where such Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market, the Issuer will forthwith inform the Luxembourg Stock Exchange and/or any other relevant stock exchange of any such cancellation.

5.10 *Consents*

Any redemption by the relevant Issuer of such Junior Subordinated Notes pursuant to Condition 5.2 or (if applicable) Condition 5.5 and any purchase and cancellation of such Junior Subordinated Notes pursuant to Condition 5.3 and 5.8 will be subject to the prior consent of the NBB.

6. **Payments and Talons**

6.1 *Bearer Notes and Dematerialised Notes*

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below and, in the case of Junior Subordinated Notes, subject to Condition 3.3 and if such Notes have the benefit of a Junior Subordinated Guarantee, subject to Condition 3.6, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6.6(e)) or Coupons (in the case of interest, save as specified in Condition 6.6(f)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holders, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; **Provided that** (a) in the case of Sterling, the cheque shall be drawn on a town clearing branch of a bank in the City of London, (b) in the case of Rouble, the transfer may be to a Rouble account or on an account which accepts Rouble payments (c) in the case of euro, the transfer may be to a euro account or on an account which accepts euro payments and (d) in the case of Japanese yen, the transfer will be to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan).

All payments in euro of principal or interest under the Dematerialised Notes issued by BNPPF shall be made through the Domiciliary Agent and the X/N System in accordance with the NBB Clearing System Regulations and the Clearing Agreement. The payment obligations of BNPPF will be discharged by payment to the NBB in respect of each amount so paid.

All payments in any currency other than euro of principal or interest owing under the Dematerialised Notes issued by BNPPF shall be made through the Domiciliary Agent and Euroclear and/or Clearstream, Luxembourg (in accordance with the rules thereof and in accordance with the NBB Clearing System Regulations and the Clearing Services Agreement).

6.2 *Registered Notes*

- (a) Payments of principal (which for the purposes of this Condition 6.2 shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be made, subject (in the case of Junior Subordinated Notes) to Condition 3.4 or 3.6, if such Notes have the benefit of a Junior Subordinated Guarantee, against presentation and surrender of the relevant Notes at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph 6.1 above.
- (b) Interest (which for the purpose of this Condition 6.2 shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid, subject (in the case of Junior Subordinated Notes) to Condition 3.4 or 3.6, if such Notes have the benefit of a Junior Subordinated Guarantee, to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank (being a town clearing branch of a bank in the case of Sterling) in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph 6.1 above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency or, in the case of euro, to a euro account or an account to which euro can be paid.

6.3 *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes or Dematerialised Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (a) the relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (b) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (c) such payment is then permitted by United States law, without involving, in the opinion of the relevant Issuer, adverse tax consequence to such Issuer.

6.4 *Payments subject to law*

Payments in respect of the Notes will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7, (b) any withholding or deduction required pursuant to Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto, and (c) any withholding or deduction required or otherwise imposed pursuant to Section 871(m) of the Code. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

6.5 *Appointment of Agents*

The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuers and the Guarantor and their respective specified offices are listed below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. The Paying Agents, the Registrar,

the Transfer Agents and the Calculation Agent act solely as agents of the Issuers and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuers and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Issuers will at all times maintain (a) a Fiscal Agent, (b) a Principal Paying Agent, (c) a Registrar in relation to Registered Notes, (d) at least a Transfer Agent in relation to Registered Notes having a specified office in a European city outside Belgium (and, so long as the Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, a Transfer Agent with a registered office in Luxembourg and/or such other place as may be required by the rules of such other competent authority, stock exchange and/or quotation system), (e) a Calculation Agent where the Conditions so require one, (f) at least a Paying Agent having a specified office in a European city outside Belgium (and, so long as the Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market or the Euro MTF a Paying Agent able to ensure financial service of the Notes in Luxembourg and/or such other place as may be required by the rules and regulations of such other competent authority, stock exchange and/or quotation system), and (g) a Paying Agent in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph 6.3 above.

For as long as any Notes issued by BNPPF and cleared through the X/N System, BNP Paribas Fortis SA/NV, in its capacity as Domiciliary Agent, has agreed in the Agency Agreement to perform all its duties and obligations under the Clearing Agreement and has undertaken (a) to remain a participant in such X/N System as long as possible and (b) to appoint an appropriate substitute agent which will assume all such duties and obligations should BNP Paribas Fortis SA/NV no longer be able to do so.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

6.6 *Unmatured Coupons and Receipts and unexchanged Talons*

- (a) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of that amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount (or Early Redemption Amount, as the case may be) due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (b) If the relevant Notes so provide, upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (c) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

- (d) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (e) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the relevant Issuer may require.
- (f) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note, if such Note is not intended to be issued in new global note form. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

6.7 *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in (a) in the case of Notes in definitive form only, the relevant place of presentation, (b) in such jurisdictions as shall be specified as "**Business Day Jurisdictions**" on the Note and (c) either:

- (a) (in the case of a payment in a currency other than euro) in the principal financial centre of the country of the relevant currency (which if the relevant currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or
- (b) (in the case of a payment in euro) a TARGET Settlement Day.

6.8 *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent in exchange for a further Coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 8).

7. **Taxation**

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the relevant Issuer or (in the case of Notes issued by BP2F) (if the Guarantees were called) the Guarantor will be made without deduction or withholding for, or on account of, any present or future taxes or duties of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of (in the case of BP2F) Luxembourg or any political subdivision thereof or any authority or agency therein or thereof having the power to tax or, where applicable, (in the case of BNPPF or the Guarantor, as the case may be) Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such deduction or withholding is required by law. In such event, and unless the provisions of this Condition 7 are specified not to apply in the relevant Final Terms, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts of principal or interest

received by the Noteholders, Receiptholders or, as the case may be, the Couponholders after such deduction or withholding shall equal the respective amounts which would have been receivable under these Conditions in respect of the Notes, Receipts or, as the case may be, Coupons by the Noteholders, Receiptholders and (if applicable) the Couponholders in the absence of such deduction or withholding, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) issued by BNPPF, where such Note, Receipt or Coupon is not cleared through the X/N System; or
- (b) issued by BNPPF where such Note, Receipt or Coupon is cleared through the X/N System, and where such deduction or withholding is imposed or levied because the holder (or the beneficial owner) is not an Eligible Investor (as defined below) (unless that person was an Eligible Investor at the time of its acquisition of the relevant Note, Receipt or Coupon and has since ceased from being an Eligible Investor by reason of a change in the Belgian tax laws or regulations or in the interpretation or application thereof), or is an Eligible Investor but is not holding the relevant Note, Receipt or Coupon in an exempt securities account with a qualifying clearing system in accordance with the Belgian law of 6 August 1993 on transactions in certain securities; or
- (c) presented for payment in Belgium; or
- (d) to, or to a third party on behalf of, a holder who is able to avoid such withholding or deduction by placing such Note, Receipt or Coupon in safe custody with a Belgian bank and by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (e) to, or to a third party on behalf of, a holder where such holder is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of its having some connection with Belgium other than by reason only of the holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or
- (f) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or
- (g) where such withholding or deduction is imposed on a payment to an individual or a residual entity within the meaning of the European Council Directive 2003/48/EC and is required to be made pursuant to (i) European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 – 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, (ii) the law of 23 December 2005 (as amended) introducing a 10 per cent. withholding tax as regards Luxembourg resident individuals and (iii) the agreements on savings income concluded by the State of Luxembourg with several dependant or associated territories of the EU (including Jersey, Guernsey, the Isle of Man, the British Virgin Islands, Montserrat, the Dutch Antilles and Aruba); or
- (h) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is

made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions (for those Notes that are not Dematerialised Notes) or in respect of the Dematerialised Notes, on the relevant date for payment, such payment will be made, **provided that** payment is in fact made upon such presentation (or in respect of Dematerialised Notes, on the relevant date for payment), "**Eligible Investor**" means from time to time a person who is allowed to hold securities through a so called "**X account**" (being an account exempted from withholding tax) in the X/N System in accordance with Article 4 of the Belgian Royal Decree of 26 May 1994, as amended or replaced from time to time. References in these Conditions to (a) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (b) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (c) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts which may be payable under this Condition. For Belgian tax purposes, "**interest**" has the meaning set out under "*Belgian Taxation*" below.

8. **Prescription**

Claims against the relevant Issuer and the Guarantor for payment in respect of the Notes, Guarantees, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7 above) in respect thereof.

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the "**Involuntary Dispossession Act 1996**") requires that, in the event that (i) an opposition has been filed in relation to the Bearer Notes, Receipts and Coupons and (ii) the Bearer Notes, Receipts and Coupons mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), any amount that is payable under the Bearer Notes, Receipts and Coupons, but has not yet been paid to the Noteholders or Couponholders, must be paid to the *Caisse de Consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Bearer Notes, Receipts and Coupons occurs.

9. **Events of Default**

9.1 *Notes other than Senior Subordinated Notes and Junior Subordinated Notes*

This Condition 9.1 is applicable in relation to all Senior Notes.

If any one or more of the following events ("**Events of Default**") occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount which, unless otherwise provided, is the principal amount of such Note together with accrued interest to the date of payment shall become immediately due and payable unless prior to the date that such written notice is received by the Fiscal Agent or, as the case may be, the Domiciliary Agent, the relevant Issuer or, where applicable, the Guarantor shall have cured or the relevant Issuer or, where applicable, the Guarantor shall otherwise have made good all Events of Default in respect of the Notes:

- (a) default in the payment of any principal or interest due in respect of the Notes or any of them and such default continuing for a period of 30 days; or

- (b) default by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor in the due performance or observance of any other obligation, condition or other provision under or in relation to the Notes or the Guarantees, as the case may be, if such default is not cured within 45 days after receipt by the Fiscal Agent or, as the case may be, the Domiciliary Agent of written notice thereof given by any Noteholder requiring the same to be remedied; or
- (c) default by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor in the payment of the principal of, or premium or prepayment charge (if any) or interest on, any other loan indebtedness of or assumed or guaranteed by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor (which indebtedness has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, originally applicable thereto and the time for payment of such interest or principal has not been effectively extended, or in the event that any loan indebtedness of or assumed by the relevant Issuer or (in the Notes issued by BP2F) the Guarantor (which indebtedness has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of an event of default thereunder; or
- (d) the relevant Issuer is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes or (in the case of Notes issued by BP2F) the Guarantor is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes, except as a result of a Permitted Reorganisation, or the relevant Issuer ceases to be subsidiary of the Guarantor (save in the case of a substitution pursuant to Condition 10.3 where the substitute is the Guarantor or the Issuer is BNPPF); or
- (e) the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor becomes insolvent, is unable to pay its debts generally (or in the case of BNPPF as relevant Issuer or as (in the case of Notes issued by BP2F) the Guarantor, is in *staking van betaling/cessation de paiements* (suspension of payments)) as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or ceases or threatens to cease to carry on its business, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor, or if the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor commences a voluntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, consents to the entry of an order for relief in any involuntary case or other proceeding under any such law as to the appointment of or the taking possession by a trustee, receiver, liquidator, custodian, assignee, sequestrator or similar official of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor or of any substantial part of its property or as the winding up or liquidation of the relevant Issuer, or (in the case of Notes issued by BP2F) if the Guarantor applies for a *liquidation/vereffening* (liquidation) or *faillite/faillissement* (bankruptcy) or any procedures having similar or equivalent effect shall have been initiated in respect of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor; or
- (f) a court having jurisdiction in the premises enters a decree or order for relief in respect of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor in an involuntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a trustee, receiver, liquidator, custodian, assignee, sequestrator or other similar official of the relevant Issuer or (in the case of Notes issued by

BP2F) the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed in effect for a period of 30 consecutive days; or

- (g) it becomes unlawful for the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor to perform any of their respective obligations under the Notes or the Guarantees, or any of their obligations ceases to be valid, binding or enforceable; or
- (h) the Guarantees are not or are claimed by the Guarantor not to be in full force and effect in accordance with their terms.

In this Condition:

"Permitted Reorganisation" means an amalgamation, merger, consolidation, reorganisation or other similar arrangement entered into by the Guarantor under which:

- (i) the whole of the business, undertaking and assets of the Guarantor are transferred to and all the liabilities and obligations of the Guarantor are assumed by the new or surviving entity either:
 - (A) automatically by operation of applicable law; or
 - (B) the new or surviving entity assumes all the obligations of the Guarantor under the terms of the Agency Agreement, the Notes and the Guarantees as fully as if it had been named in the Agency Agreement, the Notes and the Guarantees in place of the Guarantor; and, in either case,
- (ii) the new or surviving entity will immediately after such amalgamation, merger, consolidation, reorganisation or other similar arrangement be subject to a European Union regulatory authority.

Any such notice by a Noteholder to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent shall specify the serial number(s) of the Note(s) concerned.

9.2 *Senior Subordinated Notes*

This Condition 9.2 is applicable in relation to Senior Subordinated Notes.

Any holder of a Senior Subordinated Note may, by notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the relevant Issuer, declare his Note to be due and payable, and such Note shall accordingly become immediately due and payable at its principal amount together with accrued interest to the date of repayment if an order is made or an effective resolution is passed for the bankruptcy (*faillissement/faillite*), or liquidation (*vereffening/liquidation*) of the relevant Issuer or the Guarantor, as the case may be.

9.3 *Junior Subordinated Notes*

This Condition 9.3 is applicable in relation to Junior Subordinated Notes.

- (a) Any holder of a Junior Subordinated Note may, by notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the relevant Issuer, declare his Note to be due and payable, and such Note shall accordingly (subject to the provisions of Condition 3.3 or Condition 3.6, as the case may be,) become immediately due and payable at its principal amount together with accrued interest to the date of repayment and any Arrears of Interest if an order is made or an effective resolution is passed for the bankruptcy

(*faillissement/faillite*) or liquidation (*vereffening/liquidation*) of the relevant Issuer or the Guarantor, as the case may be.

- (b) A Noteholder may at its discretion institute such proceedings against the relevant Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the relevant Issuer under the Notes or the Coupons or the Receipts (if any) **provided that** such Issuer shall not by virtue of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (c) No remedy against the relevant Issuer, other than the institution of the proceedings referred to in sub-paragraph (b) above or the proving or claiming in any winding-up of such Issuer, shall be available to the Noteholders or the Couponholders or the Receiptholders (if any) whether for the recovery of amounts owing in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons or the Receipts (if any).
- (d) In the event of an order being made or an effective resolution being passed for the winding-up, liquidation or bankruptcy of BP2F; then immediately thereupon and without further formality the Guarantor shall become the principal debtor under the Notes and the Coupons and the Receipts (if any) in place of BP2F and the Guarantees shall cease to be of any effect and the Noteholders and the Couponholders and the Receiptholders (if any) shall cease to have any rights or claims whatsoever against BP2F; **provided that:**
 - (i) the obligations of the Guarantor as principal debtor as aforesaid shall be subordinated to the same extent as its obligations under the Guarantees; and
 - (ii) no Noteholder or Couponholder or Receiptholder shall, as a result of any change in principal debtor as aforesaid, be entitled to claim from BP2F or the Guarantor any indemnification or payment in respect of any tax consequence of such change upon individual Noteholders or Couponholders or Receiptholders except to the extent provided for by Condition 7 (save that Condition 7(i) does not apply in these circumstances).

10. Meeting of Noteholders, Modifications, Substitution and Waivers

10.1 Meetings of Noteholders

- (a) In the case of Notes issued by BP2F, the Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions in so far as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders subject to applicable laws, except that any Extraordinary Resolution proposed, *inter alia*, (1) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (2) to reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (3) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in the respect thereof, (4) if there is shown on the face of the Notes a Minimum Interest Rate and/or a Maximum Interest Rate, to reduce such Minimum Interest Rate and or a Maximum Interest Rate, (5) to change any method of calculating the Final Redemption Amount or Early Redemption Amount or, in the case of Zero Coupon Notes, to change the method of calculating the Amortised Face Amount, (6) to change the currency or currencies of payment of the Notes, (7) to cancel or change the provisions of any Guarantee, (8) to take any steps which the relevant Note specifies may only be taken following approval by an Extraordinary Resolution to

which the special quorum provisions apply or (9) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) is present. For the avoidance of doubt, the provisions of Articles 86 to 94 – 8 of the Luxembourg law on commercial companies dated 10 August 1915, as amended (the "**Companies Act 1915**"), are hereby excluded.

- (b) In the case of Notes issued by BNPPF, all meetings of Noteholders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to bondholders meetings. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the Brussels court of appeal, the meeting of Noteholders shall be entitled to modify or waive any provision of these Conditions. Resolutions duly passed in accordance with these provisions of the Belgian Company Code at any meeting of Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution. A summary of such resolutions, setting out the decisions adopted at the meeting of Noteholders, shall be published in accordance with Condition 13 (*Notices*), so long as the Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market and its rules so require. All convening notices for meetings of Noteholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting, in the Belgian Official Gazette ("**Moniteur Belge/Belgisch Staatsblad**") and in a newspaper of national distribution in Belgium. Convening notices will also be published once, not less than eight days prior to the meeting, in accordance with Condition 13 (*Notices*).

These Conditions may be amended, modified, or varied in relation to any Series of Exempt Notes by the terms of the relevant Final Terms in relation to such Series. Without limitation to the generality of these Conditions, Exempt Notes may be issued on a partly-paid, instalment or other basis, where the interest rate, aggregate principal amount and/or other terms may be varied from time to time (as specified in the applicable Final Terms relating thereto).

10.2 Modification of Agency Agreement

The Issuers and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

10.3 Substitution

An Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons any company (the "**Substitute**") which is the Guarantor (save where such Issuer is BNPPF), or a subsidiary of the Guarantor, **provided that** no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (a) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (b) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons and Talons shall be unconditionally and irrevocably guaranteed by the Guarantor by means of the Deed Poll, (c) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any

necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons and Talons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll (where the Substitute is not the Guarantor), of the Guarantor have been taken, fulfilled and done and are in full force and effect, (d) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (e) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (a) above and in England as to the fulfilment of the preceding conditions of this paragraph 10.3 and the other matters specified in the Deed Poll and (f) the relevant Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies or, pending execution, the agreed text of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified offices of each of the Paying Agents. References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 9 shall be deemed to include that guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. The Issuer and the Substitute shall also notify the Luxembourg Stock Exchange in respect of such a substitution, procure that a supplement to the Base Prospectus be prepared and comply with the relevant rules and regulations of the Luxembourg Stock Exchange and/or such other competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation.

For the purposes of article 1275 of the Luxembourg civil code, the Noteholders and the Couponholders, by subscribing for, or otherwise acquiring the Notes or the Coupons, are deemed (i) to have expressly consented to any substitution of BP2F effected in accordance with this Condition 10.3 and to the release of the Issuer from any and all obligations in respect of the Notes; and (ii) to have accepted such substitution and the consequences thereof

10.4 Exclusion of termination condition (condition résolutoire)

For the avoidance of doubt, no Noteholder, Receiptholder or Couponholder may initiate proceedings against BP2F based on article 98 of the Companies Act 1915.

11. Replacement of Notes, Receipts, Coupons and Talons

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and the regulations of the relevant competent authority, stock exchange and/or quotation system, at the specified office of such Paying Agent as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to the Noteholders in accordance with Condition 13 (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Registered Notes), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the relevant Issuer on demand the amount payable by such Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as such Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued. The replacement of the Bearer Notes or Coupons in the case of loss or theft shall be subject to the procedure of the Involuntary Dispossession Act 1996.

12. Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon, the date from which interest starts to accrue and the date of issue and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

13. Notices

13.1 *Notes in global form*

So long as any Tranche of Notes is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or in the relevant Final Terms and, in either case, subject to sub-Condition 13.2(a) below, be deemed to be validly given if given by delivery of the relevant notice to the clearing system for communication by it to Noteholders in respect of the relevant Notes. If such delivery is not practicable, notices will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe.

Notices to Noteholders of any Tranche may, at the sole discretion of the Issuer and solely for informational purposes, also be published on the website of the Issuer and/or, in the case of Exempt Notes only, of any other entity specified in the relevant Final Terms for this purpose.

13.2 *Notes admitted to listing, trading and/or quotation*

So long as any Tranche of Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Noteholders of that Tranche will, save where another means of effective communication has been specified herein or, in the case of Exempt Notes only, in the relevant Final Terms, be deemed to be validly given if:

- (a) in the case a Tranche of Notes admitted to listing on the official list and to trading on the Luxembourg Regulated Market (so long as such Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market and any applicable laws, rules or regulations so require), published in a leading newspaper having general circulation in Luxembourg (which is expected to be *the Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu), and/or in such other manner as may be required by applicable laws, rules and regulations from time to time; and/or
- (b) in the case of a Tranche of Notes admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, if published in such manner as may be required by applicable laws, rules and regulations from time to time.

13.3 *In any other cases*

Where both Condition 13.1 and Condition 13.2 are inapplicable, notices will, save where another means of effective communication has been specified herein or, in the case of Exempt Notes only, in the relevant Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*), or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe.

13.4 *General*

For the avoidance of doubt, where both Condition 13.1 and Condition 13.2 apply, notices must be given in the manner specified in Condition 13.1 and in the manner specified in Condition 13.2 in order to be deemed to have been validly given.

Any notice given in accordance with Condition 13.1, Condition 13.2 or Condition 13.3 above will be deemed to have been validly given on the date and time of first such notification (or, if required to be notified in more than one manner, on the first date on which notification shall have been made in all required manners).

Couponholders will be deemed for all purposes to have notice of the contents of any notice validly given to Noteholders in accordance with this Condition.

14. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

15. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

16. **Governing Law and Jurisdiction**

16.1 *Governing Law*

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons and all non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by and construed in accordance with English law except for (a) in the case of Notes issued by BP2F, Conditions 3.2 and 3.3 in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Luxembourg law and Conditions 3.5 and 3.6 in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Belgian law and

(b) in the case of Notes issued by BNPPF, Condition 1.2 with respect to the form of Dematerialised Notes and Conditions 3.2, 3.3 and 10.1(b) in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Belgian law.

Guarantees to which Condition 3.4 applies and all non-contractual obligations arising out of or in connection with them are governed by English law.

Guarantees to which Condition 3.5 applies and all non-contractual obligations arising out of or in connection with them and Guarantees to which Condition 3.6 applies and all non-contractual obligations arising out of or in connection with them are governed by Belgian law.

16.2 Jurisdiction

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, the Receipts, the Coupons, the Talons or Guarantees including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons, the Talons and/or the Coupons (a "**Dispute**") and accordingly each of the Issuers, the Guarantor and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

For the purposes of this Condition 16.2, the Issuer, the Guarantor and any Noteholders, Receiptholders or Couponholders waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

16.3 Service of Process

Each of the Issuers and the Guarantor irrevocably appoints BNP Paribas London Branch (10 Harewood Avenue, London NW1 6AA, United Kingdom) to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuers and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders (in the case of Notes issued by BP2F) of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

PART 2: ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

The following terms and conditions (the "**Payout Conditions**"), subject to completion in the applicable Final Terms, relate to the payouts in respect of the Notes. In particular, certain sections of the Payout Conditions will be set out and completed in the applicable Final Terms. In the event of any inconsistency between the terms and conditions of the Notes (the "**Note Conditions**") or the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (a) the Note Conditions and/or the Payout Conditions and (b) the Final Terms, the Final Terms shall prevail. The descriptions of the payouts, interest rates and/or related provisions included in italics below do not form part of the Payout Conditions, are included for information purposes only and are subject to the detailed terms of the relevant payout or interest rate, as applicable.

1. FIXED INCOME INTEREST RATES AND PAYOUTS

(a) Fixed Income Interest Rates

The following Interest Rate will apply to the Notes if specified in the applicable Final Terms:

(i) FI Digital Coupon

If FI Digital Coupon is specified as applicable in the applicable Final Terms:

- (A) if the FI Digital Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min} \left(\text{Global Cap A}, \text{Max} \left(\text{Global Floor A}, \left(\sum_{i=1}^n \text{Gearing A}_{(i)} \times \text{FI Rate A}_{(i)} \right) + \text{Constant A} \right) \right); \text{ or}$$

- (B) if the FI Digital Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min} \left(\text{Global Cap B}, \text{Max} \left(\text{Global Floor B}, \left(\sum_{i=1}^n \text{Gearing B}_{(i)} \times \text{FI Rate B}_{(i)} \right) + \text{Constant B} \right) \right)$$

Description of the Payout

A FI Digital Coupon provides that the Notes bear interest at one of 2 specified rates depending upon whether or not the specified Digital Coupon Condition is satisfied. The specified rate can be (i) a fixed percentage or (ii) a fixed percentage (which may be equal to zero) plus a floating rate, where the floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied. The payout may be subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, a negative or a positive number and the fixed percentage may be equal to zero.

The Digital Coupon Condition is indexed to the value of the Underlying Reference(s) (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) comparative to a barrier level(s) which can be fixed or step up or down.

(ii) Range Accrual Coupon

If Range Accrual Coupon is specified as applicable in the applicable Final Terms:

Min

$$\text{Min} \left\{ \text{Global Cap}, \text{Max} \left(\text{Global Floor}, \text{Min} \left[\text{Local Cap}, \text{Max} \left(\text{Local Floor}, \text{Global Margin} + \sum_{i=1}^n \text{Gearing}_{(i)} \times \text{FI Rate}_{(i)} \right) \right] \times \frac{n}{N} \right) \right\}$$

Where:

"n" is the number of Range Accrual Days in the relevant Range Period on which the Range Accrual Coupon Condition is satisfied; and

"N" is the number of Range Accrual Days in the relevant Range Period.

If Deemed Range Accrual is specified as applicable in the applicable Final Terms, the FI DC Barrier Value for each Range Accrual Day in the period from (and including) the Range Cut-off Date to (and including) the Range Period End Date will be deemed to be the FI DC Barrier Value on the Range Cut-off Date.

Description of the Payout

*A Range Accrual Coupon provides that the Notes bear interest on the basis of a rate calculated by reference to the number of Range Accrual Days in the relevant Range Accrual Period where the Range Accrual Coupon Condition is satisfied. The interest payable on each Interest Payment Date is equal to $K * n/N$, where n is the number of Range Accrual Days in the Range Accrual Period on which the Range Accrual Coupon Condition is satisfied and N is the total number of Range Accrual Days in the Range Accrual Period. K can be a fixed percentage or a floating rate plus a margin (which may be zero) and is subject to a minimum level (equal to the Local Floor) or a maximum level (equal to the Local Cap). The floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied.*

The overall rate payable is also subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap).

The Range Accrual Coupon Condition is indexed to the value of the Underlying Reference(s) (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) comparative to a barrier level(s) which can be fixed or step up or down.

(iii) Combination Floater Coupon

If Combination Floater is specified as applicable in the applicable Final Terms:

$$\text{Min} \left(\text{Global Cap}, \text{Max} \left(\text{Global Floor}, \text{Global Margin} + \sum_{i=1}^n \text{Gearing}_{(i)} \times \text{FI Rate}_{(i)} \right) \right)$$

Description of the Payout

A Combination Floater Coupon may be any of the following (i) a fixed percentage or (ii) a floating rate plus a margin (which can be equal to zero), where the floating rate may be the

sum of one or more floating interest rates or inflation rates with individual gearings applied. The rate payable is subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, negative or positive.

(iv) PRDC Coupon

If PRDC Coupon is specified as applicable in the applicable Final Terms:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

- I. if no Knock-in Event has occurred, 0 (zero); or
- II. if a Knock-in Event has occurred:

$\text{Min} \left(\text{Cap}, \text{Max} \left(\text{Floor}, \left(\text{Coupon Percentage 1} \times \text{PRDC Performance} \right) - \text{Coupon Percentage 2} \right) \right);$

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

$\text{Min} \left(\text{Cap}, \text{Max} \left(\text{Floor}, \left(\text{Coupon Percentage 1} \times \text{PRDC Performance} \right) - \text{Coupon Percentage 2} \right) \right);$

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

- I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

$\text{Min} \left(\text{Cap}, \text{Max} \left(\text{Floor}, \left(\text{Coupon Percentage 1} \times \text{PRDC Performance} \right) - \text{Coupon Percentage 2} \right) \right);$

- II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, 0 (zero);

Where:

"PRDC Performance" means the quotient of the Final Settlement Price (as numerator) and the Initial Settlement Price (as denominator).

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on whether such event(s) have occurred.

If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the interest rate will be zero or a percentage that is (subject to a specified minimum and/or maximum) equal to a specified percentage multiplied by the performance of the Underlying Reference over a specified period and reduced by a specified percentage.

(v) **FI Digital Floor Coupon**

If the Notes are specified in the applicable Final Terms as being FI Digital Floor Coupon Notes:

- (A) if Knock-in Event is specified as applicable in the applicable Final Terms:
- I. if no Knock-in Event has occurred, 0 (zero);
 - II. if a Knock-in Event has occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1; or
 - III. if a Knock-in Event has occurred and the FI Digital Floor Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 2.
- (B) if Knock-in Event is not specified as applicable in the applicable Final Terms:
- I. if the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1; or
 - II. if the FI Digital Floor Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 2; or
- (C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
- I. if no Knock-in Event has occurred, 0 (zero); or
 - II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1; or
 - III. in all other cases:

Digital Floor Percentage 2.

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Floor Condition is satisfied. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Floor Condition is satisfied.

The FI Digital Floor Condition will be satisfied if the FI Digital Value is less than or equal to the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Floor Condition is satisfied will determine whether interest is payable and, if so, which specified rate will be used to calculate the interest payable.

(vi) FI Digital Cap Coupon

If the Notes are specified in the applicable Final Terms as being FI Digital Cap Coupon Notes:

- (A) if Knock-in Event is specified as applicable in the applicable Final Terms:
 - I. if no Knock-in Event has occurred, 0 (zero);
 - II. if a Knock-in Event has occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:
Digital Cap Percentage 1; or
 - III. if a Knock-in Event has occurred and the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:
Digital Cap Percentage 2; or
- (B) if Knock-in Event is not specified as applicable in the applicable Final Terms:
 - I. if the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:
Digital Cap Percentage 1; or
 - II. if the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:
Digital Cap Percentage 2; or
- (C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
 - I. if no Knock-in Event has occurred, 0 (zero); or
 - II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:
Digital Cap Percentage 1; or

III. in all other cases:

Digital Cap Percentage 2.

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Cap Condition is met. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Cap Condition is satisfied.

The FI Digital Cap Condition will be satisfied if the FI Digital Value is greater than or equal to the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as specified in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Cap Condition is satisfied will determine whether interest is payable and, if so, which specified rate will be used to calculate the interest payable.

(vii) FI Target Coupon

If the Notes are specified in the applicable Final Terms as being FI Target Coupon Notes and an Automatic Early Redemption Event has not occurred, the Interest Rate in respect of the Target Final Interest Period shall be the Final Interest Rate specified in the applicable Final Terms.

Description of the Payout

If Target Automatic Early Redemption applies and an Automatic Early Redemption Event does not occur the rate of interest for the Interest Period ending on the Maturity Date will be the Final Interest Rate.

The Final Interest Rate may be

- 1. Capped only – In this case, the Final Interest Rate is the rate of interest calculated for the final interest period or, if less, the difference between the Automatic Early Redemption Percentage and the interest already paid;*
- 2. Guaranteed only - In this case, the Final Interest Rate is the rate of interest calculated for the final interest period or, if greater, the difference between the Automatic Early Redemption Percentage and the interest already paid. If no Automatic Early Redemption Event occurs, this Interest Rate provides a payment at maturity that means the overall sum of all interest paid will be at least equal to the Automatic Early Redemption Percentage;*
- 3. Capped and guaranteed - In this case, the Final Interest Rate is the Automatic Early Redemption Percentage less previous interest paid which means that the overall interest paid will be equal to the Automatic Early Redemption Percentage;*

4. *Not capped and not guaranteed – In this case, the Final Interest Rate is the interest calculated for the relevant Interest Period.*

(viii) FI FX Vanilla Coupon

If FI FX Vanilla is specified as applicable in the applicable Final Terms:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

II. if a Knock-in Event has occurred:

Gearing \times Option;

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

Gearing \times Option;

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

Gearing \times Option;

II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, 0 (zero).

Where:

"Option" means Min (Max (Performance Value, Floor), Cap).

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on whether such event(s) have occurred.

If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the interest rate will be zero or a percentage reflecting the product of the performance of the Underlying Reference over a specified period (which may be subject to a minimum and/or a maximum) and a gearing percentage.

(ix) FI Digital Plus Coupon

If the Notes are specified in the applicable Final Terms as being FI Digital Plus Coupon Notes:

- (A) if Knock-in Event is specified as applicable in the applicable Final Terms:
- I. if no Knock-in Event has occurred, 0 (zero); or
 - II. if a Knock-in Event has occurred and the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:
 $\text{Max} (\text{Digital Plus Percentage 1}, (\text{Gearing} \times \text{FI Digital Value}))$; or
 - III. if a Knock-in Event has occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Valuation Date:
Digital Plus Percentage 2;
- (B) if Knock-in Event is not specified as applicable in the applicable Final Terms:
- I. if the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:
 $\text{Max} (\text{Digital Plus Percentage 1}, (\text{Gearing} \times \text{FI Digital Value}))$; or
 - II. if the FI Digital Plus Condition is not satisfied in respect of the relevant FI Valuation Date:
Digital Plus Percentage 2;
- (C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
- I. if no Knock-in Event has occurred, 0 (zero); or
 - II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:
 $\text{Max} (\text{Digital Plus Percentage 1}, (\text{Gearing} \times \text{FI Digital Value}))$; or
 - III. in all other cases:
Digital Plus Percentage 2.

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Plus Condition is satisfied. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Plus Condition is satisfied.

The FI Digital Plus Condition will be satisfied if the FI Digital Value is greater than the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Plus Condition is satisfied will determine whether the interest rate will be zero or a specified percentage or the greater of a specified percentage and the product of the performance of the Underlying Reference over a specified period and a gearing percentage.

(b) Definitions for Fixed Income Interest Rates

"Cap" means the percentage specified as such in the applicable Final Terms;

"Constant A" means the percentage specified as such in the applicable Final Terms;

"Constant B" means the percentage specified as such in the applicable Final Terms;

"Coupon Percentage 1" means the percentage specified as such in the applicable Final Terms;

"Coupon Percentage 2" means the percentage specified as such in the applicable Final Terms;

"FI Lower Barrier Level" means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms;

"FI DC Barrier Value" means, in respect of a FI Interest Valuation Date and an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference;

"FI Digital Coupon Condition" means:

- (i) in respect of Underlying Reference 1, that the FI DC Barrier Value for such Underlying Reference for the relevant FI Interest Valuation Date is (i)(a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level and (ii) if a FI Lower Barrier Level is specified in the applicable Final Terms, (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level; and
- (ii) if Underlying Reference 2 is specified as applicable in the applicable Final Terms, in respect of Underlying Reference 2, that the FI DC Barrier Value for such Underlying Reference for the relevant FI Interest Valuation Date is (i)(a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level and (ii) if a FI Lower Barrier Level is specified in the applicable Final Terms, (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level;

"FI Interest Valuation Date" means each Underlying Interest Determination Date, Determination Date, Pricing Date, Averaging Date, Valuation Date, Interest Valuation Date and/or Settlement Price Date specified as such in the applicable Final Terms or each Range Accrual Day;

"FI Rate" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"FI Rate A" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"FI Rate B" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"FI Upper Barrier Level" means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms;

"Floor" means the percentage specified as such in the applicable Final Terms;

"Global Cap" means the percentage specified as such in the applicable Final Terms;

"Global Cap A" means the percentage specified as such in the applicable Final Terms;

"Global Cap B" means the percentage specified as such in the applicable Final Terms;

"Global Floor" means the percentage specified as such in the applicable Final Terms;

"Global Floor A" means the percentage specified as such in the applicable Final Terms;

"Global Floor B" means the percentage specified as such in the applicable Final Terms;

"Global Margin" means the percentage specified as such in the applicable Final Terms;

"Local Cap" means the percentage specified as such in the applicable Final Terms;

"Local Floor" means the percentage specified as such in the applicable Final Terms;

"Range Accrual Coupon Barrier Level Down" means in respect of an Underlying Reference, the percentage specified as such in the applicable Final Terms;

"Range Accrual Coupon Barrier Level Up" means in respect of an Underlying Reference, the percentage specified as such in the applicable Final Terms;

"Range Accrual Coupon Condition" means, in respect of an Underlying Reference:

- (i) in respect of Underlying Reference 1, that the FI DC Barrier Value for such Underlying Reference for the relevant Range Accrual Day is (A)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (B) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up; or
- (ii) if Underlying Reference 2 is specified as applicable in the applicable Final Terms, in respect of Underlying Reference 2, that the FI DC Barrier Value for such Underlying Reference for the relevant Range Accrual Day is (A)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (B) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up;

"Range Accrual Day" means a Scheduled Trading Day, Business Day, Underlying Interest Determination Day or calendar day, as specified in the applicable Final Terms;

"Range Cut-off Date" means the date specified as such in the applicable Final Terms;

"Range Period" means the period specified as such in the applicable Final Terms;

"Range Period End Date" means the date specified as such in the applicable Final Terms;

"Rate" means, in respect of a FI Interest Valuation Date, the fixed rate specified in or the floating rate calculated as provided in, the applicable Final Terms;

"Target Coupon Percentage" means the percentage specified as such in the applicable Final Terms;

"Target Determination Date" means each date specified as such in the applicable Final Terms;

"Target Final Interest Period" means the Interest Period ending on the Maturity Date; and

"YoY Inflation Rate" means $\left[\text{Inflation Index}_{(i)} / \text{Inflation Index}_{(i-1)} \right] - 1$.

(c) Fixed Income Final Payouts

The following final payouts which when multiplied by the applicable CA (each a **"Final Payout"**) will apply to the Notes if specified in the applicable Final Terms.

(i) FI FX Vanilla Notes

If the Notes are specified in the applicable Final Terms as being FI FX Vanilla Notes:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, FI Constant Percentage 1; or

II. if a Knock-in Event has occurred:

FI Constant Percentage 1 + (Gearing × Option);

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

FI Constant Percentage 1 + (Gearing × Option);

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

FI Constant Percentage 1 + (Gearing × Option);

II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, FI Constant Percentage 1.

Where:

"Option" means $\text{Min}(\text{Max}(\text{Performance Value}, \text{Floor}), \text{Cap})$.

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable the final payout will vary depending on whether such event(s) have occurred.

If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the final payout will be zero or a percentage reflecting the product of the performance of the Underlying Reference over a specified period (which may be subject to a minimum and/or a maximum) and a gearing percentage.

(ii) FI Inflation Notes

If the Notes are specified in the applicable Final Terms as being FI Inflation Notes:

Max [100%, Cumulative Inflation Rate]

Description of the Payout

The payout comprises an amount per Note equal to 100 per cent. of the Calculation Amount or, if greater, the total positive inflation accretion from the Strike Date to the FI Redemption Valuation Date multiplied by the Calculation Amount.

(d) Fixed Income Automatic Early Redemption Payouts

If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the Automatic Early Redemption Payout shall be:

- (i) If Target Automatic Early Redemption is specified as applicable in the applicable Final Terms,

$CA \times (100\% + \text{Final Interest Rate});$

Description of the Payout

If Target Automatic Early Redemption applies, the Notes redeem automatically if the cumulative coupon is greater than or equal to a target barrier, (the “Automatic Early Redemption Percentage”). The cumulative coupon is equal to the sum of all previous interest paid plus the interest calculated (but not necessarily paid) for the Interest Period during which the relevant Automatic Early Redemption Valuation Date falls.

The payout per Note, comprises the Calculation Amount multiplied by 100 per cent. plus the Final Interest Rate.

The Final Interest Rate may be

1. *Capped only – In this case, the Final Interest Rate is the rate of interest calculated for the relevant interest period or, if less, the difference between the Automatic Early Redemption Percentage and the interest already paid;*
 2. *Guaranteed only - In this case, the Final Interest Rate is the rate of interest calculated for the relevant interest period or, if greater, the difference between the Automatic Early Redemption Percentage and the interest already paid. If no Automatic Early Redemption Event occurs, this Interest Rate provides a payment at maturity that means the overall sum of all interest paid will be at least equal to the Automatic Early Redemption Percentage;*
 3. *Capped and guaranteed - In this case, the Final Interest Rate is the Automatic Early Redemption Percentage less previous interest paid which means that the overall interest paid will be equal to the Automatic Early Redemption Percentage;*
 4. *Not capped and not guaranteed – In this case, the Final Interest Rate is the interest calculated for the relevant Interest Period.*
- (ii) If FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms,

CA

Description of the Payout

If FI Underlying Automatic Early Redemption applies, the Notes redeem automatically if the Underlying Reference observed is greater than or equal to the lower barrier (the “Automatic Early Redemption Percentage Down”) or less than or equal to the upper barrier (the “Automatic Early Redemption Percentage Up”). In this case, the Notes will be redeemed on the next Interest Payment Date. The Underlying Reference (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) can be observed on specified dates or continuously during a period.

Each Note will redeem at an amount equal to the Calculation Amount and may pay either (i) the interest accrued up to the Interest Payment Date on which the Notes are redeemed, (ii) no interest or (iii) the interest accrued up to date on which the Automatic Early Redemption Event occurred.

- (iii) If FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms,

$$CA \times (100\% + (\text{Min}(\text{Coupon Cap}, \text{Final Coupon Rate}) \times \text{Final Day Count Fraction}))$$

Description of the Payout

If FI Coupon Automatic Early Redemption applies, the Notes redeem automatically if the interest to be paid on an Interest Payment Date is greater than or equal to a target barrier, (the “Automatic Early Redemption Percentage”).

The amount payable per Note comprises the Calculation Amount multiplied by 100% plus the interest calculated for the relevant Interest Period (which may be capped which means that the maximum interest that an investor may receive following an FI Coupon Automatic Early Redemption is equal to the Coupon Cap.

(e) **Definitions for Fixed Income Automatic Early Redemption Payouts**

"**Coupon Cap**" means the percentage specified as such in the applicable Final Terms;

"**Cumulative Inflation Rate**" means $\text{Inflation Index}_{(i)} / \text{Inflation Index}_{(\text{base})}$;

"**Final Interest Rate**" means:

- (i) if Capped and Guaranteed Applicable is specified in the applicable Final Terms, the Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable, less Paid Coupon;
- (ii) if Capped and Guaranteed Not Applicable is specified in the applicable Final Terms, the product of the Final Coupon Rate and the Final Day Count Fraction;
- (iii) if Capped Only is specified in the applicable Final Terms:
$$\text{Min} (\text{Final Coupon Rate} \times \text{Final Day Count Fraction}, \text{Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable} - \text{Paid Coupon});$$
- (iv) if Guaranteed Only is specified in the applicable Final Terms:
$$\text{Max} (\text{Final Coupon Rate} \times \text{Final Day Count Fraction}, \text{Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable} - \text{Paid Coupon}).$$

(f) **General definitions for Fixed Income Interest Rates, Final Payouts and Automatic Early Redemption Payouts**

"**Best Value**" means, in respect of a FI Valuation Date, the highest Performance Value for any Subject Currency in the basket in respect of such FI Valuation Date;

"**CA**" means the Calculation Amount;

"**Cap**" means the percentage specified as such in the applicable Final Terms;

"**Current Interest Period**" means the Interest Period in which the relevant Automatic Early Redemption Valuation Date or in the case of the calculation of the FI Target Coupon, the Target Final Interest Period;

"**Digital Cap Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Cap Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Digital Floor Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Floor Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Digital Plus Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Plus Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**FI Constant Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**FI Digital Cap Condition**" means the FI Digital Value for the relevant FI Valuation Date is greater than or equal to the FI Digital Cap Level;

"FI Digital Cap Level" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"FI Digital Floor Condition" means the FI Digital Value for the relevant FI Valuation Date is less than or equal to the FI Digital Floor Level;

"FI Digital Floor Level" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"FI Digital Plus Condition" means the FI Digital Value for the relevant FI Valuation Date is greater than the FI Digital Plus Level;

"FI Digital Plus Level" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"FI Digital Value" means, in respect of a FI Valuation Date, the Performance Value, Worst Value, Best Value, Multi-Basket Value or Weighted Average FI Basket Value as specified in the applicable Final Terms;

"FI Redemption Valuation Date" means each Settlement Price Date specified as such in the applicable Final Terms;

"FI Valuation Date" means each FI Redemption Valuation Date or an FI Interest Valuation Date specified in the applicable Final Terms;

"FI Weighting" means, in respect of a Subject Currency, the number, amount or percentage specified as such for such Subject Currency in the applicable Final Terms;

"Final Coupon Rate" means the Interest Rate calculated in respect of the Current Interest Period or Target Final Interest Period, as applicable (the **"Final Interest Period"**);

"Final Day Count Fraction" means the Day Count Fraction applicable to the Final Interest Period;

"Final Settlement Price" means (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Valuation Date or (ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates;

"Floor" means the percentage specified as such in the applicable Final Terms;

"G" means, in respect of a Subject Currency, the percentage specified as such for such Subject Currency in the applicable Final Terms;

"Gearing" means the percentage specified as such in the applicable Final Terms;

"Gearing A" means the percentage specified as such in the applicable Final Terms;

"Gearing B" means the percentage specified as such in the applicable Final Terms;

"Initial Settlement Price" means, in respect of a Subject Currency:

- (a) the amount specified as such in the applicable Final Terms; or
- (b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Subject Currency on the Strike Date; or

- (c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Subject Currency for all the Strike Days in the Strike Period;

"Inflation Index_(i)" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference in respect of the relevant FI Valuation Date;

"Inflation Index_(i-1)" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the immediately preceding FI Valuation Date (or, if none, the Strike Date);

"Inflation Index_(base)" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the Strike Date;

"Inflation Rate" means, in respect of a FI Valuation Date, YoY Inflation Rate or Cumulative Inflation Rate, as specified in the applicable Final Terms;

"Multi-Basket Value" means, in respect of a FI Valuation Date:

$$\sum_{j=1}^m \sum_{i=1}^n G_j * (W_i * Performance Value_i);$$

"Paid Coupon" means, in respect of an Automatic Early Redemption Valuation Date or Target Determination Date, the sum of the values calculated for each Interest Period as the product of (i) the Interest Rate and (ii) the Day Count Fraction, in each case calculated for such Interest Period preceding the Current Interest Period (in the case of an Automatic Early Redemption Valuation Date) or the Target Final Interest Period (in the case of a Target Determination Date);

"Performance Value" means, in respect of an FI Valuation Date:

- (a) if Performance Value 1 is specified in the applicable Final Terms,

Final Settlement Price – Initial Settlement Price;

- (b) if Performance Value 2 is specified in the applicable Final Terms,

Initial Settlement Price – Final Settlement Price;

- (c) if Performance Value 3 is specified in the applicable Final Terms,

$$\frac{(\text{Final Settlement Price} - \text{Initial Settlement Price})}{\text{Final Settlement Price}};$$

- (d) if Performance Value 4 is specified in the applicable Final Terms,

$$\frac{(\text{Initial Settlement Price} - \text{Final Settlement Price})}{\text{Final Settlement Price}};$$

- (e) if Performance Value 5 is specified in the applicable Final Terms,

$$\left(\frac{1}{\text{Initial Settlement Price}} \right) - \left(\frac{1}{\text{Final Settlement Price}} \right);$$

- (f) if Performance Value 6 is specified in the applicable Final Terms,

$$\left(\frac{1}{\text{Final Settlement Price}} \right) - \left(\frac{1}{\text{Initial Settlement Price}} \right);$$

- (g) if Performance Value 7 is specified in the applicable Final Terms,

$$\frac{(\text{Final Settlement Price} - \text{Initial Settlement Price})}{\text{Initial Settlement Price}};$$

- (h) if Performance Value 8 is specified in the applicable Final Terms,

$$\frac{(\text{Initial Settlement Price} - \text{Final Settlement Price})}{\text{Initial Settlement Price}};$$

- (i) if Performance Value 9 is specified in the applicable Final Terms,

$$\frac{\text{Final Settlement Price}}{\text{Initial Settlement Price}};$$

- (j) if Performance Value 10 is specified in the applicable Final Terms,

$$\frac{\text{Initial Settlement Price}}{\text{Final Settlement Price}};$$

"Underlying Reference" means, for the purposes of the Fixed Income Payouts, each Inflation Index, Subject Currency, Underlying Interest Rate or other basis of reference to which the relevant Notes relate;

"Underlying Reference 1" means the Underlying Reference specified as such in the applicable Final Terms;

"Underlying Reference 2" means the Underlying Reference specified as such in the applicable Final Terms;

"Underlying Reference Closing Value" means, in respect of a FI Interest Valuation Date:

- (a) if the relevant Underlying Reference is an Inflation Index, the Relevant Level (as defined in the Inflation Index-Linked Note Conditions);
- (b) if the relevant Underlying Reference is a rate of interest, the Underlying Reference Rate,
- in each case in respect of such day.

"W" means, in respect of a Subject Currency, the FI Weighting for such Subject Currency;

"Weighted Average FI Basket Value" means, in respect of a FI Valuation Date, the sum of the values calculated for each Subject Currency in the basket as (a) the Performance Value for such Subject Currency for such FI Valuation Date (b) multiplied by the relevant FI Weighting; and

"Worst Value" means, in respect of a FI Valuation Date, the lowest Performance Value for any Subject Currency in the basket in respect of such FI Valuation Date.

2. **FORMULAE CONSTITUENTS AND COMPLETION**

The constituent parts (each a "**Formula Constituent**") of any formula (each a "**Formula**") used in the Payout Conditions and which are to be specified in the applicable Final Terms may be replaced in the applicable Final Terms by the prescribed amount, level, percentage or other value, as applicable for such Formula Constituent.

If a Formula Constituent has a value of either 0 (zero) or 1 (one), or is not applicable in respect of the relevant Notes, then the related Formula may be simplified in the applicable Final Terms by deleting such Formula Constituent

Any number or percentage to be specified in the applicable Final Terms for the purposes of these Payout Conditions may be a positive or negative, as specified in the applicable Final Terms.

3. **CALCULATION AGENT**

Unless otherwise specified, the calculation or determination of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised pursuant to these Payout Conditions will be calculated, determined, formed or exercised by the Calculation Agent.

Any calculation, determination, formation of any opinion or exercise of any discretion by the Calculation Agent pursuant to the Securities shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor, if applicable, and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. In performing its duties pursuant to the Notes, the Calculation Agent shall, unless otherwise specified, act in good faith and in a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

PART 3: ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX-LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Inflation Index-Linked Interest Notes or Inflation Index-Linked Redemption Notes (together, "**Inflation Index-Linked Notes**") shall comprise the terms and conditions of Notes (the "**Note Conditions**") and the additional Terms and Conditions for Inflation Index-Linked Notes set out below (the "**Inflation Index-Linked Note Conditions**") together with any other Additional Terms and Conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Inflation Index-Linked Note Conditions, the Inflation Index-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Inflation Index-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

1. Definitions

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;

"**Cut-Off Date**" means, in respect of a Determination Date, three Business Days prior to such Determination Date, unless otherwise stated in the applicable Final Terms;

"**Delayed Index Level Event**" means, in respect of any Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the "**Relevant Level**") in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer or the Calculation Agent in respect of such Determination Date, at any time on or prior to the Cut-Off Date.;

"**Fallback Bond**" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on

the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

"Hedging Disruption" means that the relevant Issuer, the Guarantor (if applicable) and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (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 equity price risk or any other relevant price risk, including but not limited to the currency risk of such Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or option contract(s) or any relevant hedge positions relating to the Notes;

"Increased Cost of Hedging" means that the relevant Issuer, the Guarantor (if applicable) and/or any of its respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) 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, equity price risk, foreign exchange risk and interest rate risk) of such Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of such Issuer, the Guarantor (if applicable) and/or any of its respective Affiliates shall not be deemed an Increased Cost of Hedging;

"Index Cancellation" means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the relevant Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor Index exists;

"Index Modification" means the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Inflation Index or in any other way materially modifies the Inflation Index;

"Index Sponsor" means the entity that publishes or announces (directly or through an agent) the level of the relevant Inflation Index which as of the Issue Date of the Notes is the index sponsor in the applicable Final Terms;

"Inflation Index" or "Inflation Indices" means the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly;

"Optional Additional Disruption Event" means Increased Cost of Hedging, if specified in the applicable Final Terms;

"Rebased Index" has the meaning given to it under Inflation Index-Linked Note Condition 4 (Adjustments) below;

"Reference Month" means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported;

"Related Bond" means the bond specified as such in the relevant Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond

determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

"Related Bond Redemption Event" means, if specified as applicable in the relevant Final Terms, at any time prior to the Maturity Date, (a) the Related Bond is redeemed, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

"Relevant Level" has the meaning given to it in the definition of Delayed Index Level Event;

"Strike Date" means the date specified as such in the applicable Final Terms;

"Successor Inflation Index" has the meaning given to it in Inflation Index-Linked Note Condition 3 (Successor Inflation Index) below; and

"Substitute Inflation Index Level" means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Inflation Index-Linked Note Condition 2 (Delay in Publication) below.

2. Delay in Publication

2.1 If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the **"Substitute Inflation Index Level"**) shall be determined by the Calculation Agent (subject to Inflation Index-Linked Note Condition 4.2 (Substitute Inflation Index Level) below, as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (b) if (i) Related Bond is specified as not applicable in the relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

Substitute Inflation Index Level = Base Level × (Latest Level/Reference Level); or

in the case of Exempt Notes only, otherwise in accordance with any formula specified in the relevant Final Terms;

where:

"Base Level" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined;

"Latest Level" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined; and

"Reference Level" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

2.2 The Issuer shall promptly give notice to the Noteholders in accordance with Note Condition 13 of any Substitute Inflation Index Level.

2.3 If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Index-Linked Note Condition 2 will be the definitive level for that Reference Month.

3. **Successor Inflation Index**

If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a successor index (a **"Successor Inflation Index"**) (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Inflation Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if (x) Related Bond is specified as not applicable in the applicable Final Terms or (y) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a "Successor Inflation Index";
- (c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if fewer than three responses are received by the Cut-Off Date or if each of the responses state different indices the Calculation Agent will determine an appropriate alternative index for such affected payment date, and such index will be deemed a "Successor Inflation Index"; or
- (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Inflation Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Index for the purposes of the Inflation Index-Linked Notes. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to Noteholders of the Inflation Index-Linked Notes by the Issuer in accordance with Note Condition 13.

4. Adjustments

4.1 Successor Inflation Index

If a Successor Inflation Index is determined in accordance with Inflation Index-Linked Note Condition 3 (Successor Inflation Index) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Notes and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Note Condition 13.

4.2 Substitute Inflation Index Level

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Index-Linked Note Condition 2 (Delay in Publication) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (a) the Substitute Inflation Index Level determined in accordance with Inflation Index-Linked Note Condition 2 (Delay in Publication) above and/or (b) any amount payable under the Notes and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Note Condition 13.

4.3 Index Level Adjustment Correction

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index-Linked Note Condition 4.6 (Index Modification) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Noteholders of any valid revision in accordance with Note Condition 13.
- (b) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Notes and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Noteholders of any such adjustment and/or amount in accordance with Note Condition 13.
- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (ii) make any adjustment to any amount payable under the Notes and/or any other relevant term of the Notes as it

deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Noteholders of any determination in respect of (i) or (ii), together with any adjustment or amount in respect thereof, in accordance with Note Condition 13.

4.4 Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any amount payable under the Notes and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to such amount and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Note Condition 13.

4.5 Rebasing

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (a) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (b) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to any relevant amount payable under the Notes and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (a) nor (b) above would produce a commercially reasonable result, the Issuer may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Note Condition 13, at its fair market value as determined by the Calculation Agent as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Note Condition 13.

4.6 Index Modification

- (a) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Notes (including, without limitation, any amount payable under the Notes), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (ii) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Notes (including, without limitation, any amount payable under the Notes), as the Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.
- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index

Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date, such that the provisions of paragraph (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with paragraph (a) above.

4.7 Consequences of an Additional Disruption Event or an Optional Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the relevant Issuer may redeem each Note on the date notified by such Issuer to Noteholders in accordance with Note Condition 13 at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the relevant Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, less the cost to such Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Notes shall be given to Noteholders in accordance with Note Condition 13.

4.8 Index Cancellation

- (c) If the Calculation Agent determines that an Index Cancellation has occurred, the relevant Issuer may redeem each Note on the date notified by such Issuer to Noteholders in accordance with Note Condition 13 at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Note Condition 13.

PART 4: ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE-LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Foreign Exchange (FX) Rate-Linked Interest Notes or Foreign Exchange (FX) Rate-Linked Redemption Notes (together, "**Foreign Exchange (FX) Rate-Linked Notes**") shall comprise the terms and conditions of Notes (the "**Note Conditions**") and the additional Terms and Conditions for Foreign Exchange (FX) Rate-Linked Notes set out below (the "**Foreign Exchange (FX) Rate-Linked Note Conditions**") together with any other Additional Terms and Conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Foreign Exchange (FX) Rate-Linked Note Conditions, the Foreign Exchange (FX) Rate-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Foreign Exchange (FX) Rate-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

1. Definitions

"Averaging Date" means the dates specified as such in the applicable Final Terms 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 Foreign Exchange (FX) Rate-Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Dual Exchange Rate" means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates;

"Disrupted Day" means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred;

"FX Averaging Date" means the dates specified as such in the applicable Final Terms 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 Foreign Exchange (FX) Rate-Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

"FX Digital Level" means:

- (a) if FX Digital Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all the FX Averaging Dates;
- (b) if Single Resettable Level is specified as applicable in the applicable Final Terms, the Settlement Price on the FX Digital Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Level is specified as applicable in the applicable Final Terms, in respect of a Resettable Period, the Settlement Price on the FX Digital Observation Date specified for such Resettable Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"FX Knock-in Level" means:

- (a) if Knock-in Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-in Averaging Dates;

- (b) if Single Resettable Knock-in is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-in Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Knock-in is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-in Period, the Settlement Price on the Knock-in Observation Date specified for such Resettable Knock-in Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"FX Digital Observation Date" means each date specified as such in the applicable Final Terms;

"FX Knock-out Level" means:

- (a) if Knock-out Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-out Averaging Dates;
- (b) if Single Resettable Knock-out is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-out Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;
- (c) if Multiple Resettable Knock-out is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-out Period, the Settlement Price on the Knock-out Observation Date specified for such Resettable Knock-out Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"Illiquidity Disruption" means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Issuer to hedge its obligations under the Notes (in one or more transaction(s)) on the relevant Averaging Date or any Settlement Price Date (or, if different, the day on which rates for such Averaging Date or Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source);

"Knock-in Averaging Date" means the dates specified as such in the applicable Final Terms 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 Foreign Exchange (FX) Rate-Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Price Source" means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the applicable Final Terms;

"Price Source Disruption" means that it becomes impossible to obtain the rate or rates from which the Settlement 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 Base Currency and Subject Currency or Subject Currencies;

"Settlement Price Date" means the Strike Date, Observation Date or Valuation Date, as the case may be;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, five Scheduled Trading Days;

"Strike Date" means the Strike Date specified in the applicable Final Terms 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 Foreign Exchange (FX) Rate-Linked Note Condition 3 (Consequences of a Disruption Event) shall apply;

"Strike Day" means each date specified as such in the applicable Final Terms and, if Averaging Date Consequences are specified as applicable in the applicable Final Terms, the provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Strike Day";

"Strike Period" means the period specified as such in the applicable Final Terms;

"Valuation Date" means any Interest Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the applicable Final Terms 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 Foreign Exchange (FX) Rate-Linked Note Condition 3 (Consequences of a Disruption Event) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated; and

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

2. Disruption Events

Unless, in the case of Exempt Notes only, otherwise stated in the applicable Pricing Supplement, the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a Disruption Event:

- (a) Price Source Disruption;
- (b) Illiquidity Disruption;
- (c) Dual Exchange Rate;
- (d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) or (c);
or
- (e) in the case of Exempt Notes only, any other event specified in the applicable Pricing Supplement.

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Note Condition 13, of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on an Averaging Date or any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be

published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall in its sole and absolute discretion:

- (a) apply the applicable Disruption Fallback in determining the consequences of the Disruption Event:

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Settlement Price in respect of a Base Currency, Subject Currency and/or Subject Currencies when a Disruption Event occurs or exists on a day that is an Averaging Date or a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (i), (ii) or (iii) below:

- (i) if an Averaging Date or any Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Averaging Date or Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of any Settlement Price Date) or Valid Date (in the case of an Averaging Date or Settlement Price Date that is not the Strike Date) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Averaging Date or Settlement Price Date, as the case may be, is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date or Settlement Price Date, as the case may be (irrespective, in the case of an Averaging Date or Settlement Price Date, of whether that last consecutive Scheduled Trading Day is already an Averaging Date or Settlement Price Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Base Currency, Subject Currency and/or Subject Currencies as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or
- (ii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, if Delayed Redemption on the Occurrence of a Disruption Event is specified as being not applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Note Condition 13, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Note Condition 13; or
- (iii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, if Delayed Redemption on the Occurrence of a Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the **"Calculated Foreign Exchange (FX) Disruption Amount"**) as soon as practicable following the occurrence of the Disruption Event (the **"Calculated Foreign Exchange (FX) Disruption Amount Determination Date"**) and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Foreign Exchange (FX) Disruption Amount plus interest accrued from and including the Calculated Foreign Exchange

(FX) Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to the relevant Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, its nominal amount; and/or

- (b) notwithstanding any provisions in the Conditions to the contrary, postpone any payment date related to such Averaging Date or Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be provided or announced by the Price Source), as the case may be (including, if applicable, the Maturity Date) until the Business Day following the date on which a Disruption Event is no longer subsisting and no interest or other amount shall be paid by the Issuer in respect of such postponement.

4. Settlement Price

"**Settlement Price**" means, in respect of a Subject Currency and a Settlement Price Date, and subject to Foreign Exchange (FX) Rate-Linked Note Condition 3 above, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on such Settlement Price Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), Provided That if the relevant rate of exchange is derived from two or more rates of exchange, the Settlement Price shall be calculated by the Calculation Agent as provided above acting in good faith and in a commercially reasonable manner on the basis of each such rate of exchange.

5. Knock-in Event and Knock-out Event

- 5.1 If "Knock-in Event" is specified as applicable in the Final Terms, then any payment under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.
- 5.2 If "Knock-out Event" is specified as applicable in the Final Terms, then any payment under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 5.3 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if a Disruption Event has occurred on any Knock-in Determination Day or Knock-out Determination Day, then, unless Disruption Consequences are specified in the applicable Final Terms as not applicable, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- 5.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours for the Base Currency, Subject Currency and/or Subject Currencies and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Subject Currency or Subject Currencies trigger the Knock-in Level or the Knock-out Level, a Disruption Event occurs or exists, then, unless Disruption Consequences are specified in the

applicable Final Terms as not applicable, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

5.5 Definitions relating to Knock-in Event/Knock-out Event.

"Knock-in Determination Day" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period.

"Knock-in Determination Period" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

"Knock-in Event" means (a) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (b) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is, in each case (i) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level, or (ii) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (A) on a Knock-in Determination Day or (B) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms.

"Knock-in Level" means the FX Knock-in Level or the price, level, amount, percentage or value specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions set forth in Foreign Exchange (FX) Rate-Linked Note Condition 1 and Foreign Exchange (FX) Rate-Linked Note Condition 2.

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"Knock-in Range Level" means the range of levels specified as such or otherwise determined in the applicable Final Terms.

"Knock-in Valuation Time" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

"Knock-out Determination Day" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period.

"Knock-out Determination Period" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"Knock-out Event" means (a) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (b) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is, in each case (i) "greater than",

"greater than or equal to", "less than" or "less than or equal to" the Knock-out Level, or (ii) "within" the Knock-out Range Level, in each case as specified in the applicable Final Terms (A) on a Knock-in Determination Day or (B) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms.

"Knock-out Level" means the FX Knock-out Level or the price, level, amount, percentage or value specified as such in the applicable Final Terms, subject to adjustment in accordance with Foreign Exchange (FX) Rate-Linked Note Condition 1 and Foreign Exchange (FX) Rate-Linked Note Condition 2.

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"Knock-out Valuation Time" means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

6. Automatic Early Redemption Event

If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the applicable Final Terms, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date at an amount equal to the relevant Automatic Early Redemption Amount.

Definitions

"Automatic Early Redemption Amount" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Note pursuant to this Condition.

"Automatic Early Redemption Date" means each date specified as such in the applicable Final Terms or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay.

"Automatic Early Redemption Event" means (a) in case of a single Subject Currency that the value of the Subject Currency determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on any Automatic Early Redemption Valuation Date is, and (b) in the case of a Basket of Subject Currencies, the amount determined by the Calculation Agent equal to the sum of the values for each Subject Currency as the product of (x) the value of such Subject Currency as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time and (y) the relevant Weighting is, in each case (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the Final Terms.

"Automatic Early Redemption Level" means the value, price, level or percentage specified as such in the applicable Final Terms.

"Automatic Early Redemption Valuation Date" means each date specified as such in the applicable Final Terms or if that is not a Scheduled Trading Day, the next following Scheduled Trading Day unless in the opinion of the Calculation Agent a Disruption Event occurs on that day. If a Disruption Event occurs on that day then the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 3 (Consequences of a Disruption Event) shall apply *mutatis mutandis* as if references in such provisions to "Settlement Price Date" were to "Automatic Early Redemption Valuation Date".

"Automatic Early Redemption Valuation Time" has the meaning given it in the applicable Final Terms.

"Automatic Early Redemption Valuation Period" means the period specified as such in the applicable Final Terms.

7. Consequences of an Additional Disruption Event and/or an Optional Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the relevant Issuer may redeem the Notes by giving notice to Noteholders in accordance with Note Condition 13. If the Notes are so redeemed the relevant Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event and/or the Optional Additional Disruption Event, as the case may be, less the cost to such Issuer, the Guarantor (if applicable) and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Note Condition 13.

"Additional Disruption Event" means each of Change in Law and Hedging Disruption.

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the relevant Issuer determines in its sole and absolute discretion that:

- (a) it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;

"Hedging Disruption" means that the relevant Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (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 equity price risk and any other relevant price risk including but not limited to the currency risk of such Issuer issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such

transaction(s) or asset(s) or any futures or options contract(s) or any relevant hedge positions relating to the Notes.

"Increased Cost of Hedging" means that the relevant Issuer and/or any of its respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) 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 foreign exchange risk and interest rate risk) of such Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of such Issuer and/or any of its respective Affiliates shall not be deemed an Increased Cost of Hedging.

"Optional Additional Disruption Event" means Increased Cost of Hedging, if specified in the applicable Final Terms.

PART 5: ADDITIONAL TERMS AND CONDITIONS FOR UNDERLYING INTEREST RATE-LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Underlying Interest Rate-Linked Interest Notes or Underlying Interest Rate-Linked Redemption Notes (together, "**Underlying Interest Rate Linked Notes**") shall comprise the terms and conditions of Notes (the "**Note Conditions**") and the additional Terms and Conditions for Underlying Interest Rate-Linked Notes set out below (the "**Underlying Interest Rate-Linked Note Conditions**") together with any other Additional Terms and Conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Underlying Interest Rate-Linked Note Conditions, the Underlying Interest Rate-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Underlying Interest Rate-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

1. Underlying Interest Rate Determination

In respect of each Underlying Interest Determination Date specified in the applicable Final Terms, the Underlying Interest Rate will be determined in the manner specified in the applicable Final Terms.

2. ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate will be the relevant Underlying ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Underlying Margin (if any) specified in the applicable Final Terms. For the purposes of these Underlying Interest Rate-Linked Note Conditions, "**Underlying ISDA Rate**" means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (a) the Floating Rate Option is as specified in the applicable Final Terms;
- (b) the Designated Maturity is a period specified in the applicable Final Terms; and
- (c) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of these Underlying Interest Rate-Linked Note Conditions, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

3. Screen Rate Determination

Where Screen Rate Determination is specified in the relevant Final Terms as being the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate will be determined by the Calculation Agent on the basis of the following provisions:

- (a) at or about the Relevant Time (Underlying) on the Underlying Interest Determination Date, the Calculation Agent will:

- (i) in the case of Notes which specify that the Primary Source for Underlying Interest Rate Quotations is Relevant Screen Page (Underlying), determine the Underlying Reference Rate which shall, subject as provided below, be (x) the Underlying Relevant Rate so appearing in or on the specified page, section or other part of the specified information service (the "**Relevant Screen Page (Underlying)**") (where such Underlying Relevant Rate is a composite quotation or interest rate per annum or is customarily supplied by one entity) or (y) the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Underlying Relevant Rates of the persons at the time whose Underlying Relevant Rates so appear in or on that page, section or other part of such information service as aforesaid, in any such case in respect of euro-currency deposits in the relevant currency for a period equal to the Underlying Specified Duration and as adjusted by the Underlying Spread or Underlying Spread Multiplier (if any) or by the Maximum Underlying Reference Rate or Minimum Underlying Reference Rate (all as specified in the relevant Final Terms); and
 - (ii) in the case of Notes which specify that the Primary Source for Underlying Interest Rate Quotations is Underlying Reference Banks and in the case of Notes falling within paragraph (a)(i) above but in respect of which no Underlying Relevant Rate appears at or about such Relevant Time (Underlying) or, as the case may be, which are to be determined by reference to quotations of persons appearing in or on the relevant page, section or other part of such information service as aforesaid but in respect of which less than two Underlying Relevant Rates appear at or about such Relevant Time (Underlying), request the principal offices in the Relevant Financial Centre (or, in the case of euro, the principal offices in the euro-zone selected by the Calculation Agent) of each of the Underlying Reference Banks specified on such Notes (or, as the case may be, any substitute Underlying Reference Bank appointed from time to time pursuant to paragraph (g) below) to provide the Calculation Agent with its Underlying Relevant Rate quoted to leading banks for euro-currency deposits in the relevant currency for a period equivalent to the Underlying Specified Duration. Where this paragraph (a)(ii) shall apply, the Underlying Reference Rate shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of such Underlying Relevant Rates as adjusted by the Underlying Spread or Underlying Spread Multiplier (if any) or by the Maximum Underlying Reference Rate or Minimum Underlying Reference Rate, as calculated by the Calculation Agent;
- (b) if, at or about the Relevant Time (Underlying) on any Underlying Interest Determination Date where the Underlying Reference Rate falls to be determined pursuant to paragraph (a)(ii) in respect of a Note, two or three only of such Underlying Reference Banks provide such relevant quotations, the Underlying Reference Rate shall, subject as provided below, be determined as aforesaid on the basis of the Underlying Relevant Rates quoted by such Underlying Reference Banks;
- (c) if, at or about the Relevant Time (Underlying) on any Underlying Interest Determination Date where the Underlying Reference Rate falls to be determined pursuant to paragraph (a)(ii), only one or none of such Underlying Reference Banks provide such Underlying Relevant Rates, the Underlying Reference Rate shall be, subject as provided below, whichever is the higher of:
 - (i) the Underlying Reference Rate in effect for the last preceding Underlying Interest Determination Date to which paragraphs (a)(i), (a)(ii) or (b) above shall have applied (after readjustment for any difference between any Underlying Spread or Underlying Spread Multiplier applicable to the preceding Underlying Interest

Determination Date and to the relevant Underlying Interest Determination Date); and

- (ii) the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Underlying Relevant Rates in respect of the relevant currency which banks in the principal financial centre of the country of such currency (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent) selected by the Calculation Agent (after consultation with the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor) are quoting at or about the Relevant Time (Underlying) on the relevant Underlying Interest Determination Date for a period equivalent to the Underlying Specified Duration to leading banks carrying on business in that principal financial centre (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent), as adjusted by the Underlying Spread or Underlying Spread Multiplier (if any) except that, if the banks so selected by the Calculation Agent are not quoting as aforesaid, the Underlying Reference Rate shall be the Underlying Reference Rate specified in paragraph (c)(i) above.

4. Determination of Underlying Interest Rate

The Calculation Agent will, on or as soon as practicable after each date on which the Underlying Interest Rate is to be determined (the "**Underlying Interest Determination Date**"), determine the Underlying Reference Rate (subject to any Underlying Spread, Underlying Spread Multiplier, Minimum Underlying Reference Rate or Maximum Underlying Reference Rate specified in the applicable Final Terms). The Calculation Agent will notify the Principal Paying Agent of the Underlying Reference Rate as soon as practicable after calculating the same.

5. Underlying Spread, Underlying Spread Multiplier, Minimum and/or Maximum Underlying Reference Rate

- 5.1 If any Underlying Spread or an Underlying Spread Multiplier is expressed in the relevant Final Terms, an adjustment shall be made to the Underlying Reference Rate by (a) adding or subtracting such Underlying Spread to or from, as the case may be, or (b) multiplying such Underlying Spread Multiplier by, such Underlying Reference Rate, subject always to paragraphs 5.2 and 5.3 below.
- 5.2 If the applicable Final Terms specifies a Minimum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate-Linked Note Conditions 2 or 3 above (as appropriate) is less than such Minimum Underlying Reference Rate, the Underlying Reference Rate shall be such Minimum Underlying Reference Rate.
- 5.3 If the applicable Final Terms specifies a Maximum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate-Linked Note Conditions 2 or 3 above (as appropriate) is greater than such Maximum Underlying Reference Rate, the Underlying Reference Rate shall be such Maximum Underlying Reference Rate.

6. Underlying Reference Banks

The relevant Issuer will procure that there shall at all times be four Underlying Reference Banks with offices in the Relevant Financial Centre (or, in the case of euro, in the financial centre or centres selected by the relevant Issuer). If any Underlying Reference Bank (acting through its

relevant office) is unable or unwilling to continue to act as an Underlying Reference Bank, then the Calculation Agent will appoint another Underlying Reference Bank with an office in the Relevant Financial Centre (or, in the case of euro, in the financial centre or centres in the euro-zone) to act as such in its place.

7. Knock-in Event and Knock-out Event

7.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then any payment under the relevant Notes which is expressed in the Conditions to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

7.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then any payment under the relevant Notes which is expressed in the Conditions to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

7.3 Definitions relating to Knock-in Event/Knock-out Event

"Knock-in Determination Day" means the date(s) specified as such in the applicable Final Terms, or each Business Day during the Knock-in Determination Period.

"Knock-in Determination Period" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

"Knock-in Event" means (a) in respect of a single Underlying Interest Rate, that the Underlying Interest Rate determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day; and (b) in respect of a Basket of Underlying Interest Rates, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Underlying Interest Rate as the product of (x) the Underlying Reference Rate as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting, in each case, is (A)(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level; or (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (I) on a Knock-in Determination Date or (II) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms.

"Knock-in Level" means the level, amount, price or percentage specified as such in the applicable Final Terms.

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Convention is specified as applicable in the applicable Final Terms and such date is not a Business Day, the next following Business Day.

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Convention is specified as applicable in the applicable Final Terms and such date is not a Business Day, the next following Business Day.

"Knock-in Range Level" means the level specified as such or otherwise determined in the applicable Final Terms.

"Knock-in Valuation Time" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms.

"Knock-out Determination Day" means the date(s) as specified in the applicable Final Terms, or each Business Day during the Knock-out Determination Period.

"Knock-out Determination Period" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"Knock-out Event" means (a) in respect of a single Underlying Interest Rate, that the Underlying Interest Rate determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day; and (b) in respect of a Basket of Underlying Interest Rates, that the amount determined by the Calculation Agent equal to the sum of the values for each Underlying Interest Rate as the product of (x) the Underlying Reference Rate as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting, in each case, is (A)(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level; or (B) "within" the Knock-out Range Level, in each case as specified in the applicable Final Terms (I) on a Knock-out Determination Day or (II) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms.

"Knock-out Level" means the level, amount, price or percentage specified as such or otherwise determined in the applicable Final Terms.

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Convention is specified as applicable in the applicable Final Terms and such date is not a Business Day, the next following Business Day.

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Convention is specified as applicable in the applicable Final Terms and such date is not a Business Day, the next following Business Day.

"Knock-out Valuation Time" means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms.

8. Automatic Early Redemption Event

If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the applicable Final Terms, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date at an amount equal to the relevant Automatic Early Redemption Amount.

Definitions

"Automatic Early Redemption Amount" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Note pursuant to this Condition.

"Automatic Early Redemption Date" means (i) if Target Automatic Early Redemption, FI Underlying Automatic Early Redemption or FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs, or, otherwise, (ii) each date specified as such in the applicable Final Terms or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay.

"Automatic Early Redemption Event" means:

- (a) if Target Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the Cumulative Coupon is equal to or greater than the Automatic Early Redemption Percentage;
- (b) if FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the Underlying Reference Level is (i) equal to or greater than the Automatic Early Redemption Percentage Down and (ii) less than or equal to the Automatic Early Redemption Percentage Up;
- (c) if FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the product of (i) the Interest Rate and (ii) the Day Count Fraction, in each case in respect of the Current Interest Period is equal to or greater than the Automatic Early Redemption Percentage; or
- (d) if Standard Automatic Early Redemption is specified as applicable in the applicable Final Terms, that (i) in the case of a single Underlying Reference, the Underlying Reference Level or (ii) in the case of a Basket of Underlying References, the Basket Price is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms.

"Automatic Early Redemption Level" means the amount, price, percentage or level specified as such in the applicable Final Terms.

"Automatic Early Redemption Percentage" means the percentage specified as such in the applicable Final Terms.

"Automatic Early Redemption Percentage Down" means the percentage specified as such in the applicable Final Terms.

"Automatic Early Redemption Percentage Up" means the percentage specified as such in the applicable Final Terms.

"Automatic Early Redemption Valuation Date" means each date specified as such in the applicable Final Terms or, if such date is not a Business Day, the next following Business Day.

"Automatic Early Redemption Valuation Period" means the period specified as such in the applicable Final Terms.

"Automatic Early Redemption Valuation Time" has the meaning given it in the applicable Final Terms.

"Cumulative Coupon" means, in respect of an Automatic Early Redemption Valuation Date, (a) the sum of the values calculated for each Interest Period preceding the Current Interest Period as the product of (i) the Interest Rate and (ii) the Day Count Fraction, in each case for such Interest Period plus (b) the product of (i) the Interest Rate and (ii) the Day Count Fraction, in each case for the Current Interest Period.

"Current Interest Period" means, in respect of an Automatic Early Redemption Valuation Date, the Interest Period during which such Automatic Early Redemption Valuation Date falls.

9. Automatic Early Redemption Event Accrual

Notwithstanding Note Condition 4.1, if FI Underlying Automatic Early Redemption and Accrual to Automatic Early Redemption are specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs on an Automatic Early Redemption Valuation Date, interest will cease to accrue on such Automatic Early Redemption Valuation Date.

10. Relevant Definitions

As used in these Conditions:

"Relevant Time (Underlying)" means the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in that Relevant Financial Centre.

"Underlying Benchmark" means either LIBOR, EURIBOR, LIBID or LIMEAN, as specified relevant Final Terms.

"Underlying Reference Banks" means the banks specified as such in the relevant Final Terms.

"Underlying Relevant Rate" means:

- (a) if the Underlying Benchmark is an offered rate, an offered rate;
- (b) if the Underlying Benchmark is a bid rate, a bid rate; and
- (c) if the Underlying Benchmark is the mean of an offered and bid rate, the mean of an offered and bid rate.

"Underlying Specified Duration" means the period in relation to which the Underlying Benchmark is specified to apply, as specified in the relevant Final Terms.

"Underlying Spread" means the spread specified in the relevant Final Terms.

"Underlying Spread Multiplier" means the multiplier specified in the relevant Final Terms.

USE OF PROCEEDS

The following section applies to both Exempt Notes and Non-exempt Notes.

The net proceeds from the issue of the Notes by BNPPF will be used by it to meet part of its financing requirements and for general corporate purposes and the net proceeds from the issue of the Notes issued by BP2F will be lent to the Guarantor, to be used by the Guarantor for the same purposes.

SUMMARY OF PROVISIONS RELATING TO GLOBAL NOTES AND CERTAIN PROVISIONS WITH RESPECT TO DEMATERIALISED NOTES

This section will apply to both Non-Exempt Notes and Exempt Notes.

Notes deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg

Each Series or Tranche, as the case may be, where the Notes issued in such Series or Tranche are initially in bearer form, will, unless otherwise provided in the relevant Final Terms, in the case of Exempt Notes only, initially be represented by a temporary Global Note, in bearer form without Coupons, with the Guarantee of the Guarantor endorsed thereon. Each temporary Global Note or, as the case may be, permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms will be deposited on behalf of the subscribers of the relevant Notes (a) with a common depositary (the "**Common Depositary**") for Euroclear and/or for Clearstream, Luxembourg, and/or (b) any other Relevant Clearing System, or (c) as otherwise agreed, on or about the Issue Date of the relevant Notes (as specified in the applicable Final Terms), and (only in the case of Notes issued by BP2F) each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of such Tranche will be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. The common safekeepers for NGNs will be either Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear or Clearstream, Luxembourg, as indicated in the Final Terms.

No interest will be payable in respect of a temporary Global Note except as provided below. Upon deposit of the temporary Global Note(s) with the Common Depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg and any other Relevant Clearing System. Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and the obligations of such Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

The temporary Global Notes and the permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

- (a) *Exchange:* Each temporary Global Note will be exchangeable in whole or in part (i) for interests in a permanent Global Note upon (A) in the case of a CGN, presentation and (in the case of final exchange) surrender of such temporary Global Note at the specified office of the Fiscal Agent, and (B) in the case of partial exchange of a NGN, confirmation from the common service provider that Euroclear and Clearstream, Luxembourg have made appropriate entries in their records to reflect the relevant exchange and, in the case of final exchange of a NGN surrender of the temporary Global

Note at the specified office of the Fiscal Agent or destruction of the temporary Global Note by the common safekeeper in accordance with the Agency Agreement, or (ii) for Notes in definitive form, in each case, with the Guarantee of the Guarantor endorsed thereon, on or after the first day following the expiry of 40 days after completion of the distribution of the relevant Tranche upon certification as to non-U.S. beneficial ownership, **provided that** Bearer Notes which are in definitive form ("**Definitive Bearer Notes**") may not be physically delivered in Belgium. If the relevant Final Terms so provides, each permanent Global Note is exchangeable in whole or, in the case of Partly-paid Notes only, in part for definitive Notes by the holder giving notice to the Fiscal Agent, or by the relevant Issuer giving notice to the Fiscal Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes as set out below, **provided that** Definitive Bearer Notes may not be physically delivered in Belgium.

(a) If so specified in the relevant Final Terms (i) on or after any Exchange Date (as defined below) or (ii) at any time or (b) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then upon the request of the holder of the permanent Global Note if either of the following events occurs: (i) if Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (ii) any of the circumstances described in Condition 9 occurs, the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Fiscal Agent. In exchange for any permanent Global Note the relevant Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), with the Guarantee of the Guarantor endorsed thereon, security printed in accordance with any applicable legal and competent authority, stock exchange or quotation system requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

"**Exchange Date**" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and on which Euroclear and Clearstream, Luxembourg and any other Relevant Clearing System are open for business.

If the relevant Issuer is prevented as a result of any legal requirements from delivering, and procuring the delivery of, definitive Notes in exchange for temporary or permanent Global Notes as contemplated in the terms and conditions of the Notes, the relevant Issuer will use its best efforts to put in place an alternative arrangement which provides investors with the same economic results whilst complying with such legal requirements. Any physical delivery of Definitive Notes will be made outside Belgium.

- (b) *Payments:* No payment falling due more than 40 days after the issue of any Tranche represented by a temporary Global Note will be made on that temporary Global Note unless exchange for an interest in a permanent Global Note is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after the completion of the distribution of such Tranche will only be made against presentation of certification as to non-U.S. beneficial ownership. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

- (c) *Notices:* So long as Notes of any Series are represented by a Global Note notices may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in the United Kingdom, but publication in the *Luxemburger Wort* or the website of the Luxembourg Stock Exchange (www.bourse.lu) (in the case of Notes listed on the official list and admitted to trading on the Luxembourg Regulated Market) and/or such other place as may be required by the rules and regulations of such other competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation will be maintained for so long as the Notes of the Series in respect of which the notice is to be published are admitted to listing on the official list and to trading on the Luxembourg Regulated Market and/or admitted to listing, trading and/or quotation by such other competent authority, stock exchange and/or quotation system.
- (d) *Prescription:* Claims against the relevant Issuer in respect of principal and interest (as each is defined in the Conditions) on Notes while the Notes of that Series are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).
- (e) *Meetings:* The bearer of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each unit of currency relating to the principal amount of Notes (as set out in the relevant Final Terms or Drawdown Prospectus (as the case may be) held by such bearer for which such permanent Global Note may be exchanged).
- (f) *Purchase and Cancellation:* Cancellation of any Note surrendered for cancellation by the relevant Issuer following its purchase will be effected by reduction in the principal amount of the relevant permanent Global Note.
- (g) *Issuer's Option:* No selection of Notes by drawing lots will be required under Condition 5.5 in the event that the relevant Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a permanent Global Note. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with Euroclear and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of Euroclear and Clearstream, Luxembourg.
- (h) *Noteholders' Option:* Any Noteholders' option may be exercised by the holder of a permanent Global Note giving notice to the Fiscal Agent of the principal amount of Notes in respect of which the option is exercised and presenting such permanent Global Note for endorsement of exercise within the time limits specified in the Conditions.
- (i) *Default:* As more fully described in the Global Notes, each Global Note shall become void in whole or in part on such day as specified in the applicable Final Terms after notice is served by the person or persons shown in the records of Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System as the holder or holders of the Notes in respect of which notice is served (the "**Relevant Accountholder**") upon the occurrence of an event of default. In such circumstances each Relevant Accountholder shall acquire, under a deed of covenant dated on or about 13 June 2014 executed by the Issuers and the Guarantor (the "**Deed of Covenant**") against the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor all rights which the Relevant Accountholder in question would have had if, immediately before the Global Note became void, it had been holder of definitive Notes issued on the issue date of the Global Note in an aggregate principal amount equal to the principal amount of the Notes in respect of which such Relevant Accountholder is shown in the records of Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System.

- (j) *Partly-paid Notes (applicable to Exempt Notes only)*: The provisions relating to Partly-paid Notes will be contained in the Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly-paid Notes are due, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the relevant Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.
- (k) *Notes with a Specified Denomination of EUR 100,000*: In relation to any Notes with a Specified Denomination of EUR 100,000 and higher integral multiples of EUR 1,000, so long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the Relevant Clearing System(s) so permit, such Notes will be tradeable only in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000, notwithstanding that no definitive notes will be issued with a denomination above EUR 199,000.
- (l) *Business day*: In relation to any Global Note, Condition 6.7(a) shall be deemed deleted.
- (m) *Record Date*: Notwithstanding Condition 6.2(b), each payment in respect of any registered note which is in global form ("**Global Registered Note**") shall be made to the person shown in the Register as the registered holder of the Notes represented by such Global Registered Note at the close of business (in the Relevant Clearing System) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system at which the Global Registered Note is being held is open for business.

Notes issued by BNPPF and clearing through the X/N System (other than Dematerialised Notes)

If so provided in the relevant Final Terms, each Series or Tranche, as the case may be, issued by BNPPF, where the Notes issued in such Series or Tranche are initially in bearer form, will be represented by a permanent Global Note, in bearer form without Coupons, which will be deposited with the NBB as operator of the X/N System or its custodian on or about the issue date of the relevant Notes. Upon receipt of the permanent Global Note the NBB will credit the accounts of its participants, which include Euroclear's and Clearstream, Luxembourg's account, being an Exempt Account, in the X/N System with an aggregate amount equivalent to the principal amount of the permanent Global Note. Euroclear and Clearstream, Luxembourg will then credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. Notes issued by BNPPF and deposited with the NBB and are intended to be held in a manner which would allow Eurosystem eligibility. Note that the designation that any Notes issued are intended to be held in a manner which would allow Eurosystem eligibility does not necessarily mean that the Notes would be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life. Such recognition will depend on the ECB being satisfied that Eurosystem eligibility criteria have been met.

Ownership of beneficial interests in the permanent Global Note will be limited to persons who maintain accounts with the X/N System, Euroclear and Clearstream, Luxembourg or persons who hold interests through such persons and which are Eligible Investors holding the Notes in an exempt Notes account. Certain types of Belgian investors (being those that are not eligible for holding "X-accounts"), however, may not hold their Notes through Euroclear or Clearstream, Luxembourg (save if they do so through another intermediary financial institution which is also a participant in the X/N System and which will be responsible for the withholding of tax). Please refer to the section entitled "*Taxation — Belgium*" below. Ownership of beneficial interests in the permanent Global Note will be shown on, and the transfer of such interests will be effected only through, records maintained by the X/N System, Euroclear and Clearstream, Luxembourg and in accordance with the applicable procedures of the X/N System, Euroclear and Clearstream, Luxembourg.

Each of the persons shown in the records of the X/N System, Euroclear and/or Clearstream, Luxembourg and/or any other Relevant Clearing System as being entitled to an interest in the permanent Global Note (each an "**Accountholder**") must look solely to the X/N System, Euroclear and/or Clearstream, Luxembourg and/or such other Relevant Clearing System (as the case may be) for such Accountholder's share of each payment made by BNPPF to the bearer of such permanent Global Note and in relation to all other rights arising under the permanent Global Note. For so long as the Notes are represented by the permanent Global Note, Accountholders shall have no claim directly against BNPPF in respect of payments due under the Notes and such obligations of BNPPF will be discharged by payment to the bearer of the permanent Global Note.

The permanent Global Note contains provisions which apply to the Notes while in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

- (a) *Exchange for definitive Notes:* If the relevant Final Terms so provide, each permanent Global Note is exchangeable in whole or, in the case of Partly-paid Notes only, in part for definitive Notes by the holder giving notice to the Domiciliary Agent, or by the Issuer giving notice to the Domiciliary Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes as set out below:

(a) If so specified in the relevant Final Terms (i) on or after any Exchange Date (as defined below) or (ii) at any time or (b) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then upon the request of the holder of the permanent Global Note if either of the following events occurs: (i) if the X/N System, Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (ii) any of the circumstances described in Condition 9 occurs, the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Domiciliary Agent. In exchange for any permanent Global Note BNPPF will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), security printed in accordance with any applicable legal and competent authority, stock exchange or quotation system requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange of each permanent Global Note, BNPPF will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

"Exchange Date" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Domiciliary Agent is located and on which the X/N System, Euroclear and Clearstream, Luxembourg and any other Relevant Clearing System are open for business.

If the Issuer is prevented as a result of any legal requirements from delivering, and procuring the delivery of, definitive Notes in exchange for temporary or permanent Global Notes as contemplated in the terms and conditions of the Notes, the Issuer will use its best efforts to put in place an alternative arrangement which provides investors with the same economic results whilst complying with such legal requirements. Any physical delivery of Definitive Notes will take place outside Belgium.

- (b) *Payments:* Payments in respect of the permanent Global Note will be made by or on behalf of the Issuer to the NBB for distribution to accountholders with the X/N System (in the case of payments in euro) or to Euroclear, Clearstream, Luxembourg and the Domiciliary Agent for distribution to the respective accountholders (in the case of payments in currencies other than euro).

- (c) *Payment business day*: Subject as provided in the Conditions and the relevant Final Terms, while all the Notes are represented by the permanent Global Note and the permanent Global Note is deposited with the NBB or its custodian and cleared through the X/N System, all payments in respect of the permanent Global Note will be made on a day on which the X/N System is open. If payment is due on a day on which the X/N System is not open, the holder shall not be entitled to payment of the amount due until the next succeeding date on which the X/N System is open and shall not be entitled to any further interest or other payment in respect of any such delay.
- (d) *Meetings*: The rights of accountholders with the X/N System, Euroclear, Clearstream, Luxembourg and/or any other Relevant Clearing System (together, the "**Clearing Systems**") in respect of meetings of Noteholders in relation to the Notes represented by the permanent Global Note will be governed by the standard procedures of such Relevant Clearing Systems and Belgian law. To the extent that the NBB does not attend and vote on behalf of Accountholders as instructed in accordance with the standard procedures of the Relevant Clearing Systems, Accountholders shall be entitled to attend and vote in such meetings in accordance with Belgian law and the Issuer shall recognise their entitlement accordingly. By accepting to hold the permanent Global Note, the NBB irrevocably authorises the Accountholders to act on its behalf in such circumstances.
- (e) *Issuer's Option*: In the event that any option of BNPPF is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with the X/N System, Euroclear and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of the NBB, as the operator of the X/N System, the Euroclear and Clearstream, Luxembourg or, in the absence of such procedures, accountholders shall have the same rights as though they held Definitive Notes in an aggregate principal amount equal to the principal amount of such accountholders' entry in its securities account with the Relevant Clearing System in respect of the Notes represented by the permanent Global Note.
- (f) *Noteholders' Option*: Any option of the Noteholders provided for in the Conditions may be exercised by accountholders directly as though they held Definitive Notes in an aggregate principal amount equal to the principal amount of such Accountholders' entry in its securities account with the Relevant Clearing System in respect of the Notes represented by the permanent Global Note.
- (g) *Default*: As more fully described in the permanent Global Notes, each permanent Global Note shall become void in whole or in part on the seventh day after notice is served by the person or persons shown in the records of the X/N System, Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System as the holder or holders of the Notes in respect of which notice is served (the "**Relevant Accountholder**") upon the occurrence of an event of default. In such circumstances each Relevant Accountholder shall acquire, under the Deed of Covenant against BNPPF all rights which the Relevant Accountholder in question would have had if immediately before the permanent Global Note became void, it had been holder of definitive Notes issued on the issue date of the permanent Global Note in an aggregate principal amount equal to the principal amount of the Notes in respect of which such Relevant Accountholder is shown in the records of the X/N System, Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System.
- (h) *Partly-paid Notes*: In relation to Exempt Notes only, the provisions relating to Partly-paid Notes will be contained in the permanent Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly-paid Notes are due, no interest in a permanent Global Note representing such Notes may be exchanged for definitive Notes. In the event that any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

Dematerialised Notes issued by BNPPF and clearing through the X/N System

If so provided in the relevant Final Terms, each Series or Tranche, as the case may be, issued by BNPPF, may be represented by Dematerialised Notes which will be admitted to the X/N System on the issue date of the relevant Notes. Upon the issuance of the Dematerialised Notes the NBB will credit the accounts of its participants, which include Euroclear's and Clearstream, Luxembourg's account, being an Exempt Account, in the X/N System with an aggregate amount equivalent to the principal amount of the Dematerialised Notes to be issued. Euroclear and Clearstream, Luxembourg will then credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. Notes issued by BNPPF in dematerialised form will be represented by a book-entry in the records of the X/N System and are intended to be held in a manner which would allow Eurosystem eligibility. Note that the designation that any Notes issued are intended to be held in a manner which would allow Eurosystem eligibility does not necessarily mean that the Notes would be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life. Such recognition will depend on the ECB being satisfied that Eurosystem eligibility criteria have been met.

Certain types of Belgian investors (being those that are not eligible for holding "X-accounts"), however, may not hold their Notes through Euroclear or Clearstream, Luxembourg (save if they do so through another intermediary financial institution which is also a participant in the X/N System and which will be responsible for the withholding of tax). Please refer to the section entitled "*Taxation — Belgium*" below. Interests in the Dematerialised Notes will only be represented by book entries in the X/N System and the transfer of such interests will be effected only through, records maintained by the X/N System, Euroclear and Clearstream, Luxembourg and in accordance with the applicable procedures of the X/N System, Euroclear and Clearstream, Luxembourg.

Each Accountholder must look solely to the X/N System, Euroclear and/or Clearstream, Luxembourg and/or such other Relevant Clearing System (as the case may be) for such Accountholder's share of each payment made by BNPPF to the holder of the Dematerialised Notes and in relation to all other rights arising under the Dematerialised Notes.

- (a) *Payments:* Payments in respect of the Dematerialised Notes will be made by or on behalf of the Issuer to the NBB for distribution to accountholders with the X/N System (in the case of payments in euro) or to Euroclear, Clearstream, Luxembourg and the Domiciliary Agent for distribution to the respective accountholders (in the case of payments in currencies other than euro).
- (b) *Payment business day:* Subject as provided in the Conditions and the relevant Final Terms, all payments in respect of the Dematerialised Notes will be made on a day on which the X/N System is open. If payment is due on a day on which the X/N System is not open, the holder shall not be entitled to payment of the amount due until the next succeeding date on which the X/N System is open and shall not be entitled to any further interest or other payment in respect of any such delay.
- (c) *Meetings:* The rights of accountholders with the Clearing Systems in respect of meetings of Noteholders in relation to the Dematerialised Notes will be governed by the standard procedures of such Relevant Clearing Systems and Belgian law. To the extent that the NBB does not attend and vote on behalf of Accountholders as instructed in accordance with the standard procedures of the Relevant Clearing Systems, Accountholders shall be entitled to attend and vote in such meetings in accordance with Belgian law and the Issuer shall recognise their entitlement accordingly. By accepting to hold the permanent Global Note, the NBB irrevocably authorises the Accountholders to act on its behalf in such circumstances.

DESCRIPTION OF BNP PARIBAS FORTIS SA/NV

The following section applies to both Exempt Notes and Non-exempt Notes.

1. General

BNPPF, incorporated in Belgium on 5 December 1934, is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law. The registered office of the company is located at Montagne du Parc 3, 1000 Brussels, Belgium where its headquarters are based (telephone number: +322 433 4131 (for French speakers)/+322 433 3134 (for Dutch speakers)). BNPPF has been established for an indefinite period.

As stated in article 3 of its Articles of Association, BNPPF's object is to carry on the business of a credit institution, including brokerage and transactions involving derivatives. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature that benefit the realisation thereof. BNPPF is free to hold shares and share interests within the limits set by the legal framework for banks.

BNPPF is registered in the Register of Legal Entities of Brussels under the number 0403.199.702.

Following the implementation on May 13, 2009 of a *protocole d'accord* dated October 10, 2008 (and as further amended) between BNP Paribas, the Belgian Federal Public Service for Participations and Investments ("**SFPI/FPIM**"), Fortis Holding and BNPPF (the "**Protocole d'Accord**"), BNP Paribas acquired 74.93 per cent. of BNPPF, while the Belgian State, through the SFPI/FPIM, held 25 per cent. + 1 share and minority shareholders held the remaining 0.07 per cent. On 13 November 2013 the Belgian State and BNP Paribas reached an agreement for the transfer to BNP Paribas of the remaining 25 per cent. + 1 share stake held by the Belgian State (via FPIM/SFPI) in BNPPF, for a price of EUR 3.25 billion. BNPPF is now owned for 99.93 per cent. by BNP Paribas and for 0.07 per cent. by minority shareholders. On 1 January 2013, the company name changed from Fortis Bank to BNP Paribas Fortis, aligning the company name with the trade name (already in use since 2009). The legal form likewise changed from Fortis Bank NV/SA to BNP Paribas Fortis SA/NV. All documents issued before 1 January 2013 bearing the name Fortis Bank automatically retain their legal validity.

The name change has no impact on the BNPPF's other official details. The VAT number, the address of the registered head office, P.O. box number, the Register of Legal Entities' number, bank account numbers, the Swift code, the legal structure and the company stock ISIN code all remain unchanged.

In Belgium, BNPPF is subject to the supervision by both the prudential authority NBB and the market authority Belgian FSMA.

2. Business overview

BNPPF offers a comprehensive package of financial services through its own channels and via other partners to private, professional and wealthy clients in the Belgian market, as well as in Luxembourg, Poland and Turkey. BNPPF also provides corporations and public and financial institutions with customised solutions, for which it can draw on BNP Paribas' know-how and international network. In the insurance sector, BNPPF works closely with the Belgian market leader AG Insurance, in which it owns a 25 per cent. stake. BNPPF employs 40,300 people (full-time equivalents).

BNPPF has built up a strong presence in the retail and private banking market, operating through a variety of distribution channels. In Belgium the company delivers universal banking and insurance services and solutions to its retail customers. In other countries, the product offer is tailored to specific customer segments. Private Banking offers integrated and international asset and liability management solutions to high net worth individuals in Belgium, their businesses and their advisers.

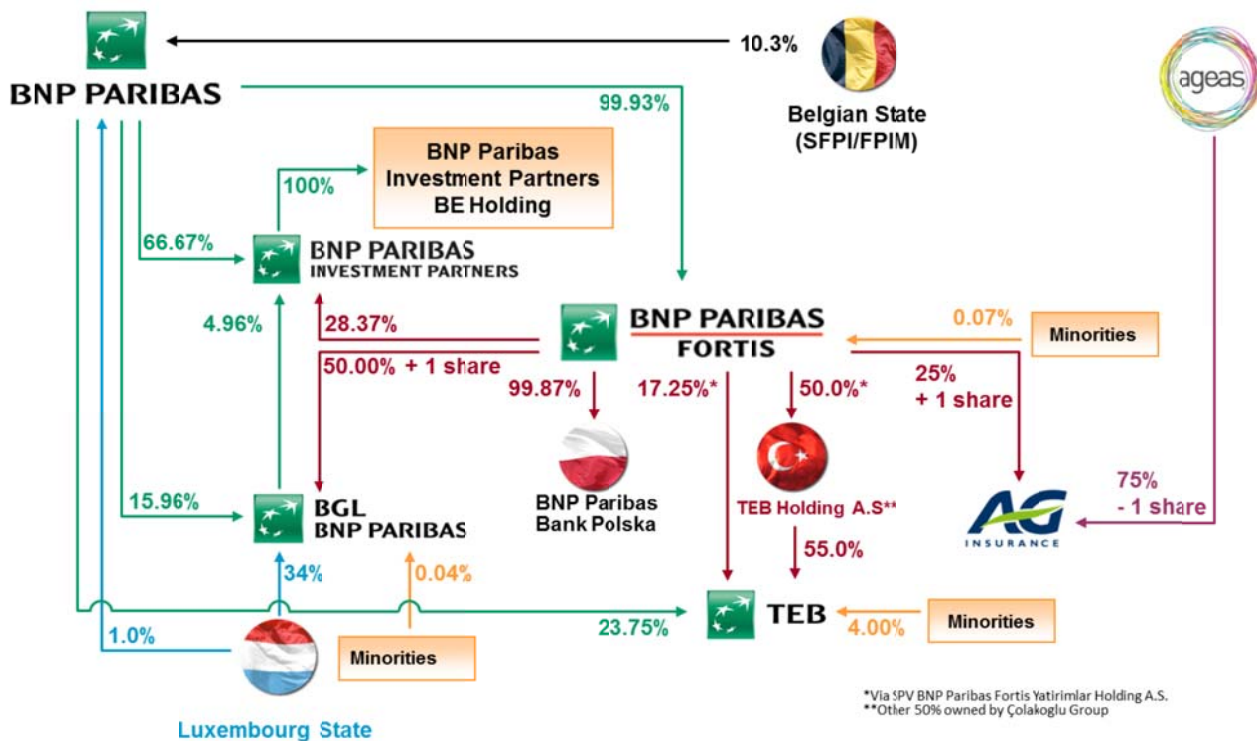
BNPPF also offers financial services to companies and institutional clients and provides integrated solutions to enterprise and entrepreneur. Corporate and Public Banking Belgium fulfils the financial needs of corporate and midcap enterprises, public entities and local authorities through an integrated international network of business centres.

BNPPF is part of the BNP Paribas group (the "**BNP Paribas Group**") (of which BNP Paribas is the parent company), a European leader in banking and financial services. The BNP Paribas Group has one of the largest international banking networks, a presence in 75 countries and nearly 185,000 employees, including more than 141,000 in Europe. It enjoys key positions in its three activities: Retail banking (which includes the following operating entities: French Retail Banking (FRB), BNL banca commerciale (BNL bc), BancWest, BeLux Retail Banking, Europe Mediterranean, Personal Finance, Equipment Solutions), Investment Solutions and Corporate and Investment Banking.

At 31 December 2013, the BNP Paribas Group had consolidated assets of EUR 1,800.1 billion (compared to EUR 1,907.3 billion at 31 December 2012), consolidated loans and receivables due from customers of EUR 617.2 billion (compared to EUR 630.5 billion at 31 December 2012), consolidated items due to customers of EUR 557.9 billion (compared to EUR 539.5 billion at 31 December 2012) and shareholders' equity (BNP Paribas Group share including income for 2013) of EUR 87.6 billion (compared to EUR 85.9 billion at 31 December 2012). Pre-tax net income for the year ended December 31, 2013 was EUR 8.19 billion (compared to EUR 10.37 billion for the year ended 31 December 2012). Net income, attributable to equity holders, for the year ended 31 December 2013 was EUR 4.83 billion (compared to EUR 6.55 billion for the year ended 31 December 2012).

3.

BNP Paribas Fortis SA/NV simplified legal structure



BNP Paribas SA has a stake of 99.93% in BNPPF. The remaining shares (0.07%) are held by the public. The SFPI/FPIM has a stake of 10.3% in BNP Paribas SA's capital, subsequent to its 2009 transfer of a 74.93% stake in BNPPF in return for BNP Paribas SA shares. BNPPF holds stakes in a range of subsidiaries (subsidiaries are those companies whose financial and operating policies BNPPF, directly or indirectly, has the power to govern so as to obtain benefits from its activities), the most important of which are:

- 50% + 1 share stake in BGL BNP Paribas SA
- 99.87% stake in BNP Paribas Bank Polska SA
- Direct 17.25% stake in Turk Ekonomi Bankası A.S. (**TEB**) and a 50% share of TEB Mali Yatirimlar A.S., a joint venture with the Colacoglu Group, which holds 55% of TEB's share capital.

BNPPF holds minority interest in, among others, AG Insurance (25% + 1 share) and BNP Paribas Investment Partners (28.37%).

4.

The major changes in the consolidation scope of BNPPF during 2013 were related to foreign branch acquisitions and closures, the transfer of specialised finance activities from BNP Paribas Group, and the control and full consolidation of TEB. Changes in the BNPPF consolidation perimeter comprised, inter alia:

- The creation of a branch of BNPPF in the Netherlands (Amsterdam) on 27 May 2013 and the operational transfer of the activities of BNP Paribas SA, Netherlands Branch to the new BNPPF branch.
- Final closure in the course of 2013 of the BNPPF branches in Portugal (Lisbon) and the UK (London).
- A change in consolidation method of TEB, from proportional to full consolidation.

The transfer of CIB specialised finance loan portfolios and businesses from BNP Paribas Group to BNPPF, which began as from the first quarter of 2013, continuing through to the beginning of 2014.

(i) Retail & Private Banking

Retail Banking offers financial services to individuals, the self-employed, members of independent professions and small businesses. Over 3.5 million customers currently use BNPPF's integrated banking and insurance services, through proprietary and third-party networks, all embedded in a multi-channel environment. Operating through a variety of distribution channels, BNPPF provides services and advice on every aspect of daily banking, saving, investment, credit and insurance to a clearly segmented customer base.

Retail & Private Banking Belgium

Market position

- Market leadership in Belgium.²
- 908 branches operating under the BNPPF brand are complemented by 306 franchises under the Fintro brand and 660 points of sale of the 50/50 joint venture with bpost bank.
- Network of 4,093 ATMs (cash withdrawals and deposits, non-cash machines and bank statement providers), online banking facilities (1.25 million active users) and phone banking are linked up in the client relationship management (CRM) platform.
- With 37 Private Banking centres, BNPPF is an important player in the Belgian private banking market. Individuals with assets of more than EUR 250,000 are eligible for private banking services. Wealth Management caters to clients with potential assets of more than EUR 4 million. They benefit from a dedicated service model and are primarily served via two Wealth Management centres in Antwerp and Brussels.

Key developments in 2013

In the individual customer segment there was a decreasing demand for housing loans in 2013, despite the historically low level of interest rates. By contrast, demand for consumer credit held up rather more strongly and BNPPF was able to continue making its contribution to financing this area of the real economy.

The continuing decrease in interest rates, the result of European Central Bank policy, constrained Retail & Private Banking into lowering interest rates on savings accounts. The saving accounts offering was rationalised in order to comply with the new regulations in this regard. RPB also launched 'Home Saving', a new savings account, which aims to encourage young adults to put aside money as reserve savings for their own home, renovation work, etc.

² Source: 2013 annual report of BNPPF

The highly volatile situation on the financial markets during the year clearly prompted clients to adopt a more safety-oriented approach to their financial situation and BNPPF responded to this trend with a broad, differentiated, product offering for savings and investments. Bonds issued by Belgian corporates proved to be an overwhelming success and SRI-investments (Socially Responsible Investments) played a greater part in the 2013 investment offering. To help customers to start investing, extra support was provided through Flexinvest – an investment plan that combines an automatic savings programme with a full range of options for investing in funds – and the online solution 'Savings and investments custom made'. The 'portfolio advice' contract, with a detailed portfolio approach, was further developed for Priority (EUR 85,000 – 250,000 assets under management ("AuM")) and James customers. James is a personalised investment service reserved for customers with AuM of EUR 85,000 or more.

In addition, clients' uncertainty over the amount of their future pension income prompted BNPPF to provide extra information for the benefit of younger customers.

The prevailing economic uncertainty led to a drop in corporate demand for credit in spite of the fact that BNPPF had designed tailored solutions for expanding companies' working capital. 'The Bank for Entrepreneurs' aims to provide, via a new customer segmentation, the right expertise and solutions to the self-employed, members of the liberal professions and small and medium-sized companies. Services for the liberal professions were upgraded as BNPPF set up a team of 160 specialist advisors and introduced tailor-made credit facilities for this client segment. In addition a specific package of banking products and non-banking services was created for people starting up their own company.

May 2013 saw the launch of Hello bank! This is a 100% native mobile bank, based on a downloadable software package (app), designed specifically for the modern consumer who wishes to be able to carry out his/her banking operations and transactions by smartphone or tablet and requires simple and straightforward banking products.

- **BGL BNP Paribas SA**

BGL BNP Paribas Retail and Corporate Banking in Luxembourg provides a broad range of financial products and services to individual, professional and corporate clients through its network of 40 branches plus the specialised departments and units dedicated to serving corporates.

BGL BNP Paribas is the number two bank in the Grand Duchy of Luxembourg for individual customers, with 204,000 clients, representing a 16% market share. It is also the number one bank for corporates, with 36,000 clients, equivalent to a 35% share of the market. In addition, the six BGL BNP Paribas Wealth Management Centres, which are attached to the branch network, provide Private Banking services to clients resident in Luxembourg.

The key focus during 2013 was on building closer customer relationships. New Retail Banking offerings were launched, including a comprehensive homeowner insurance plan and insurance cover designed especially for Luxembourg residents. Other developments included the launch of NetAgence, an online branch, and the start of an ambitious programme to overhaul the branch network.

The Corporate Banking division launched two new offerings, ForCash and Vendor Lease, and stepped up its deposit-taking drive. It also harmonised its fees and charges. Another highlight was a rise in transaction volume for the Supply Chain Management offering. In addition, cross-selling intensified as a result of several major deals and a joint offering with France and Belgium for cross-border commuters.

- **BNP Paribas Bank Polska SA**

BNP Paribas Bank Polska SA provides retail and corporate banking services in Poland. The Bank is structured around three major business lines: Retail Banking (including Private Banking and services to SMEs), Personal Finance, and Corporate & Transaction Banking.

BNP Paribas Bank Polska has a network of 224 retail banking branches and 9 Business Centres servicing corporate clients, with over 400,000 customers.

In a market characterised by intense competition, BNP Paribas Bank Polska continued the transformation of its business model in 2013, with strong focus on improving its risk profile and building out its client base in specific segments.

In 2013, BNP Paribas Bank Polska acquired some 73,000 new customers. In view of the current macroeconomic and financial market situation, BNP Paribas Bank Polska will continue to develop its lending activities at an appropriate pace, focusing special attention on credit quality.

In 2013, BNP Paribas Bank Polska completed a plan launched in 2012 to optimise operational efficiency and reduce costs, mainly in the central and back office functions, while at the same time investing selectively in the sales network and the business lines.

BNP Paribas Bank Polska in 2013 saw continued progress on strategy implementation across the business areas in 2013. Meanwhile BNP Paribas Bank Polska maintained solid capital and liquidity positions.

- **TEB**

BNPPF operates in Turkey through TEB, in which it holds a 44.75% stake. This is the result of a merger between Fortis Bank Turkey and TEB that took place on 14 February 2011. TEB ranks 10th in the country's banking sector in terms of market share in loans and deposits, and provides the full range of BNP Paribas Group Retail products and services in Turkey.

In Retail Banking, TEB provides debit and credit cards, mortgage loans, personal loans, and investment and insurance products, which are distributed through 544 branches and via Internet, phone and mobile banking.

Through its commercial and small business banking departments, TEB offers a full range of banking services to small and medium-sized enterprises and is also recognised as having strong expertise in non-financial services. TEB was named by the International Finance Corporation (IFC) as one of the three top banks in the world for SMEs in the field of non-financial services.

Corporate Banking services include international trade finance, asset and cash management, credit services, hedging of currency, interest and commodity risk, plus factoring and leasing.

Having set a very successful example for a merger in the Turkish market, TEB continues to grow. Throughout 2013, TEB achieved a highly satisfactory performance in revenue generation. However, some important regulatory changes resulted in slower profit growth.

(ii) **Corporate & Public Banking Belgium and Corporate & Investment Banking**

Corporate & Public Banking Belgium ("CPBB") offers a comprehensive range of local and international financial services to Belgian enterprises, public entities and local authorities. The offering includes domestic banking products, specialist financial skills, and securities, insurance and

real estate services. Skills include specialist ones such as trade services, cash management, factoring and leasing, as well as M&A and capital markets.

A central team of corporate bankers, relationship managers and skills officers ensure that BNPPF stays close to the market. This team, combined with the European network of business centres managed within Corporate & Investment Banking ("**CIB**"), enables BNPPF to offer unified commercial management to its Belgian clients locally and abroad.

In the difficult market circumstances of 2013, CPBB continued to make strenuous efforts to be the 'top of mind' provider and stay close to its clients, building further on its long-term relationships and striving to obtain a better grasp of the strategic priorities and long-term objectives of each client. As the financier par excellence of the real economy, CPBB remained well-placed to meet the borrowing needs of these clients in a fully risk-aware manner. In addition to the traditional lending approach, CPBB relationship managers are also able to provide alternative financing solutions, from issuing bonds to private placements of debt paper, thanks to BNPPF's profound knowhow in this field.

Moreover CPBB was able to draw on the strength of the BNP Paribas Group's international network on behalf of its clients. The close links between Corporate & Public Banking Belgium and the 80-plus countries in the network enabled CPBB to bring a number of new clients within the fold.

2013 was also the year in which CPBB began re-shaping its organisation. In order to make itself more future-proof, CPBB adjusted the number of business centres and aligned its organisation with the rest of BNPPF in Belgium. With the ever-growing trend towards digitisation in mind, CPBB adapted a number of its processes in order to strengthen its relationship banking model. As a result of the integration of the trade finance operations into its organisation, CPBB will be able to provide a better service to its clients in this field.

- **BNP Paribas Fortis Corporate & Investment Banking ("**CIB**")** offers its clients in Belgium and across the world full access to the BNP Paribas CIB product portfolio. BNP Paribas Fortis CIB consists of five business lines: Capital Markets; Specialised Finance; Transaction Banking Europe; Corporate Finance & Equity Capital Markets; and Private Equity, plus one coverage unit – Coverage Corporate Banking Europe ("**CCBE**").
 - **Capital Markets**, a Brussels-based platform, focuses on client-driven activities, offering a global product range through access to BNP Paribas platforms. In Fixed Income, Capital Markets serves mainly Belgian clients but also European Corporates through the CCBE network.
 - **Transaction Banking Europe ("**TBE**")** offers clients an integrated suite of flow products to manage their treasury in Europe, including cash management (domestic and international payments) and import-export financing (including foreign exchange and deposit management). Since December 2012, TBE has been integrated into the overall structure of Corporate Banking Europe ("**CBE**").
 - In 2013, Brussels also became the centre of Specialised Finance activities in the EMEA region for the BNP Paribas Group, with the support of five other platforms based in Frankfurt, London, Madrid, Paris and Milan. Specialised Finance Europe offers clients five main areas of support: Project Finance, Export Finance, Leveraged Finance, Corporate Acquisition Finance and Media-Telecom Finance.
 - **Corporate Finance** is active in Mergers & Acquisitions Advisory and in Equity Capital Markets, focusing on clients in Belgium and Luxembourg.

- **Private Equity** plays a direct role in supporting the development and growth of companies, and offers solutions for shareholder transition by investing in equity and mezzanine finance instruments in the home markets. The fund-of-funds portfolio with an international scope is currently being run down.
- **Coverage Corporate Banking Europe** is an integrated banking network focused on servicing large mid-caps and international clients. CCBE delivers full CIB banking products and services to corporate clients in non-domestic countries in Europe. It operates through a network of more than 30 Business Centres in 16 European countries. As of December 2012, CCBE became integrated into the overall structure of Corporate Banking Europe.

Market positions

- Strong leadership position in Belgium with more than 650 corporate clients and 11,000 midcaps, and a challenger in public banking (650 clients).
- High penetration rate among selected European customers (e.g. internationally active SMEs).

5. BNPPF 2013 Financial Results

- Net profit attributable to shareholders at EUR 638 million, compared to EUR 313 million³ in 2012.
- Business performance resilient in an adverse environment. Further improvement in our service to clients, and the BNPPF's role in financing the economy further enhanced with volume growth in Retail Belgium and in Turkey.
- Additional contribution from Specialised Finance, Leasing and Factoring activities.
- The interest margin remains under pressure due to persisting low interest rates.
- Ongoing containment in operating expenses to improve the cost-to-income ratio.
- Strong balance sheet: Tier 1 solvency ratio stands at 14.8%; solid liquidity, with customer deposits standing at EUR 161 billion and customer loans at EUR 153 billion, after funding of the newly-added Specialised Finance, Leasing and Factoring activities⁴.

Net profit attributable to shareholders came in at EUR 638 million in 2013, up EUR 325 million on 2012, mainly driven by: (i) a resilient business performance in 2013 despite a challenging economic and financial environment; (ii) revenues from newly-added Specialised Finance, Leasing and Factoring activities; (iii) ongoing containment of expenses so as to improve cost-to-income ratio; and (iv) a moderate cost of risk.

In Belgium, business activity showed a 3.9% increase in client deposits, reaching EUR 105 billion, due to good growth in current and savings accounts. Lending rose by 2.4% to EUR 86 billion, due in particular to a rise in loans to individual customers, while corporate lending remained subdued due to weak demand. Outside Belgium, Turkey showed strong loan and deposit growth.

Operating income amounted to EUR 1,676 million, a strong increase of EUR 549 million or 49% on 2012.

³ For comparative purposes, the published figures have been restated according to the amendments to IAS 19 Employee benefits

⁴ Customer deposits consist of amounts due to customers, excluding repurchase agreements ('repos'); customer loans are loans and receivables due from customers, excluding reverse repos and securities classified as loans and receivables

- **Total revenues** came to EUR 6,515 million in 2013, up EUR 634 million compared to 2012.
- **Net interest income** totalled EUR 4,439 million in 2013, down by EUR 18 million versus 2012. Excluding scope changes, the underlying downward trend in net interest income is mainly observed in Belgium, Luxembourg and the foreign branches. The decrease in Belgium was related to pressure on the margin of liabilities, mainly on savings accounts. The interest margin at BGL BNP Paribas was negatively impacted by the sale of government bonds in 2012 and lower margins on commercial activities. Interest revenues at foreign branches were affected by the rundown of portfolios. In addition, net interest income was under pressure in Turkey as the volume impact was offset by a lower margin, due to the interest rate ceiling imposed by the regulator since June 2013 and the depreciation of the Turkish lira.
- **Net commission income** amounted to EUR 1,557 million in 2013, up EUR 240 million or 18% compared to 2012. The increase in net commission income was supported by higher fees at Belgian Retail Banking and by commissions earned on Specialised Finance activities at Corporate & Investment Banking (CIB), while 2012 included a fee of EUR 17 million paid to the Belgian State to end the guarantee on the Structured Credit Instruments portfolio. Net commission income also increased in Luxembourg and in Turkey.
- **Net results on financial instruments at fair value through profit or loss** stood at EUR 249 million, up by EUR 161 million compared to 2012. This was driven by a lower net negative impact of credit spread-related results in 2013, including the first time booking of a positive debt valuation adjustment, while in 2013 the results of Capital Markets were lower compared to the exceptional performance of 2012.
- **Net results on available-for-sale financial assets** amounted to EUR 164 million in 2013 compared to –EUR 45 million in 2012. The positive result in 2013 was linked to sales of government bonds in Belgium and in Turkey. In 2012, the reduction of the exposure to sovereign risk led to losses on the sale of Portuguese government bonds.
- **Operating expenses and depreciation** amounted to EUR 4,346 million in 2013, EUR 35 million lower than in 2012. The cost evolution in Belgium reflects the ongoing efforts to improve the cost-to-income ratio, as evidenced by lower staff expenses and lower IT-charges, while restructuring costs were higher in 2012. The cost increase in Luxembourg is linked to the transformation costs for the Simple & Efficient programme, whereas the cost increase in Turkey is linked to growth initiatives. The decrease in depreciation charges was linked to lower depreciation on IT assets and the write-off in 2012 of intangible assets of the branches in Portugal and the UK that were transferred to BNP Paribas.
- **Cost of risk**, at EUR 493 million in 2013, remained at a moderate level, equivalent to 32 basis points on outstanding loans. The increase of EUR 119 million versus 2012 is mainly attributable to lower net releases of collective provisions than in 2012, especially at Belgian Retail Banking. Specific provisions were also higher than in 2012, mainly in Spain and Turkey, partly counterbalanced by lower specific provisions at Belgian Retail Banking.

Income tax expenses in 2013 amounted to EUR 529 million, with an effective tax rate of 30%⁵.

⁵ Excluding the share of earnings of associates that is reported net of income taxes

Net profit attributable to shareholders came to EUR 638 million, impacted by an impairment of EUR 446 million on the investment in asset management associates and including positive results on non-current assets at EUR 64 million, mainly linked to the revaluation of subordinated debt issued by TEB⁶ and the liquidation of Fortis Holding Malta.

The BNPPF **balance sheet** totalled EUR 261 billion at the end of December 2013, EUR 11 billion or 4% lower than at the end of 2012. The decrease was due to the deleveraging and optimisation programmes. Despite this decrease, there was growth in customer loans and deposits and an increase arising from the full consolidation of TEB and several Factoring entities. The transfer of Specialised Finance activities to Belgium and the first consolidation of the branch in the Netherlands were partially offset by the transfer of the branches in the UK and Portugal to BNP Paribas. From a geographical point of view - based on the location of BNPPF companies - 70% of the assets are located in Belgium, 9% in Luxembourg and 21% in other countries. The proportion of assets in other countries increased in 2013, mainly due to the impact of the full consolidation of TEB and the inclusion of the branch in the Netherlands.

BNPPF's **solvency** remained strong in 2013. At 31 December 2013, the Basel II Tier 1 capital ratio stood at 14.8%, similar to the ratio on 31 December 2012. The total capital ratio stood at 17.4%, well above the regulatory minimum of 8%.

Liquidity remained solid, with customer deposits standing at EUR 161 billion and customer loans at EUR 153 billion, after funding of the newly-added Specialised Finance, Leasing and Factoring activities. Customer deposits consist of amounts due to customers excluding repurchase agreements ('repos') and customer loans are loans and receivables due from customers, excluding securities and reverse repos.

The BNPPF Board of Directors will propose at the annual General Shareholder's Meeting on 24 April 2014 that a dividend of EUR 0.80 per share be distributed, payment to be made in cash.

6. Governance

Board of Directors

The Board of Directors (*Raad van Bestuur/Conseil d'Administration*) of BNPPF establishes the BNPPF's strategy and supervises the activities of the Executive Board and of the independent control functions. On 12 June 2014, the Board of Directors had 16 members, of which 11 members are non-executive and 5 members are executive. For the purpose of this Base Prospectus, the business address for each of the members of the Board of Directors is Rue Royale 20, B-1000 Brussels, Belgium.

Non-Executive members:

- Herman Daems, Chairman
- Georges Chodron de Courcel, Vice-Chairman
- Jean-Laurent Bonnafé
- Dirk Boogmans
- Antoinette d'Aspremont Lynden

⁶ As a consequence of the business combination described in note 8.b of the consolidated financial statements

- Sophie Dutordoir
- Alain Papiasse
- Jean Stéphane
- Thierry Varène
- François Villeroy de Galhau
- Stefaan Decraene

Executive members, composing the Executive Board (*Directiecomité/Comité de Direction*):

- Maxime Jadot, Chairman of the Executive Board/Executive Committee and CEO
- Filip Dierckx, Vice-Chairman of the Executive Board/Executive Committee
- Didier Beauvois
- Thomas Mennicken
- Peter Vandekerckhove

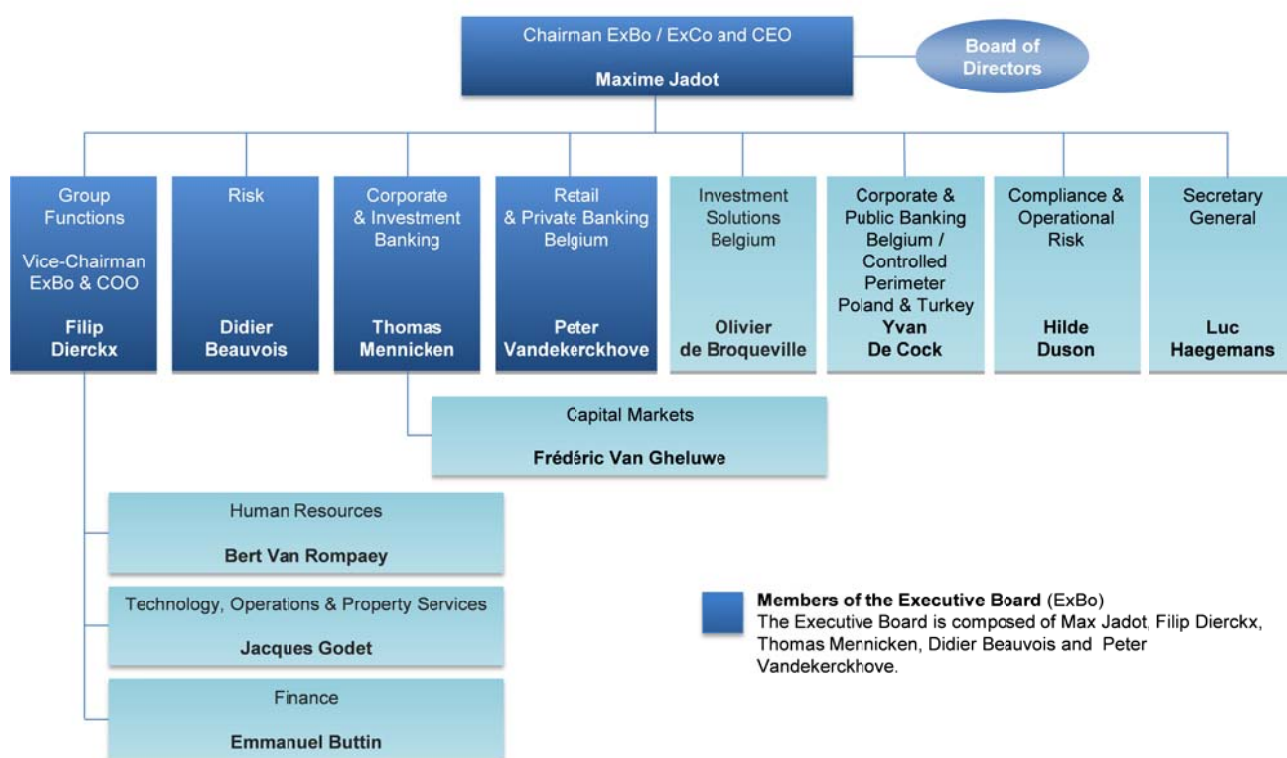
Executive Committee

The Executive Committee consists of 13 members, the five members of the Executive Board in their respective responsibilities, together with eight heads of businesses or support services (reporting line between brackets). The Executive Committee (Exco) is responsible for the execution of strategy and policy of BNPPF. For the purpose of this Base Prospectus, the business address for each of the members of the Executive Committee is Rue Royale 20, B-1000 Brussels, Belgium.

- Maxime Jadot, Chairman of the Executive Board/Executive Committee and CEO (specific responsibilities include global responsibility for all banking activities, in particular, banking activities in Belgium, Compliance, Legal, Branding & Communications, Secretary General, Audit and HR for key resources)
- Filip Dierckx, Vice Chairman of the Executive Board/Executive Committee, Chief Operating Officer and Head of Group functions (specific responsibilities include Finance, HR, IT & Operations and Tax)
- Didier Beauvois, Chief Risk Officer
- Thomas Mennicken, Head of Corporate & Investment Banking
- Olivier de Broqueville, Head of Investment Solutions
- Bert Van Rompaey, Head of Human Resources
- Yvan De Cock, Head of Corporate & Public Banking Belgium
- Emmanuel Buttin, Head of Finance
- Jacques Godet, Head of IT & Operations
- Peter Vandekerckhove, Head of Retail & Private Banking Belgium

- Frédéric Van Gheluwe, Head of Capital Markets
- Luc Haegemans, Secretary General
- Hilde Duson, Chief Compliance Officer

Organisation - details



Principal activities performed by members of the Board of Directors and the Executive Committee outside BNPPF which are significant with respect to BNPPF

- Herman Daems: Barco, Chairman of the Board of Directors; Domo Chemicals, Director (Permanent Representative of Crossbow); Domo Investment Group, Director & Chairman of the Board of Directors (Permanent Representative of Crossbow); Vanbreda Risk and Benefits, Director; Commissie Corporate Governance, Chairman; Adviesraad Euronext Brussel, Member; Uitgeverij Lannoo, Director & Chairman of the Board of Directors (Permanent Representative of Crossbow); KU Leuven, Chairman; Unibreda, Chairman; Crossbow, Managing Director.
- Georges Chodron de Courcel: Alstom, Director; BNP Paribas, Chief Operator Officer; BNP Paribas (Suisse), Chairman; Bouygues, Director; Erbé, Director; Exane, Non voting Director; F.P.P. (Société Foncière, Financière et de Participations), Director; Lagardère, Member of the Supervisory Board; Groupe Bruxelles Lambert, Director; Nexans, Director; Scor Global Life Rückversicherung Schweiz, Director; Scor Holding (Switzerland), Director; Scor Switzerland, Director; Verner Investissements, Director; Scor Global Life Reinsurance Ireland (SGLRI), Director.

- Jean-Laurent Bonnafé: BNP Paribas, Director & General Manager; Banca Nazionale del Lavoro SpA, Director; Carrefour, Director; Erbé, Director (until 12/12/2013).
- Dirk Boogmans: DAB Management, Partner; Caesar Real Estate Fund, Chairman of the Board of Directors (via DAB Management); Colibra, Director(via DAB Management); Vitrufin, Director (via DAB Management); P & V Verzekeringen, Director and President of the Audit & Risk Committee (via DAB Management); THV Noriant, Chairman; Vinçotte International, Director & Chairman of the Audit Committee (via DAB Management); Vivium, Director and Chairman of the Audit Committee (via DAB Management); GIMV, Director; NIBC, Advisor; Pensioensfonds Bouwnijverheid, Member of the Financial Committee; VUB & UZ-VUB, Chairman of the Audit Committee; Induss, Director (via DAB Management); Tobius, Member of the Advisory Board; VRWI (Vlaamse Raad voor Wetenschap en Innovatie), Director.
- Antoinette d'Aspremont Lynden: Groupe Bruxelles Lambert, Director
- Sophie Dutordoir: Bpost, Independent Director & Member of the Audit Committee; Valeo, Director & Member of the Strategic Committee.
- Alain Papiasse: BNP Paribas, Member of the Executive Committee; BNP Paribas UK Holdings, Vice-Chairman of the Board of Directors; BNP Paribas Securities KK Tokyo, Director; Exane, Director; BNP Paribas North Americas, Chairman.
- Jean Stéphane: be.PharBel, Chairman of the Board of Directors; BESIX Group, Chairman of the Board of Directors; Groupe Bruxelles Lambert, Director; Innosté, Chairman of the Board of Directors & Managing Director; Nanocyl, Director; Vesalius Biocapital I & II, Chairman of the Board of Directors; Uteron Pharma, Director; Tigenix, Chairman of the Board of Directors; OncoDNA, Director; Ronveaux, Director; Theravectys, Director.
- Thierry Varène: BNP Paribas UK Holdings, Director; Banque de Financement et d'Investissement de BNP Paribas, Member of the Executive Committee.
- Stefaan Decraene: Bank of the West, Director; Banc West Corporation, Director; BNP Cardif, Director; BNP Paribas, Member of the Executive Committee; TEB Holding, Board Member.
- François Villeroy de Galhau: BGL BNP Paribas, Vice Chairman; Villeroy & Boch, member of the Supervisory Board; Bayard Presse Group, member of the Supervisory Board; BNL, Advisor; BNP Paribas, Managing Director; Leasing Solutions, Director; Arval Service Lease, Director; Cortal Consors SETR, Director.
- Max Jadot: BNP Paribas, Member of the Executive Committee; Bekaert, Director; Finheuster, Director; Stichting Administratiekantoor Bekaert, Director; Stichting Administratiekantoor Bosmer, Independent Director; BGL BNP Paribas, Board Member; BNP Paribas Fondation, Administrateur du college du Fondateur; BNP Paribas Fortis, The Netherlands Branch, Director; Universitair Ziekenhuis Leuven (Gasthuisberg), Director.
- Filip Dierckx: I.V.D., Chairman; S.D. Work for Society, Chairman; SD WORX, Chairman; S.D. Private Stichting, Chairman; S.D. Diensten, Chairman; Fortis Private Equity Belgium, Member of the Board of Directors; European Banking Federation (EBF), Member of the Board of Directors; BNP Paribas Belgian Branch, Chairman Board of Directors; Belgische Federatie van het Financiewezen (Febelfin) / BVB, Chairman & Member of the Board of Directors; Beschermingsfonds voor deposito's en financiële instrumenten, Member of the

Management Committee; ZENO, Chairman; Orientation Council Euronext, Member; Hazelheartwood, Director; BNP Paribas Fortis Foundation, Chairman; BNP Paribas Bank Polska SA, Vice-Chairman of the Supervisory Board; Ginkgo Associates, Manager.

- Didier Beauvois: BNP Paribas Factoring Coverage Europe Holding, member of the *Raad van Commissarissen*.
- Thomas Mennicken: BGL BNP Paribas, Director
- Yvan De Cock: BNP Paribas Fortis Foundation, Director; BNP Paribas Fortis Factor, Director; BNP Paribas Factoring Coverage Europe Holding, Director; Fortis Private Equity Belgium, Director; TEB A.S., Director & member of the Audit Committee (representative of BNPP Fortis); BNP Paribas Bank Polska SA, Director; BNPP Yatirimlar Holding, Director; BNPP Fortis Yatirimlar Holding, Director.
- Bert Van Rompaey: BNP Paribas Fortis Foundation, Director.
- Peter Vandekerckhove: AG Insurance SA, Director; Belgische Federatie van het Financiewezen (Febelfin) / BVB, Director; BNP Paribas Investment Partners (BNPP IP), Member of the Board of Directors (Permanent Representative of BNP Paribas Fortis); BNP Paribas Fortis Foundation, Director; Belgian Mobile Wallet, Director; Finedit, Director.
- Frédéric Van Gheluwe: None.
- Luc Haegemans: BNP Paribas Fortis Foundation, Vice Chairman & Managing Director; Genfinance International, Director; Belgolaise, Chairman; Fainfood, Director; Fonds de Dotations Paris, Director; Gemma Frisius-fonds K.U. Leuven, Director; Microstart, Director; Fortis Private Equity Management, Director; Marmo Group, Director (fixed representative of Fainfood); Marmo, Director (fixed representative of Fainfood); Brussels Airport Company, Director.
- Jacques Godet: Isabel, Chairman; Belgian Mobile Wallet, Chairman.
- Olivier de Broqueville: Xerus Management, Manager; Grandis, Director; LSM Advisory Board, Director; BNP Paribas Fortis Foundation, Director; EDP Fund, Director.
- Emmanuel Buttin: Bpost Bank, Member of the Board of Directors; Champy, Gérant.

Administrative, management, and supervisory bodies conflicts of interests

Aside from the matter mentioned on pages 210-212 of the 2013 annual report of BNPPF (incorporated by reference in this Base Prospectus), being the 'Indemnification of Directors' which were decisions of the Board of Directors of 7 February and 24 April 2013, to the best of BNPPF's knowledge, no conflicts of interest exist between any duties to BNPPF of the persons set out above and their private interests. However, functional conflicts of interest may exist due to roles held by these persons in other affiliates of BNPPF.

Audit, Risk & Compliance Committee (ARCC)

The role of the ARCC is to assist the Board of Directors in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense within BNPPF, including internal control over financial reporting and risk.

Role and responsibilities

The ARCC shall monitor, review and make recommendations to the Board of Directors regarding:

Audit

- the *performance of the external audit process*: the ARCC oversees the work performed by the external auditors, reviews their audit plan, formally evaluates their performance at least once every three years against stated criteria and makes recommendations to the Board of Directors regarding their appointment or reappointment, mandate renewal and remuneration. The ARCC follows up on questions or recommendations of the external auditors. The ARCC also monitors the independence of external audit firms, including the review and approval of non-audit services provided to BNPPF.
- the *performance of the internal audit process*: the ARCC oversees the work performed by the internal audit department and endorses the annual audit plan, including focal point audit assignments, scope and audit budget. It monitors the follow-up that management gives to the internal audit's recommendations and takes part in the external quality assessment of the internal audit department organised at least once every five years and concurs in the appointment or dismissal of the General Auditor.

Risk

- the *major risk exposures of BNPPF and the operation of internal risk management and control systems*, including supervision of the enforcement of the relevant legislation and regulations. This implies that the ARCC identifies and acknowledges major risk areas such as investment risk, credit risk, market risk and liquidity risk.

Compliance & Operational Risk

- the *coherence and effectiveness of the internal control system*: this includes the overseeing and reviewing of the coherence and the effectiveness of the internal control system of BNPPF, through oversight and controls, more specifically with regard to its permanent control, the compliance of its activities with internal and external laws and regulations and the protection of its reputation. This includes the supervision of operational risk management. The ARCC concurs in the appointment or dismissal of the Chief Compliance Officer ("**Conformité**"). The ARCC also regularly reviews the effectiveness of the BNP Paribas Fortis Internal Alert System.

Financial Reporting

- the integrity of financial statements and of any report on BNPPF financial performance. This includes the consistent application of accounting principles (and changes thereto) and the quality of internal control over financial reporting;
- the consolidation scope and accounting principles; and
- the annual report and the statements to be made by the Board of Directors therein as well as any external or official communication on the financial statements or the financial performance of BNPPF.

Corporate governance

BNPPF generally complies with the principles and provisions of the Belgian corporate governance code of 2009 (the "**Code**"). Main differences relate to Principle 8 (*Dialogue with shareholders*). The fact that BNPPF is not able to comply with all of the provisions of Principle 8 of the Code relates to the ownership of BNPPF. On the one hand the 'free float' is limited to 0.07% of the issued shares while, on the other hand, is the fact of BNPPF's commercial and operational integration within its controlling shareholder, BNP Paribas SA, which holds 99.93% of the issued shares. Nevertheless, BNPPF constantly communicates with its various stakeholders through its website and other media.

7. General

The basis for any statements in this Base Prospectus made by BNPPF regarding its competitive position originate from BNPPF's evaluation of market trends and should generally reflect market views.

The business address of all members of the Board of Directors of BNPPF is Rue Royale 20, B-1000 Brussels, Belgium.

8. Trend information

Macro-economic environment.

Market and macroeconomic conditions affect BNPPF's results. The nature of BNPPF's business makes it particularly sensitive to market and macroeconomic conditions in Europe, which have been difficult and volatile in recent years.

In 2013, the global economy began to move towards equilibrium, with several emerging countries slowing down and a slight recovery in the developed countries. In 2013, global economic conditions remained generally stable as compared to 2012. IMF and OECD economic forecasts⁷ for 2014 generally indicate a renewal of moderate growth in developed economies albeit less strong and uniform in the Euro-Zone. Their analysts consider that uncertainties remain regarding the strength of the recovery, particularly in light of the U. S. Federal Reserve's announcement in December 2013 that it would gradually reduce ("taper") its stimulus program, and in the Euro-zone, where a risk of deflation exists.

Within the Euro-zone, sovereign credit spreads continued to decrease in 2013 following the decrease recorded in 2012 from the previous historically high levels. The financial condition of certain sovereigns has markedly improved but there remains uncertainty as to the solvency of some others.

Laws and Regulations Applicable to Financial Institutions.

Laws and regulations applicable to financial institutions that have an impact on BNPPF have significantly evolved in the wake of the global financial crisis. The measures that have been proposed and/or adopted in recent years include more stringent capital and liquidity requirements (particularly for large global banking groups such as the BNP Paribas Group), taxes on financial transactions, restrictions and taxes on employee compensation, limits on the types of activities that commercial banks can undertake and ring-fencing or even prohibition of certain activities considered as speculative within separate subsidiaries, restrictions on certain types of financial products, increased internal control and reporting requirements, more stringent conduct of business rules,

⁷ See in particular: IMF – World Economic Outlook Update – January 2014 and G20 Note on Global Prospects and Policy Challenges – February 2014, OECD – The Global Economic Outlook – November 2013

mandatory clearing and reporting of derivative transactions, requirements to mitigate risks in relation to over-the-counter derivative transactions and the creation of new and strengthened regulatory bodies. The measures that were recently adopted, or in some cases proposed and still under discussion, that have or are likely to affect BNPPF, include in particular the EU Directive and Regulation on prudential requirements “CRD IV” dated 26 June 2013 and many of whose provisions have been applicable since 1 January 2014; the proposals of technical regulatory and execution rules relating to the Directive and Regulation CRD IV published by the EBA; the Belgian banking Law; the public consultation for the reform of the structure of the EU banking sector of 2013 and the European Commission’s proposed regulation on structural measures designed to improve the strength of EU credit institutions of 29 January 2014; the proposal for a regulation on indices used as benchmarks in financial instruments and financial contracts; the European single supervisory mechanism; the European proposal for a single resolution mechanism and the proposal for a European Directive on bank recovery and resolution; the final rule for the regulation of foreign banks imposing certain liquidity, capital and other prudential requirements adopted by the U.S. Federal Reserve; the proposal of the U.S. Federal Reserve relating to liquidity ratios of large banks; and the “Volcker” Rule imposing certain restrictions on investments in or sponsorship of hedge funds and private equity funds and proprietary trading activities (of U.S. banks and to some extent non-U.S. banks) that was recently adopted by the U.S. regulatory authorities. More generally, regulators and legislators in any country may, at any time, implement new or different measures that could have a significant impact on the financial system in general or BNPPF in particular.

9. Accredited statutory auditors of BNPPF

The financial statements for the year ending 31 December 2013 of BNPPF have been audited by PricewaterhouseCoopers Reviseurs d’Entreprises S.C.C.R.L., represented by Roland Jeanquart, Partner, Woluwedal 18, B-1932 Sint-Stevens Woluwe, Brussels, and Deloitte Reviseurs d’Entreprises SC sous forme d’une S.C.R.L., represented by Philip Maeyaert and Frank Verhaegen, Partners, Berkenlaan 8b, B 1831 Diegem, in accordance with the laws of Belgium. An unqualified opinion on the consolidated financial statements with an explanatory paragraph has been issued on 26 March 2014. All are members of the *Instituut der Bedrijfsrevisoren (IBR)/Institut des Reviseurs d’Enterprises (IRE)*.

The financial statements for the year ending 31 December 2012 of BNPPF have been audited by PricewaterhouseCoopers Reviseurs d’Entreprises S.C.C.R.L., represented by Roland Jeanquart, Partner, Woluwedal 18, B 1932 Sint-Stevens Woluwe, Brussels, and Deloitte Reviseurs d’Entreprises SC sous forme d’une S.C.R.L., represented by Philip Maeyaert and Frank Verhaegen, Partners, Berkenlaan 8b, B 1831 Diegem, in accordance with the laws of Belgium. An unqualified opinion on the consolidated financial statements with an explanatory paragraph has been issued on 15 March 2013. All are members of the *Instituut der Bedrijfsrevisoren (IBR)/Institut des Reviseurs d’Enterprises (IRE)*.

10. Significant change in BNPPF's financing or trading position

There has been no significant change in the financial or trading position of BNPPF since 31 December 2013.

11. Material adverse change

There has been no material adverse change in the prospects of BNPPF since 31 December 2013.

12. Profit forecasts or estimates

This Base Prospectus does not include any profit forecasts or estimates with regard to BNPPF.

13. Legal and arbitration proceedings

Save as disclosed under "*Risk Factors*" and under "*Description of BNP Paribas Fortis*" in this Base Prospectus and under Note 8.j (*Contingent assets and liabilities*) on pages 188 and 189 of the 2013 Annual Report of BNPPF, there have been no governmental, legal and arbitration proceedings during a period covering 12 months prior to this Base Prospectus which may have, or have had in the recent past, significant effects on BNPPF's and/or group's financial position or profitability.

DESCRIPTION OF BNP PARIBAS FORTIS FUNDING

The following section applies to both Exempt Notes and Non-exempt Notes.

1. General

BP2F is a public limited liability company (*société anonyme*) incorporated for an unlimited duration under the laws of the Grand-Duchy of Luxembourg with its registered and principal office at 67, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg (telephone number +352 27 44 18 03) and registered with the Register of Commerce and Companies of Luxembourg under B. 24 784. BP2F is expecting to move its registered and principal office to rue Eugène Ruppert 19, L-2453 Luxembourg, Grand Duchy of Luxembourg by the end of June 2014.

BP2F was incorporated on 24 September 1986 in Luxembourg as a public limited liability company (*société anonyme*) with the name Genfinance Luxembourg S.A., which was then changed on 12 November 2001 to Fortis Luxembourg Finance S.A. and on 22 February 2010 to BNP Paribas Fortis Funding that is still, at the date of this Base Prospectus, its legal name and commercial name.

BP2F is registered with the Register of Commerce and Companies of Luxembourg under number B24784 (registered on 24 September 1986).

The Articles of Association of BP2F have been amended several times, most recently by notarial deed in Luxembourg on 23 March 2010.

The Articles of Association were published in the "*Mémorial C, Recueil des Sociétés et Associations*" on 29 November 1986 (C Nr332) and amendments thereto were also published in the "*Mémorial C, Recueil des Sociétés et Associations*".

There have been no recent events particular to BP2F that are to a material extent relevant to the evaluation of BP2F's solvency.

BP2F has not made any investments since the date of the last published financial statements.

The principal activities of BP2F are described in the following section.

2. Business overview

Principal activities

BP2F's main object is to grant loans to BNPPF and the companies controlled by BNPPF. In order to implement its main object, BP2F may issue bonds or similar securities, perform any refinancing operation, with or without a guarantee and in general have recourse to any sources of finance. BP2F can carry out any operation it perceives as being necessary to the accomplishment and development of its business, whilst staying within the limits of the Luxembourg law of 10 August 1915 on commercial companies (as amended).

Please refer to paragraph 9(b) below for more information about BP2F's object as stated in Article 4 of its Articles of Association.

Principal markets

Part of the (long-term) debt of BP2F is admitted to listing on the official list and trading on the regulated market of the Luxembourg Stock Exchange and/or on NYSE Euronext Amsterdam and/or on NYSE Euronext Brussels. The debt securities are sold to investors all over the world but mainly in Europe and within the scope of any applicable selling restrictions.

3. Organisational structure

BP2F is owned at 99.995 per cent. by BNPPF that is part of the BNP Paribas group.

4. Trend information

The information disclosed under the section headed "*Trend Information*" in the "*Description of BNP Paribas Fortis SA/NV*" above is also relevant in relation to BP2F and should be referred to for known trends likely to have a material effect on BP2F's prospects for the current financial year.

5. Administrative, management and supervisory bodies

(a) Board of Directors

As at the date of this Base Prospectus, the Board of Directors of BP2F comprises the following persons:

Name	Principal activities* performed by them outside BP2F which are significant with respect to BP2F
Dirk Dewitte	Director and CFO of BP2F. Branch Manager (CEO) of the BNP Paribas Belgian branch
Pierre Vanhove	Director of BP2F. Head of medium and long term funding of BNP Paribas Fortis
Pietro Longo	Director of BP2F. Director Strategic Product Development of Intertrust Luxembourg S.à.r.l.
Luc Henrard	Director of BP2F. Member of Managing Committee and Chief Risk Officer of BGL BNP Paribas
Didier Gible	Director and chairman of the board of directors of BP2F. Director Risk ALM-T of BNP Paribas Fortis
Yvon Pierre Antoni	Director of BP2F. Head of ALM Funding of BGL BNP Paribas
Jonathan Lepage	Director of BP2F. Business Unit Director of Intertrust Luxembourg S.à.r.l

**Except for their principal functions in BNPPF, their other functions in BNPPF have not been included.*

For the purpose of this Base Prospectus, the business address of the Directors is 67, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg until the move referred to in paragraph 1 above is completed. Thereafter the business address of the Directors will be rue Eugène Ruppert 19, L-2453 Luxembourg.

No member of the Board of Directors works on a full-time basis for BP2F.

From 1 January 2013, Mr. Pierre Vanhove works twenty per cent. of the time for BP2F.

(b) *Administrative, management, and supervisory bodies conflicts of interests*

No conflicts of interests exist between any duties to the issuing entity of the persons referred to above at paragraph 6(a) and their private interests.

However, functional conflicts of interests may exist for the persons referred to above at paragraph 5(a) due to the roles held by these persons in other affiliates of BNPPF (as described above at paragraph 5(a)).

6. Board practices

BP2F does not have an audit committee. An audit committee exists at BNPPF level.

Other than the provisions of the Luxembourg law of 10 August 1915 on commercial companies, as amended, which BP2F is required to comply with, under Luxembourg company law, there is currently no other legal corporate governance regime under Luxembourg law that a company must comply with.

7. Major shareholders

BNPPF holds 99.995 per cent. of BP2F shares.

8. Financial information concerning BP2F assets and liabilities, financial position and profits and losses

Financial statements

BP2F has no subsidiaries and therefore its financial statements are produced on an unconsolidated basis.

The annual accounts of BP2F are included in the consolidated financial statements of BNPPF. The consolidated financial statements of BNPPF are available at its registered office: 3 Montagne du Parc, B-1000 Brussels, Belgium.

Auditing of historical annual financial information

The annual accounts and cash flow statements of BP2F for the year ended 31 December 2012 have been audited without qualification by Deloitte S.à r.l. as approved independent auditor (*réviseur d'entreprises agréé*) whose registered office is 560, rue de Neudorf, L-2220 Luxembourg who is a member of the Institut des Réviseurs d'Entreprises.

The annual accounts and cash flow statements of BP2F for the year ended 31 December 2013 have been audited without qualification by Deloitte S.à r.l. as approved independent auditor (*réviseur d'entreprises agréé*) whose registered office is 560, rue de Neudorf, L-2220 Luxembourg, who is a member of the Institut des Réviseurs d'Entreprises.

No other information in this "*Description of BNP Paribas Fortis Funding*" has been audited by the auditor.

Age of latest financial information

The latest audited financial information of BP2F incorporated by reference in this Base Prospectus is the financial information for the financial year ended 31 December 2013.

Interim and other financial information

At or about the end of August 2014 BP2F will publish unaudited interim financial information for the six-month period ending 30 June 2014.

9. Additional information

(a) Share capital

BP2F issued and authorised share capital at 31 December 2013 is EUR 500,000 represented by 20,000 ordinary shares with a nominal value of EUR 25 each. BP2F has no other classes of shares. The share capital is fully paid up in cash. BP2F has no notes cum warrants, nor any convertible notes outstanding.

(b) Memorandum and Articles of Association

Article 4 of the Articles of Association states:

The purpose of BP2F is the direct and indirect funding by whatever means of its subsidiaries, of BNP Paribas Fortis and of companies controlled by BNP Paribas Fortis and the granting to said companies of any assistance, loan, advance or guarantee and/or any service of financial aid and any related administrative help.

In order to implement its purpose, BP2F may especially:

- (a) perform any refinancing operation and especially solicit any kind of borrowing, obtain any kind of credit, participate in securitisation transactions and collect funds mainly by the issue in whatever form of bonds or similar securities, debts, claims, certificates, warrants and any other kind of financial instruments; said list of transactions being not exhaustive;
- (b) grant guarantees, pledge, or deliver any other kind of security, whether by personal commitment or by mortgage or encumbrance on all part of the company's assets;
- (c) conclude any kind of provisional transfer of securities and especially swaps (transactions on credit derivatives included), of options and futures, said list of transactions being not exhaustive;
- (d) conclude any kind of provisional transfer of securities and especially of loans of securities and of borrowings against assets, said list of transactions being not exhaustive.

BP2F may carry out any operation which it deems necessary to the implementation and development of its purpose, remaining however within the limits fixed by the law of 10 August 1915 on commercial companies, as amended.

10. Selected financial information

Extracted without material adjustment from the audited annual accounts of BP2F for the year ended 31 December 2013, which have been prepared in conformity with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

	31.12.2012	31.12.2013
	EUR	EUR
Selected items of the Balance Sheet		
Assets		
Fixed assets (loans to affiliated undertakings)	6,763,911,498	5,167,738,500
Current assets (Amounts owed by affiliated undertakings becoming due and payable after less than 1 year)	933,735,013	235,086,058
Total assets	7,853,435,205	5,501,021,541
Liabilities		
Capital and reserves	7,136,902	7,046,710
Subordinated creditors	1,811,125,851	1,656,721,743
Non-subordinated debts		
Non-convertible loans		
- becoming due and payable within 1 year	2,043,358,203	201,683,146
- becoming due and payable after more than 1 year	3,040,052,136	3,326,487,586
Charges & Income: selected items		
Income from financial fixed assets derived from affiliated undertakings	164,102,344	129,660,813
Total income	368,793,560	388,490,879
Interest payable and similar charges	291,638,574	335,364,583
Profit for the financial year	1,583,350	1,109,807

The above information for the years ended 31 December 2012 and 2013 should be read in conjunction with, the audited annual accounts (including the notes thereto) of BP2F for the year ended 31 December 2013. The audited and approved annual accounts of BP2F for the years ended 31 December 2012 and 2013 are available free of charge at the registered and principal office of BP2F and are also available on the web site of BP2F (www.bp2f.lu).

11. Statement regarding competitive position

The basis for any statements in this Base Prospectus made by BP2F regarding its competitive position originate from the BP2F's evaluation of market trends and should generally reflect market views.

See also paragraph 6 of the "General Information" section below.

12. Significant change in BP2F's financing or trading position

There has been no significant change in the financial or trading position of BP2F since 31 December 2013.

13. Material adverse change

There has been no material adverse change in the financial position or prospects of BP2F since 31 December 2013.

14. Profit forecasts or estimates

This Base Prospectus does not contain any profit forecast or estimates with regard to BP2F.

15. Legal and arbitration proceedings

There are to date no material legal and arbitration proceeding against BP2F. There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BP2F is aware), during a period covering 12 months prior to this Base Prospectus which may have, or have had in the recent past, significant effects on BP2F's financial position or profitability.

DESCRIPTION OF THE GUARANTEE

The following section applies to both Exempt Notes and Non-exempt Notes.

1. Nature of the Guarantee

BNP Paribas Fortis SA/NV (the "**Guarantor**" or "**BNPPF**") will, by the guarantee endorsed on the Notes (in the case of Bearer Notes) or contained in the Deed of Covenant (in the case of Registered Notes) (the "**Guarantee**"), guarantee the due and punctual payment of all amounts due by BNP Paribas Fortis Funding (the "**Issuer**") under the Notes and coupons relating to them, when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Guarantee can be Senior, Senior Subordinated or Junior Subordinated, as described under Condition 3 as set out in the section entitled "*Terms and Conditions of the Notes*".

2. Scope of the Guarantee

The scope of the relevant guarantee is defined under Condition 3 of the section entitled "*Terms and Conditions of the Notes*" and in the Deed of Guarantee.

3. Forms of Guarantee

In the case of Notes issued by BP2F, guaranteed by the Guarantor, the following forms of guarantees (as appropriate) will be appended to the relevant Global Note and endorsed thereon by the Guarantor.

Form of Senior Guarantee and Senior Subordinated Guarantee

The following section applies to both Exempt Notes and Non-exempt Notes.

*BNP PARIBAS FORTIS SA/NV (the "**Guarantor**") unconditionally and irrevocably guarantees to the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) the due and punctual payment, in accordance with the Terms and Conditions of the Notes (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein and any reference herein to the "Terms and Conditions" is to the Terms and Conditions of the Notes set out in Schedule 2 of an amended and restated agency agreement dated on or about 13 June 2014 between BNP Paribas Fortis Funding and BNP Paribas Fortis SA/NV (the "**Issuers**"), the Guarantor and BNP Paribas Securities Services, Luxembourg Branch as supplemented, amended and/or replaced by the Final Terms/Drawdown Prospectus), of the principal of, interest (if any) on, and any other amounts payable under, this Note upon the following terms:*

- (a) In the event of any failure by BNP PARIBAS FORTIS FUNDING ("**BP2F**") to pay punctually any such principal, interest (if any) or other amount, the Guarantor agrees to cause each and every such payment to be made as if the Guarantor instead of BP2F were expressed to be the primary obligor of this Note or, as the case may be, of any Coupons and/or Receipts appertaining hereto to the intent that the holder shall receive the same amounts in respect of principal, interest (if any) or such other amount as would have been receivable had such payments been made by BP2F.*
- (b) The Guarantor agrees that its obligations under this Guarantee shall be [[unconditional and]⁸] irrevocable, irrespective of the validity, regularity or enforceability of any Note or any Coupon and/or Receipt, the absence of any action to enforce the same, the recovery of any judgment against BP2F or any action to enforce the same or any other circumstance which might otherwise constitute a discharge or defence of a guarantor [and, in general, waives the benefit of Article 2037 of the Belgian Civil Code to the extent applicable]⁹.*
- (c) The Guarantor confirms with respect to each Note (and Coupon and/or Receipt, if any) and the indebtedness evidenced thereby, that it does not have and will not assert as a defence to any claim hereunder any right to require any proceeding first against BP2F nor will it assert as a defence to any claim hereunder any lack of diligence, presentment to BP2F or the Paying Agents, any demand for payment from BP2F or the Paying Agents, any filing of claims with any court in the event of merger, insolvency or bankruptcy of BP2F, any protest, notice or any other demand whatsoever (other than a demand for payment of this Guarantee) and the Guarantor covenants that this Guarantee will not be discharged except by complete performance of the obligations contained in each Note (and Coupon and/or Receipt if any) and in this Guarantee.*
- (d) [This Guarantee constitutes a direct, unconditional, irrevocable, unsubordinated and (subject to the provisions below) unsecured obligation of the Guarantor and ranks pari passu (subject to mandatorily preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.]¹⁰*
- (e) [This Guarantee constitutes a direct, irrevocable, subordinated and unsecured obligation of the Guarantor.*

The rights and claims of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining thereto) under or pursuant to this Guarantee shall in the event of a concours de tous les créanciers sur l'ensemble de patrimoine/samenloop van alle schuldeisers op het geheel van het

⁸ Delete if the Guarantee is a Senior Subordinated Guarantee.

⁹ Delete if the Guarantee is a Senior Guarantee.

¹⁰ Delete if the Guarantee is a Senior Subordinated Guarantee.

vermogen (competition between all creditors over all assets) (including faillite/faillissement (bankruptcy) and liquidation volontaire ou forcée/vrijwillige of gedwongen vereffening (voluntary or compulsory liquidation)) of the Guarantor or any other event under Belgian law having equivalent or similar effect, be irrevocably subordinated in right of payment to the claims of the depositors and the Senior Creditors and by the holding of this Note, the holder hereof hereby irrevocably waives its right to equal treatment with such depositors and Senior Creditors.

Accordingly, in any such event, the liabilities of the Guarantor under or pursuant to this Guarantee shall not be required to be satisfied until satisfaction of all indebtedness of the Guarantor to the depositors and the Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment.

For the avoidance of doubt, the rights and claims of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) under or pursuant to this Guarantee shall rank at least *pari passu* and shall not be subordinated to other claims against the Guarantor which are subordinated (or expressed by their terms to be subordinated) in right of payment.

For the purpose of this paragraph 4, "**Senior Creditors**" means creditors (whether secured or unsecured) of the Guarantor, the claims of which against the Guarantor are not subordinated in right of payment within the meaning set forth in this paragraph 4 regardless of whether such claims existed at the date hereof or arose subsequent hereto and regardless of whether such claims pertain to indebtedness with fixed or undetermined maturity date.¹¹

- (f) The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Terms and Conditions of the Notes which relate to it.
- (g) [(i) This Guarantee and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.
- (ii) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Guarantee, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a "**Dispute**") and accordingly, each of the Guarantor and any Noteholders, Couponholders or Receiptholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (iii) For the purposes of this paragraph (g), the Guarantor and any Noteholders, Couponholders or Receiptholders waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iv) The Guarantor irrevocably appoints [] at [] as its agent under this Guarantee for service of process in any proceedings before the English courts in relation to any Dispute and agrees that in the event of [] being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this sub-paragraph shall affect the right to serve process in any other manner permitted by law.¹²]
- (h) [The Guarantor shall be subrogated in all rights of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) against BP2F in respect of any amounts paid or other performance by the Guarantor pursuant hereto; **provided that** the Guarantor shall not be entitled to

¹¹ Delete if the Guarantee is a Senior Guarantee.

¹² Delete if the Guarantee is a Senior Subordinated Guarantee

enforce or to receive any payments arising out of, or based upon, such right of subrogation unless and until this Note or, as the case may be, the Coupons and/or Receipts appertaining hereto shall have been paid in full.

- (i) *This Guarantee and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of Belgium.]*¹³

In witness whereof the Guarantor has caused this Guarantee to be duly executed.

Dated as of the Issue Date

*[EXECUTED as a deed by]*¹⁴

BNP PARIBAS FORTIS SA/NV

*[acting]*¹⁵

By: _____

[Name]

[Title]

(duly authorised)

¹³ Delete if the Guarantee is a Senior Guarantee

¹⁴ Delete if the Guarantee is a Senior Subordinated Guarantee

¹⁵ Delete if the Guarantee is a Senior Subordinated Guarantee

Form of Junior Subordinated Guarantee

The following section applies to both Exempt Notes and Non-exempt Notes.

*BNP PARIBAS FORTIS SA/NV (the "**Guarantor**") as primary obligor guarantees to the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) as a continuing guarantee the due and punctual payment, in accordance with the Terms and Conditions of the Notes (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein and any reference herein to the "Terms and Conditions" is to the Terms and Conditions of the Notes set out in Schedule 2 of an amended and restated agency agreement dated on or about 13 June 2014 between BNP Paribas Fortis Funding and BNP Paribas Fortis SA/NV, the Guarantor and BNP Paribas Securities Services, Luxembourg Branch as supplemented, amended and/or replaced by the Final Terms/Drawdown Prospectus) of all amounts payable by BNP PARIBAS FORTIS FUNDING ("**BP2F**") on or in respect of the Notes and/or Coupons and/or Receipts upon the following terms:*

- (a) If and each time that BP2F shall fail to make any payments as and when the same become due, the Guarantor will, subject as provided below, on demand (without requiring the Noteholder and/or Couponholder and/or Receiptholder first to take steps against BP2F or any other person) pay to the Noteholder and/or Couponholder and/or Receiptholder the amounts so payable by BP2F. In this connection the Guarantor waives its rights under Articles 2021 and 2037 of the Belgian Civil Code.*
- (b) The obligations of the Guarantor under this Guarantee shall not be affected by any matter or thing which but for this provision might operate to affect the obligations including, without limitation, (i) any time or indulgence granted to or composition with BP2F or any other person, (ii) the taking, variation, renewal or release of remedies or securities against BP2F or any other person, or (iii) any unenforceability or invalidity.*
- (c) Where any discharge (whether in respect of the obligations of BP2F or any security for the obligations of BP2F or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue as if there had been no discharge or arrangement. The holder of any Note and/or Coupon and/or Receipt acting bona fide and in good faith, shall be entitled to concede or compromise any claim that any payment, security or other disposition is liable to avoidance or repayment.*
- (d) This Guarantee constitutes a direct, unsecured and subordinated obligation of the Guarantor, conditional as described below, and will rank (i) pari passu without any preference among the other obligations of the Guarantor, including the Guarantees of the Notes, which are or are expressed to be subordinated to the unsecured subordinated obligations of the Guarantor but not further or otherwise ("**Junior Subordinated Obligations**"), (ii) junior to all present and future unsecured obligations of the Guarantor which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of the Guarantor but not further or otherwise ("**Senior Subordinated Obligations**"), (iii) at least equally and rateably with all other present and future obligations of the Guarantor which rank or are expressed to rank junior to the Senior Subordinated Obligations, and (iv) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by the Guarantor, subject to mandatory provisions of Belgian law.*

Claims in respect of this Guarantee are subordinated to the claims of Senior and Subordinated Creditors and except in the event of a concours de tous les créanciers sur l'ensemble de patrimoine/samenloop van alle schuldeisers op het geheel van het vermogen (competition between all creditors over all assets) (including faillite/faillissement (bankruptcy) or liquidation volontaire ou forcée/vrijwillige of gedwongen vereffening (voluntary or compulsory liquidation)) of the

Guarantor or any other event under Belgian Law having equivalent or similar effect (each a "**Winding-Up**"), payments in respect of this Guarantee are conditional upon the Guarantor being solvent at the time of payment by the Guarantor and no amount shall be due and payable in respect of this Guarantee except to the extent that the Guarantor could make such payment in whole or in part, rateably with payments in respect of Other Pari Passu Claims and still be solvent immediately thereafter.

For the purposes of this Guarantee, the Guarantor shall be solvent if (a) it is able to pay its debts as they fall due and (b) its Assets exceed its Liabilities (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the Guarantor by two directors of the Guarantor or by the auditors of the Guarantor or (if the Guarantor is in winding-up, liquidation or bankruptcy) the liquidator of the Guarantor, shall in the absence of proven error, be treated and accepted by BP2F, the Guarantor, the Noteholders, the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purpose of this Guarantee, "**Senior and Subordinated Creditors**" means, in relation to the Guarantor, all creditors of the Guarantor other than creditors whose claims are in respect of: (a) any class of equity (including preference shares), subject to mandatory provisions of Belgian law, or (b) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations of the Guarantor or (c) any other obligations which rank or are expressed to rank either pari passu with or junior to the claims of the Noteholders, Couponholders and Receiptholders (if any) under this Guarantee; "**Assets**" means the total assets of the Guarantor and "**Liabilities**" means the total liabilities of the Guarantor, each as shown by the latest published audited balance sheet of the Guarantor but adjusted for contingencies and for subsequent events, all valued in such manner as such directors, auditors or liquidator (as the case may be) may determine; and "**Other Pari Passu Claims**" means claims of creditors of the Guarantor which are subordinated so as to rank or are expressed to rank pari passu with the claims of the Noteholders, Couponholders and Receiptholders (if any) under this Guarantee.

- (e) In the event of an order being made or an effective resolution being passed for the winding-up, liquidation or bankruptcy of BP2F, then immediately thereupon and without further formality the Guarantor shall become the principal debtor under the Notes in place of BP2F and this Guarantee shall cease to be of any effect and the Noteholders, Couponholders and Receiptholders (if any) shall cease to have any rights or claims whatsoever against BP2F, **provided that:**
 - (i) the obligations of the Guarantor as principal debtor as aforesaid shall be subordinated to the same extent as its obligations under this Guarantee; and
 - (ii) no Noteholder, Couponholder or Receiptholder (if any) shall, as a result of any change in principal debtor as aforesaid, be entitled to claim from BP2F or the Guarantor any indemnification or payment in respect of any tax consequence of such change to individual Noteholders, Couponholders and Receiptholders (if any) except to the extent provided for by Condition 7.
- (f) Until all amounts which may be or become payable under this Guarantee have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Noteholder, Couponholder or Receiptholder (if any) or claim in competition with any Noteholder, Couponholder or Receiptholder (if any) against BP2F.
- (g) The Guarantor agrees that it shall comply with and be bound by those provisions in the Terms and Conditions of the Notes which relate to it. In the event of any conflict between the provisions of this Guarantee and those of the Terms and Conditions of the Notes or of any other document or instrument executed and delivered pursuant to the Terms and Conditions of the Notes, the provisions of this Guarantee shall prevail.

(h) *This Guarantee and all non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with Belgian law.*

In witness whereof the Guarantor has caused this Guarantee to be duly executed.

Dated as of the Issue Date

BNP PARIBAS FORTIS SA/NV

By: _____

[Name]

[Title]

(duly authorised)

TAXATION

The following section applies to both Exempt Notes and Non-exempt Notes.

TRANSACTIONS INVOLVING THE NOTES MAY HAVE TAX CONSEQUENCES FOR PROSPECTIVE INVESTORS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE PROSPECTIVE INVESTOR AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES, PROSPECTIVE INVESTORS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS.

The following is a general description of certain Austrian, Belgian, Luxembourg, Netherlands, French, German and Swiss tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium, Luxembourg and/or The Netherlands of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date (or even before with retroactive effect). The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including but not limited to, the legality of transactions involving the Notes.

Taxation in Austria

This section on taxation contains a brief summary of the Issuers' understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary furthermore only refers to investors which are subject to unlimited (corporate) income tax liability in Austria. It is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*)) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

General remarks

Individuals having a permanent domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a permanent domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of effective management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*) in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations

having neither their place of effective management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Notes

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the Notes from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the Notes *vis-à-vis* other countries, e.g. a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Notes as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) of 25 per cent; no additional income tax is levied over and above the amount of tax withheld (final taxation is applicable pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the investor's income tax return and is subject to tax at a flat rate of 25 per cent. In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25 per cent. at the lower progressive income tax rate (the option for regular taxation is available pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may neither be offset against interest and other claims *vis-à-vis* credit institutions nor against income from private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to tax at a flat rate of 25 per cent. may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the Notes as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (as described above) the income is subject to a withholding tax of 25 per cent. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (which shall be subject to tax at a flat rate of 25 per cent.). In case of

investment income without an Austrian nexus, the income must always be included in the investor's income tax return (generally subject to tax at a flat rate of 25 per cent.). In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25 per cent. at the lower progressive income tax rate (the option for regular taxation is available pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to tax at the flat tax rate of 25 per cent., are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the Notes at a rate of 25 per cent. In case of investment income with an Austrian nexus (as described above) the income is subject to a withholding tax of 25 per cent., which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not, in practice, levied in the first place. Income from the alienation of the Notes is subject to corporate income tax of 25 per cent. Losses from the alienation of the Notes can be offset against other income (and carried forward).

Private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act fulfilling (*Privatstiftungsgesetz*) the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*) and holding the Notes as non-business assets are subject to interim taxation at a rate of 25 per cent. on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income with an Austrian nexus (as described above) income is in general subject to a withholding tax of 25 per cent., which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not, in practice, levied.

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then withholding tax on the positive income is to be credited, with such tax credit being limited to 25 per cent. of the negative income. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation on the offsetting of losses for each bank deposit to the taxpayer.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011 as amended in the course of the implementation of Directive 2011/61/EU and as applicable to business years of investment funds starting after 21 July 2013, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organised in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15 per cent.; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. To date no guidance has been issued by the tax authorities on the interpretation of this new provision. In case of a qualification as a foreign investment fund the tax consequences would substantially differ from those described above.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*) – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU member state (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (*EU-Quellensteuer*) of 35 per cent. if no exception from such withholding applies. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. It is expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments – will enter into effect by 1 January 2017.

Regarding the issue of whether index certificates are also subject to EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest. The exact tax treatment of index certificates furthermore depends on their underlying.

Tax treaties between Austria/Switzerland and Austria/Liechtenstein

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss or Liechtenstein paying agent, as the case may be, has to withhold a tax amounting to 25 per cent. on, *inter alia*, interest income, dividends and capital gains from assets booked with an account or deposit with such a Swiss or Liechtenstein paying agent, if the relevant holder of such assets (*i.e.* in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company [*Sitzgesellschaft*]) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent, if the relevant holder of the assets (*i.e.* in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss or Liechtenstein paying agent, as the case may be, to disclose to the competent Austrian authority the income and capital gains; these subsequently have to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income

from such financial assets is subject to tax at the flat rate of 25 per cent. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5 per cent., with a higher rate of 25 per cent. applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by it: in case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10 per cent. of the fair market value of the assets transferred.

Further, gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

Taxation in Belgium

The following summary describes the principal Belgian tax considerations with respect to the holding and selling of Notes. This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. In some cases, different rules can be applicable.

This summary is based on Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this Base Prospectus, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

For Belgian tax purposes, if interest is in a foreign currency, it is converted into Euro on the date of payment or attribution.

Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.

The tax treatment in Belgium of the Notes will differ depending on whether the issuer of the Notes is BNPPF or BP2F. Notes issued by BNPPF will hereafter be referred to as "**Belgian Notes**" while Notes issued by BP2F will be referred to as "**Foreign Notes**".

Belgian Notes may be cleared through the X/N System. The withholding tax treatment in respect of Notes cleared through the X/N System is different from that of other Notes and is set out below under the heading "*Tax treatment applicable to Belgian Notes held in the X/N System*".

Moreover, the tax treatment in respect of Notes not held in the X/N System depends on whether the Notes qualify as Structured Notes, as defined below.

- (a) Tax treatment of Foreign Notes and Belgian Notes that are not held in the X/N System
- (i) Structured Notes

On 25 January 2013, the Belgian tax authorities issued a circular letter on the Belgian tax treatment of income from structured securities characterised by an uncertain return on investment due to the variation of the coupons or the repayment terms at maturity, such as securities whose return is linked to the evolution of underlying products. According to the circular letter, the transfer of structured

securities to a third party (other than the issuer) results in taxation as interest income of the "*pro rata* interest", calculated on an unclear formulae. In addition, any amount paid in excess of the initial issue price upon redemption or repayment of the structured securities is considered as interest for Belgian tax purposes. It is highly debatable whether the circular letter is in line with Belgian tax legislation. Furthermore, it is unclear whether the Belgian tax authorities will seek to apply the principles set out in the circular letter to the structured Notes (hereafter referred to as the "**Belgian Structured Notes**" and the "**Foreign Structured Notes**", together the "**Structured Notes**").

It is assumed that any gains realised upon redemption or repayment of the Structured Notes by the Issuer will indeed be viewed as interest by the Belgian tax authorities (and any such gains are therefore referred to as "interest" for the purposes of the following paragraphs), but that the effective taxation of the "*pro rata* interest" in case of sale to a third party (i.e. other than the Issuer) would not be possible, on the basis that it is currently impossible to determine the amount of the "*pro rata* interest".

Repayment or redemption by the Issuer

Belgian resident individuals

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), who are holding the Structured Notes as a private investment are subject to the following tax treatment with respect to the Structured Notes in Belgium. Other rules may be applicable in special situations, in particular when Belgian resident individuals acquire the Structured Notes for professional purposes or when their transactions with respect to the Structured Notes fall outside the scope of the normal management of their own private estate.

Interest payments on Belgian Structured Notes will be subject to a 25 per cent. withholding tax in Belgium. Similarly, interest payments on Foreign Structured Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Structured Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

Nevertheless, Belgian resident individuals may elect to declare interest on the Structured Notes in their personal income tax return. Also, if interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared this way will in principle be taxed at a flat rate of 25 per cent. (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, whichever is more beneficial) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability. Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are subject to the following tax treatment with respect to the Structured Notes in Belgium. Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the Belgian Income Tax Code 1992.

Interest received by Belgian resident companies on the Structured Notes will be subject to Belgian corporate income tax at the applicable corporate income tax rates (the ordinary corporate income tax rate is 33.99 per cent., but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the

foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

Interest payments on the Belgian Structured Notes will be subject to a 25 per cent. withholding tax in Belgium. Similarly, interest payments on the Foreign Structured Notes made through a paying agent in Belgium are in principle be subject to a 25 per cent. withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption can only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions. Other Belgian resident legal entities

Belgian resident legal entities, i.e. legal entities that are subject to Belgian tax on legal entities ("Rechtspersonenbelasting/impôt des personnes morales"), are subject to the following tax treatment with respect to the Structured Notes in Belgium.

Interest payments on Belgian Structured Notes will be subject to a 25 per cent. withholding tax in Belgium. Similarly, interest payments on Foreign Structured Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium. If Belgian withholding tax was levied, no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the Belgian resident legal entity itself is responsible for the deduction and payment of the 25 per cent. withholding tax. Belgian non-residents

Interest income on Belgian Structured Notes paid to non-residents of Belgium and interest income on Foreign Structured Notes paid to non-residents of Belgium through a professional intermediary in Belgium will, in principle, be subject to a 25 per cent. withholding tax. Lower rates may apply if the holder of the Structured Notes is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If interest on Foreign Structured Notes is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors who have allocated the Structured Notes to the exercise of a professional activity in Belgium through a permanent establishment are subject to the same income tax treatment as Belgian resident companies or Belgian resident individuals holding the Notes for professional purposes (see above).

Sale to a third party

No Belgian withholding tax should apply with respect to the Structured Notes.

Belgian resident individuals

Individuals that are Belgian residents for tax purposes, i.e. who are subject to Belgian personal income tax ("Personenbelasting/Impôt des personnes physiques"), are currently not liable to Belgian income tax on the capital gains (if any) realised upon disposal of the Structured Notes to a third party, provided that the Structured Notes have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the Structured Notes held as a non-professional investment are in principle not tax deductible.

However, Belgian resident individuals may be subject to a 33 per cent. Belgian income tax (plus local surcharges) if the capital gains on the Structured Notes are deemed to be speculative or outside

the scope of the normal management of the individuals' private estate. Capital losses arising from such transactions are not tax deductible.

Capital gains realised upon transfer of Structured Notes held for professional purposes are taxable at the ordinary progressive income tax rates (plus local surcharges), except for Structured Notes held for more than five years, which are taxable at a separate rate of 16.5 per cent. (plus local surcharges). Capital losses on the Structured Notes incurred by Belgian resident individuals holding the Structured Notes for professional purposes are in principle tax deductible.

Belgian resident companies

Companies that are Belgian residents for tax purposes, i.e. that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are liable to Belgian corporate income tax on the capital gains (if any) realised upon disposal of the Structured Notes to a third party, irrespective of whether such Structured Notes relate to shares or other assets or indices. The current standard corporate income tax rate in Belgium is 33.99 per cent. Capital losses realised upon disposal of the Structured Notes are in principle tax deductible. Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the Belgian Income Tax Code 1992.

Other Belgian resident legal entities

Non-corporate legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian income tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are currently not liable to Belgian income tax on capital gains (if any) realised upon disposal of the Structured Notes to a third party.

Capital losses realised upon disposal of the Structured Notes are in principle not tax deductible.

Belgian non-residents

Non-resident investors who have allocated the Structured Notes to the exercise of a professional activity in Belgium through a permanent establishment are subject to the same income tax treatment as Belgian resident companies or Belgian resident individuals holding the Notes for professional purposes (see above).

(ii) Other Notes

The following summary describes the principal Belgian tax considerations with respect to Notes other than Structured Notes and that are not held in the X/N System.

For Belgian tax purposes, periodic interest income and amounts paid by the relevant Issuer in excess of the issue price (whether or not on the maturity date) are qualified and taxable as "interest". In addition, if the Notes qualify as fixed income securities within the meaning of article 2, §1, 8° of the Belgian Income Tax Code of 1992, in case of a realisation of the Notes between two interest payment dates, an income equal to the *pro rata* of accrued interest corresponding to the holding period is also taxable as interest.

Belgian resident individuals

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), and who hold the Notes as a private investment, are in Belgium subject to the following tax treatment with respect to the Notes. Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

Interest payments on Belgian Notes will be subject to a 25 per cent. withholding tax in Belgium. Similarly, interest payments on Foreign Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 25 per cent.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible. Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are in Belgium subject to the following tax treatment with respect to the Notes. Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the Belgian Income Tax Code 1992.

Interest derived by Belgian resident companies on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax at the applicable corporate income tax rates (the ordinary corporate income tax rate is 33.99 per cent., but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

Interest payments on the Belgian Notes will be subject to a 25 per cent. withholding tax in Belgium. Similarly, interest payments on the Notes made through a paying agent in Belgium are in principle be subject to a 25 per cent. withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption can only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Other Belgian resident legal entities, i.e. legal entities that are subject to Belgian income tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are subject to the following tax treatment with respect to the Notes in Belgium.

Interest payments on Belgian Notes will be subject to a 25 per cent. withholding tax in Belgium. Similarly, interest payments on Foreign Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium. If Belgian withholding tax was levied, no further Belgian income tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the Belgian resident legal entity itself is responsible for the deduction and payment of the 25 per cent. withholding tax.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined above). Capital losses are in principle not tax deductible. Belgian non-residents

Interest income on Belgian Notes paid to non-residents of Belgium and interest income on Foreign Notes paid to non-residents of Belgium through a professional intermediary in Belgium will, in principle, be subject to a 25 per cent. withholding tax. Lower rates may apply if the holder of the Notes is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If interest on Foreign Notes is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors who have allocated the Notes to the exercise of a professional activity in Belgium through a permanent establishment are subject to the same income tax treatment as Belgian resident companies or Belgian resident individuals holding the Notes for professional purposes (see above).

(b) Tax treatment applicable to Belgian Notes held in the X/N System

Withholding tax

The holding of the Notes in the NBB clearing and settlement system permits most types of investors (the "**Eligible Investors**", see below) to collect interest on their Notes free of withholding tax, and to trade their Notes on a gross basis.

Participants in the NBB system must keep the Notes they hold for the account of Eligible Investors on so called "**X accounts**", and those they hold for the account of non-Eligible Investors on "**N accounts**". Payments of interest made through X accounts are free of withholding tax; payments of interest made through N accounts are subject to a withholding tax of 25 per cent., which the NBB deducts from the payment and pays over to the tax authorities. In the case of Notes issued at a discount, the difference between the issue price and the nominal amount constitutes interest for these purposes.

Transfers of Notes between an X account and an N account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N account (to an X account or a N account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. The withholding tax is due in euro, and is calculated based on the rate of exchange published two business days earlier by the NBB.
- A transfer from an X account (or an N Account) to an N account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. The refund is payable in euro, and is calculated based on the rate of exchange published two business days earlier by the NBB.
- Transfers of Notes between two X accounts do not give rise to any adjustment on account of withholding tax.

These adjustment mechanics are such that parties trading the Notes on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis.

The main categories of Eligible Investors are as follows:

- Belgian resident corporate investors;
- corporate investors who are non-residents of Belgium, whether they have a permanent establishment in Belgium or not;
- individuals who are non-residents of Belgium, unless their holding of the Notes is connected to a permanent establishment they have in Belgium; and
- investment funds governed by foreign law that are an indivisible estate managed by a management company for the account of the participants (such as *fonds de placement/beleggingsfondsen*) and whose units are not publicly offered or marketed in Belgium.

The main categories of non-Eligible Investors are:

- Belgian resident individuals; and
- most Belgian non profit organisations.

(The above categories summarise the detailed definitions contained in Article 4 of the Belgian royal decree of 26 May 1994 on the deduction of withholding tax ("*Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier/Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*"), to which investors should refer for a precise description of the relevant eligibility rules.)

When opening a securities account for the holding of Notes or other securities kept in the X/N System, investors are required to provide the financial institution where this account is kept with a statement as to their tax status. This statement need not be periodically reissued, save that investors need to inform the financial institution of any changes to the information contained in it. No such statement is required of investors who are non-residents of Belgium and keep their Notes on a securities account through Euroclear or Clearstream, Luxembourg.

Belgian resident individuals

For Belgian resident individuals, i.e., natural persons who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*") and who hold the Notes as a private investment, payment of the 25 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments. This means that they do not have to declare interest in respect of the Notes in their personal income tax return, provided that Belgian withholding tax has effectively been levied on the interest.

Nevertheless Belgian resident individuals may elect to declare interest in respect of the Notes in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 25 per cent. (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer's other declared income, whichever is more beneficial). The Belgian withholding tax levied may be credited.

Capital gains realised on the sale of the Notes are in principle tax exempt, except to the extent the capital gains are realised outside the scope of the management of one's private estate or except to the extent they qualify as interest (as described in "*Other Notes*" above). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

Belgian resident companies

Interest attributed or paid to companies that are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), as well as capital gains realised upon the disposal of Notes are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. (or the relevant progressive corporate income tax rate(s) in the case of certain corporations with limited profits). Capital losses realised upon the disposal of the Notes are in principle tax deductible.

Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the Belgian Income Tax Code 1992.

Belgian resident legal entities

For Belgian legal entities subject to Belgian legal entities tax ("*Rechtspersonenbelasting/impôt des personnes morales*") and which have been subject to the 25 per cent. withholding tax on interest payments, such withholding tax constitutes the final taxation.

Belgian legal entities which have received interest income on the Notes without deduction for or on account of Belgian withholding tax are required to declare and pay the 25 per cent. withholding tax to the Belgian tax authorities themselves.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest (as described in "*Other Notes*" above). Capital losses are in principle not tax deductible.

Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Notes through a permanent establishment in Belgium will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Notes, provided that they qualify as Eligible Investors and that they hold their Notes in an X account.

If the Notes are not entered into an X account by the Eligible Investor, withholding tax on the interest is in principle applicable at the rate of currently 25 per cent., possibly reduced pursuant to a double taxation agreement.

(c) Belgian tax on stock exchange transactions

A tax on stock exchange transactions ("*Taxe sur les opérations de bourse/Taks op de Beursverrichtingen*") will be levied on the sale and acquisition of the Notes on the secondary market if executed in Belgium through a professional intermediary. The tax is due at a rate of 0.09 per cent. on each sale and acquisition separately, with a maximum amount of EUR 650 per taxable transaction and is collected by the professional intermediary.

No tax on stock exchange transactions will be payable by exempt persons acting for their own account, including all non-residents of Belgium subject to the delivery of an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in article 126/1, 2° of the Code of miscellaneous duties and taxes ("*Code des droits et taxes divers/Wetboek diverse rechten en taksen*").

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the "FTT"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of

November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions and the tax on repurchase transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

Taxation in Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well:

(a) Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the "**Savings Laws**"), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Savings Laws implementing the Council Directive 2003/48/EC of 3 June 2003 (the "**Savings Directive**") on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Savings Laws will be subject to a withholding tax at a rate of 35%.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 %.

(b) *Income Taxation*

(i) Non-resident holders of Notes

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

(ii) Resident holders of Notes

Holders of Notes who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

- Luxembourg resident corporate holder of Notes

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

- Luxembourg resident individual holder of Notes

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption

premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 10 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the Savings Directive. A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

(c) *Net Wealth Taxation*

Luxembourg net wealth tax will not be levied on a holder of a Note unless:

- (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions to the exception of the following entities that are net wealth tax exempt, being (A) undertakings for collective investment (UCITS) within the meaning of the law of 17 December 2010, as amended, (B) investment company in risk capital (SICAR) within the meaning of the law dated 15 June 2004, as amended, (C) securitisation entities within the meaning of the law dated 22 March 2004, as amended, (D) special investment funds within the meaning of the law of 13 February 2007, as amended, and (E) a family wealth management company governed by the law of 11 May 2007, as amended; or
- (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative or a fixed base of business in Luxembourg;

In respect of individuals, the Luxembourg law of 23 December 2005 has abolished the net wealth tax with effect from 1 January 2006.

(d) *Inheritance and Gift Taxation*

- (i) No Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.
- (ii) Luxembourg gift tax will be levied in case the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

(e) *Other Taxes and Duties*

Under current Luxembourg tax law and current administrative practice, it is not compulsory that the Notes be notarised, filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith or the performance of the Issuers' obligations under the Notes, except that, in case of use of the Notes,

either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration may be ordered, in which case the Notes or the financial documents will be subject to, respectively, a fixed (EUR 12) or an *ad valorem* registration duty and calculated on the amounts mentioned in the Notes or financial documents.

(f) *Value Added Tax*

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes. Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to BP2F, if for Luxembourg value-added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.

(g) *Residence*

A holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

Taxation in The Netherlands

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information for holders of the Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Netherlands corporate income tax;
- (iii) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the relevant Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in an Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a

certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;

- (iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);
- (v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Saint Eustatius or Saba, to which permanent establishment or permanent representative the Notes are attributable; and
- (vi) individuals to whom Notes or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the relevant Issuer is neither a resident of the Netherlands nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Netherlands Withholding Tax

All payments made by the relevant Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Netherlands Corporate and Individual Income Tax

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes or has opted to be treated as a resident of the Netherlands for individual income tax purposes income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52 per cent.) under the Netherlands Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Notes, must determine taxable income with regard to the Notes on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a rate of 4 per cent. of the

individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4 per cent. deemed return on income from savings and investments is taxed at a rate of 30 per cent.

Gift and Inheritance Tax

Residents of the Netherlands

Generally, gift tax (*schenkelasting*) or inheritance tax (*erfbelasting*) will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on behalf of, or on the death of, a holder of Notes that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands Gift and Inheritance Tax Act 1956 at the time of the gift or his or her death. A gift made under a condition precedent is for purposes of the Netherlands Gift and Inheritance Tax Act 1956 deemed to be made at the time the condition precedent is fulfilled and is subject to gift tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A holder of Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956 if he or she has been resident in the Netherlands and dies or makes a gift within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Gift and Inheritance Tax Act 1956 if he or she has been resident in the Netherlands and makes a gift within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Non-residents of the Netherlands

No gift or inheritance tax will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or as a result of the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956. However, inheritance tax will be due in the case of a gift of the Notes by, or on behalf of, a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956, but such holder dies within 180 days after the date of the gift and at the time of his or her death is a resident or deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to gift tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Netherlands Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income

paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Taxation in France

The following is a summary addressing only the French compulsory withholding tax treatment of income arising from the Notes and certain transfer tax issues. This summary is (i) based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect, and (ii) prepared on the assumption that the Issuer is not a French resident for French tax purposes and is not acting from a French branch, permanent establishment or other fixed place of business in France in connection with the Notes.

Withholding tax

All payments by the relevant Issuer in respect of the Notes will be made free of any compulsory withholding or deduction for or on account of any income tax imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein. However pursuant to article 125 A of the French *Code Général des Impôts* and subject to certain limited exceptions, interest and other similar revenues paid as from by a paying agent located in France to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made, and to social contributions (CSG, CRDS and other related contributions) which are withheld at an aggregate rate of 15.5 per cent.

Savings directive

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments has been implemented into French law under Article 242 *ter* of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Transfer taxes

Pursuant to Article 235 *ter* ZD of the French *Code Général des Impôts*, a financial transaction tax (the "**Financial Transaction Tax**") is applied to any acquisition for consideration, resulting in a transfer of ownership, of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code Monétaire et Financier*, or of an assimilated equity security, as defined by Article L.211-41 of the French *Code Monétaire et Financier*, admitted to trading on a recognised stock exchange when the said security is issued by a French company with a market capitalisation of more than 1 billion Euros (the "**French Shares**"). The Financial Transaction Tax could apply in certain circumstances to the acquisition of French Shares in connection with the redemption or settlement of any Notes.

The rate of the Financial Transaction Tax is 0.2 per cent. of the acquisition value of the securities.

If the Financial Transaction Tax applies to an acquisition of shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1 per cent. to the sale of French shares, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement.

Taxation in Switzerland

The following summary does not purport to be a comprehensive description of all Swiss tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and, in particular, does not consider specific facts or circumstances that may apply to a particular purchaser. It is for general information only and does not discuss all tax consequences of an investment in Notes under the tax laws of Switzerland. This summary is based on the tax laws of Switzerland currently in force and as applied on the date of this Base Prospectus which are subject to changes (or changes in interpretation) which may have retroactive effect. Prospective purchasers are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes in the light of their particular circumstances.

Swiss Income Tax

Swiss Resident Noteholders

Interest Payments or Redemption of Notes

Swiss residents receiving periodic interest payments during the investment or at redemption as one-time-interest generally must include these interest payments in their financial statements and/or in their income tax returns and owe individual income tax or corporate income tax on the relevant amounts.

Notes which are not straight debt instruments but have components of debt instruments and derivatives intertwined generally qualify as combined instruments. The tax treatment of such Notes depends on whether the Notes are considered as transparent or not for Swiss income tax purposes.

If the Note is considered as not transparent for Swiss income tax purposes, any amount received by the Noteholder (upon sale, lapse, exercise or redemption) in excess of the amount invested (at issue or upon purchase) is treated as taxable income in the hands of the Noteholder if the Note qualifies as a note with predominant one-time interest payment. If the Note does not qualify as a note with predominant one-time interest payment, the Noteholder is subject to tax on the periodic interest payments and (at redemption) on the difference between initial issuance price and the redemption price. For the purpose of determining whether the Note is a note with predominant one-time interest payment the difference between initial issuance price and the redemption price is treated as one-time interest.

If the Note is considered as transparent for Swiss income tax purposes, it will be split notionally in a debt instrument and a derivative instrument component. Gains or losses on the derivative instrument component

are treated as capital gains or losses (see below). Interest payments received during the investment, at lapse or exercise or at redemption as one-time interest related to the debt instrument component are treated as taxable income in the hands of the Noteholder. Such a treatment is also applicable for the purpose of determining whether the Note is a note with predominant one-time interest payment.

The Note is generally considered as transparent if the debt and the derivative components are traded separately or if the different elements of the Note (such as the guaranteed redemption amount, the issuance price of the debt component, the interest rates determining the issuance price of the debt component) are separately stated in the sales documentation as well as in the offering prospectus and if each one of such components is separately evaluated. Such evaluation has to be performed through calculations of financial mathematics determining the intrinsic value of the debt instrument and the derivative instrument components contained in the Note. In particular, the calculations have to determine the notional issuance price of the debt instrument, based on the interest rate taken into account by the issuer which has to be at market value. The Swiss Federal Tax Administration has to approve such calculations. Such calculations have to be reviewed on a quarterly basis in order to take into account the evolution of the interest rates. If the tax authorities are not provided with sufficient information the Notes can be treated as not transparent. Products with prevalent structures but for which the issuer does not provide the information allowing to distinguish the different elements of a product as described above are made transparent in retrospect by the tax authorities, banks or other channels of distribution if the following requirements are fulfilled: (a) the issuer of the product must have at least a single-A-rating; and (b) the product at hand has to be admitted to official quotation at the commercial exchange market or, at least, a market maker has to insure liquid trading of the product at hand. Liquid trading by a market maker is a condition that the key data of the product can be used as credible basis of calculation.

Capital Gains

Swiss Resident Private Noteholders

Swiss resident Noteholders who do not qualify as so-called professional securities dealer for income tax purposes ("*gewerbsmässiger Wertschriftenhändler*") and who hold the Notes as part of their private (as opposed to business) assets are hereby defined as Swiss Resident Private Noteholders.

Swiss Resident Private Noteholders realise a tax free capital gain upon the disposal of Notes which do not qualify as notes with predominant one-time interest payment and realise taxable income if the Notes qualify as notes with one-time predominant interest payment.

The tax treatment of capital gains on Notes which qualify as combined instruments (see above) depends on whether the Note qualifies as tax transparent or not. Notes which are not transparent for Swiss income tax purposes (see above) generally qualify as notes with predominant one-time interest payment and are treated as such. Notes which qualify as tax transparent are notionally split into a debt instrument and a derivative instrument component. The debt instrument component follows the usual tax treatment either as note with predominant one-time interest payment or as note with no predominant one-time interest payment as applicable. Capital gains arising from the derivative instrument component of transparent Notes are generally not subject to income tax in the hands of Swiss Resident Private Noteholders.

Swiss Resident Business Noteholders

Gains realised on the sale of Notes, by Swiss resident individual Noteholders holding the Notes as part of their business assets as well as by Swiss resident legal entity Noteholders, are part of their business profit subject to individual income tax or corporate income taxes, respectively. The same applies to Swiss Resident Private Noteholders who qualify as so-called professional securities dealer ("*gewerbsmässiger Wertschriftenhändler*").

Non-Swiss Resident Noteholders

Under present Swiss tax law, a Noteholder who is a non-resident of Switzerland and who, during the taxable year has not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and who is not subject to taxation in Switzerland for any other reason, will not be subject to any Swiss federal, cantonal or municipal income tax on interest or gains realised on sale or redemption of the Notes.

Swiss Stamp Duties

The sale or transfer of the Notes with a duration of more than one year may be subject to Swiss transfer stamp duty at the current rate of 0.3 per cent. if such sale or transfer is made by or through the intermediary of a Swiss bank or other securities dealer as defined in the Swiss Stamp Tax Act and no exemption applies.

Notes qualified as units in a foreign investment fund may be subject to the Swiss transfer stamp duty of up to 0.3 per cent. at issue.

Swiss Withholding Tax

All payments in respect of the Notes by a non-Swiss resident Issuer are currently not subject to the Swiss withholding tax ("*Verrechnungssteuer*").

On 24 August 2011, however, the Swiss Federal Council issued draft legislation, which, if enacted, may require Swiss paying agents as defined by the revised Swiss law on withholding tax to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Note to an individual resident in Switzerland or to any person (not only an individual) resident outside of Switzerland. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer nor the Paying Agent would be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such Swiss withholding tax.

Swiss EU Tax Retention

Switzerland has introduced a tax retention on interest payments or similar income paid by a Swiss paying agent as defined in Articles 1 and 6 of the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in EC Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "**Agreement**") to the beneficial owner who is an individual and resident in the EU as of 1 July 2005, unless the interest payments are made on debt-claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments of non-residents located in Switzerland. The tax retention may be withheld at the rate of 35 per cent. The beneficial owner of the interest payments may be entitled to a credit for or a refund of the tax retention if certain conditions are met. The Swiss paying agent may be explicitly authorised by the beneficial owner of the interest payment to report interest payments to the Swiss Federal Tax Administration. Such report will then substitute the tax retention. On 24 March 2014, the Council of the European Union adopted an EU Council Directive amending and broadening the scope of the EU Council Directive 2003/48/EC on the taxation of savings income. Therefore, the Agreement may be amended accordingly. Negotiations between the European Community and Switzerland in this respect are currently ongoing.

Noteholders should note that neither the Issuer nor the Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of the Swiss EU tax retention.

Final Foreign Withholding Tax

On January 1, 2013 treaties on final withholding taxes of Switzerland with the United Kingdom and Austria entered into force (each a "**Contracting State**"). The treaties, among other things, require a Swiss paying agent, as defined in the treaties, to levy a flat-rate final withholding tax at rates specified in the treaties on certain capital gains and income items (interest, dividends, other income items, all as defined in the treaties), deriving from assets, including the Notes, as applicable, held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State or, (ii) if certain requirements are met, by a domiciliary company, an insurance company in connection with a so-called insurance wrapper or other individuals, if the beneficial owner is an individual resident in a Contracting State. The final withholding tax substitutes the ordinary income tax on the respective capital gains and income items in the Contracting States where the individual is tax resident. The individual may, however, in lieu of the final withholding tax make voluntary disclosure of the respective capital gains and income items to the tax authority of the Contracting State where it is tax resident. Switzerland may conclude similar treaties with other European countries.

Notwithstanding the above, for the avoidance of doubt, should the relevant Issuer, a paying agent or another person be required to withhold any amount as a consequence of the treaties or the practice thereto, then, there is no requirement for such Issuers to pay any additional amounts relating to such withholding.

Taxation in Germany

The following is a general discussion of certain German tax consequences of the acquisition, ownership and disposal of the Notes. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase the Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser.

As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect. Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents or those tax laws apply to them for other reasons.

To the extent the following information describes the taxation in the case of a disposal of the Notes, such description applies accordingly to cases of a call, exercise, assignment or redemption of the Notes as well as a transfer of Notes into a corporation by way of a hidden capital contribution (*verdeckte Einlage in eine Kapitalgesellschaft*).

German tax residents

The section "*German tax residents*" applies to persons who are tax residents of Germany (in particular, persons having a residence, habitual abode, statutory seat or place of management in Germany).

Notes held as private assets

If Notes are held by an investor as private assets (*Privatvermögen*), payments of interest qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 German Income Tax Act ("*ITA*" – *Einkommensteuergesetz*). Interest accrued on the Notes or other securities paid separately upon the acquisition of the respective security may be recognised as negative savings income in the year of the acquisition. Capital gains / capital losses realised upon disposal of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and actually related to the

sale, qualify as (negative) savings income pursuant to section 20 para 2 sentence 1 no 7 ITA. If such disposal results in a loss, such loss can only be offset against other taxable savings income. If the investor does not have sufficient other taxable savings income in the respective assessment period, the losses can be carried forward in future assessment periods; a loss carry back is not permissible.

Where Notes are issued in a currency other than Euro any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to savings income taxation. The same applies to proceeds from the redemption of interest coupons or interest claims if the Notes have been disposed of separately.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 9 October 2012, a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt-loss or waiver or if the Notes expire worthless shall not be tax-deductible.

Further, according to said tax decree, where the Notes provide for instalment payments, such instalment payments shall always qualify as taxable savings income pursuant to section 20 para 1 no 7 ITA, unless the terms and conditions of the Notes provide explicit information regarding redemption or partial redemption during the term of the Notes and the contractual parties comply with these terms and conditions. It is further stated in the tax decree that, if, in the case of Notes providing for instalment payments, there is no final payment at maturity, the expiry of such Notes shall not be deemed as a sale, with the consequence that any remaining acquisition costs could not be deducted for tax purposes. Similarly, any remaining acquisition costs of Notes providing for instalment payments shall not be tax-deductible if the Notes do not provide for a final payment or are terminated early without a redemption payment because the respective underlying has left the defined corridor or has broken certain barriers (e.g. in knock-out structures). Although the tax decree only refers to instruments with instalment payments, it cannot be excluded that the German tax authorities apply the above principles also to other kinds of full-risk securities.

Savings income is, in general, subject to German income tax at a special (flat) tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax. With regard to savings income, the savers lump sum amount (*Sparer-Pauschbetrag*) in the amount of 801 EUR (respectively 1,602 EUR for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) will be deducted; a deduction of the actual income-related expenses is, in general, not permissible. Subject to certain requirements and restrictions foreign withholding taxes levied on investment income in a given year from financial instruments held by the individual investor may be credited against the tax liability.

Notes held as business assets

If Notes are held by an investor (individuals and corporate entities) as business assets (*Betriebsvermögen*), interest payments and capital gains from the disposal of the Notes are subject to corporate income tax (in the case of an incorporated investor) at a tax rate of 15 per cent., or income tax at an individual progressive tax rate of up to 45 per cent., as the case may be (each plus 5.5 per cent. solidarity surcharge thereon). In addition, where Notes form part of a German trade or business trade tax may apply, the rate of which depends on the municipality in which the business is located (rates vary between 7 per cent. and approx. 17 per cent.). Further, in the case of individuals, church tax may be levied.

Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero coupon Notes and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account.

In case of a loss, such loss may be subject to ring-fence rules and, if so, may only be offset against income from other (derivative) financial instruments.

German withholding tax

With regard to savings income (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax will be levied at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) if, *inter alia*, the Notes are held in a custodial account with a German branch of a German or non-German credit or financial services institution, a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a "**German Disbursing Agent**"). If the Notes are not held in a custodial account with a German Disbursing Agent, German withholding tax will nevertheless be levied if the Notes are issued in definitive form and the savings earnings are paid by a German Disbursing Agent against presentation of the Notes or Coupons (so-called over-the-counter transaction – *Tafelgeschäft*).

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining to apply have to include their savings income in their tax return and will then be assessed to church tax. After 31 December 2014 an electronic information system as for church withholding tax purposes will apply in relation to investment income, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The tax base for the withholding tax is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in case of capital gains, the tax deduction is calculated on the basis of the capital gain only if the Notes have been kept in a custodial account with the same German Disbursing Agent since the time of issuance or acquisition, respectively; if that is not the case, the investor may prove the acquisition costs to the German Disbursing Agent only in a specific form required by law (e.g. by notice of the previous German Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Council Directive 2003/48/EC on the taxation of savings income). Otherwise, the tax deduction is calculated on the basis of 30 per cent. of the proceeds from the disposal of the Notes.

In general, no withholding tax will be levied if an investor holding the Notes as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the interest income and other taxable savings income do not exceed the amount stated in the withholding tax exemption certificate filed. Similarly, no withholding tax will be deducted if an investor has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

In computing the withholding tax, the German Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual holder of the Notes via the German Disbursing Agent (e.g. losses from sale of other securities with the exception of shares). The German Disbursing Agent may also deduct interest accrued paid by the individual holder upon the acquisition of the Notes or other securities. In addition, subject to certain requirements and restrictions the German Disbursing Agent may credit foreign withholding taxes levied on savings income in a given year regarding financial instruments held by the individual holder in the custodial account with the German Disbursing Agent.

In the case of individuals holding the Notes as private assets, if German withholding tax is levied, such withholding tax will, in general, become definitive and replace the investor's income taxation (flat withholding tax - *Abgeltungsteuer*); in such case, the filing of a tax return for savings income is not required. If no tax is withheld, then the investor is obliged to file a tax return and the savings income will be taxed within the assessment procedure. The same would be true if the withholding tax on a disposal of Notes has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain) and the actual gain calculated on the basis of the actual acquisition costs of the Notes is higher than 30 per cent. of the disposal proceeds. The special tax rate for savings income applies, in principle, also in the assessment procedure. However, an investor may alternatively request that all savings income of a given year is taxed at

his/her individual income tax rate (if lower than the withholding tax rate) based on an assessment to tax with any amount overwithheld being refunded.

If the Notes form part of a trade or business, the withholding tax will not settle the income tax liability. Investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. However, no withholding tax will be levied on capital gains from the disposal of the Notes if, *inter alia*, (a) the Notes are held by a corporation satisfying the requirements of section 43 para 2 sentence 3 no 1 German Income Tax Act, or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form. The investor is obliged to report income and related expenses in the (annual) tax return and the balance will be taxed at the investor's applicable tax rate. Withholding tax levied, if any, will be credited against the (corporate) income tax liability of the investor. If the tax withheld exceeds the respective (corporate) income tax liability, the difference between such amounts will be refunded within the tax assessment procedure.

Non-residents

In general, income derived from the Notes by a Noteholder that is not tax-resident in Germany is not subject to taxation in Germany unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of the Notes or (ii) the income otherwise constitutes German source income. In such cases, a tax regime similar to that explained above for "*German tax residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on savings income and the solidarity surcharge thereon. However, where the income is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a German Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a German Disbursing Agent and interest or proceeds from the disposal of a Note or an interest coupon are paid by a German Disbursing Agent to a non-resident upon delivery of the Notes or interest coupons, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to the Notes will arise under the laws of Germany if, in the case of inheritance tax, neither the decedent nor the beneficiary or, in the case of gift tax, neither the donor nor the donee is a resident of Germany and the Notes are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transaction tax ("**FTT**") (which may apply to secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force.

EU Savings Tax Directive

Concerning the Council Directive 2003/48/EC on the taxation of savings income, refer to the chapter on the EU Savings Directive on page 226 below. By legislative regulations dated 26 January 2004, the Federal

Government enacted provisions implementing the information exchange on the basis of the directive into German law. These provisions apply from 1 July 2005.

No gross-up for German withholding tax (Kapitalertragsteuer)

Purchasers of the Notes should note that the relevant Issuer, in principle, will neither assume any liability for German withholding taxes (*Kapitalertragsteuer*) withheld from payments under the Notes, nor make any additional payments in regard of these taxes, i.e. no gross-up will apply in case a withholding tax is imposed, unless otherwise specified in the Final Terms.

EU Savings Directive

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

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries (including Switzerland, Andorra, Liechtenstein, Monaco and San Marino), and certain dependent or associated territories (including Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, the former Netherlands Antilles and Aruba) of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (having the meaning given to it in the EU Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or an entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, an individual resident or an entity established in one of those territories.

Hiring Incentives To Restore Employment Act

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "**Code**") which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30% U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the U.S. Internal Revenue Service (the "**IRS**"). 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 United States, (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 United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). Proposed U.S. Treasury regulations expand the definition of "specified notional principal contract" beginning 1 January 2016.

While significant aspects of the application of Section 871(m) to the Notes are uncertain, if an Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Notes.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of an Issuer (a "**Recalcitrant Holder**"). The Issuers are classified as FFIs.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Belgium have entered into an IGA (the "**US-Belgium IGA**") based on the Model 1 IGA. The United States and Luxembourg have entered into an IGA (the "**US-Luxembourg IGA**") based on the Model 1 IGA.

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

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

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

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The proposed financial transactions tax

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

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

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

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with

this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

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

PLAN OF DISTRIBUTION

The following section applies to both Exempt Notes and Non-exempt Notes.

General

Except for those countries or jurisdictions where a public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted on the basis of (a) the approval by the CSSF of this Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg and (b) the certificates of approval as provided by the CSSF to the competent authorities in such relevant countries or jurisdictions, no action has been or will be taken in any country or jurisdiction by the Issuers, the Guarantor or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Programme Agreement (as defined below) provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

In the case of Exempt Notes only, selling restrictions may be supplemented or modified by the agreement of the relevant Issuer, the Guarantor (in the case of Notes issued by BP2F) and the Dealers following a change in, or in the interpretation or application of, a relevant law, regulation or directive. Any such supplement or modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

Each of the Dealers, the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor has agreed not to take any action in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each of the Dealers has agreed to comply, to the best of its knowledge and belief, with all relevant securities laws, regulations and directives in each country or jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any other offering material, in all cases at its own expense.

Terms and conditions of the Offer

In the event of an offer of any Notes which is an offer to the public within the meaning of the Prospectus Directive but which is not made in circumstances contemplated in Article 3(2) of the Prospectus Directive (an "**Offer**"), the general conditions in relation to such Offer are as set out below, as further specified for each Series of Notes in the applicable Final Terms.

Offer size

The anticipated size of the offer of the Notes to the public will be set out in the applicable Final Terms as a fixed amount, as a minimum amount subject to increase, or as a range. The actual principal amount of Notes offered can be decreased or increased by the relevant Issuer at any time before the Issue Date. It will be determined by the relevant Issuer, after consultation with the arranger(s) of such offer, taking into account prevailing market conditions (including those in the debt and equity markets) and other relevant criteria and

factors, including (but not limited to) demand for the Notes during the subscription period, broader economic and financial conditions and prospects and conditions affecting the relevant Issuer's ability to source or price hedging transactions with respect to its obligations under the Notes on terms satisfactory to it.

Once the results of the Offer are determined, the actual principal amount of Notes that will be offered, allotted to the subscribers and issued will be filed with the appropriate competent authority(ies) and communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

The Noteholders will be directly notified by, or on behalf of the placers as mentioned in item 11(m) of Part B of the Final Terms (the "**Placing Agents**"), of the number of Notes which has been allotted to them as soon as possible after the Issue Date.

Subscription, payment, delivery and allotment

The subscription period of the Offer (the "**Offer Period**") will be set out in the applicable Final Terms. However, the Offer Period may be (a) subject to an early termination due to reasons including (but not limited to) oversubscription or a decrease in the offer size in the circumstances set out under the heading "Offer size" above, or (b) subject to an extension as referred to in the timetable set out under the heading "Indicative Timetable" below.

"**Subscription**" (and "**subscribe**" and "**subscriber**") refers not only to the initial acquisition of the Notes from the relevant Issuer by the first purchaser, but to any purchase during the Offer Period.

The subscription price of the Notes payable by subscribers to the Placing Agents will be specified in the applicable Final Terms.

The minimum number of Notes which may be subscribed per subscriber is one Note and thereafter in multiples of one (1), unless otherwise specified in the applicable Final Terms. There is no maximum number of Notes which may be subscribed per subscriber unless otherwise stated in the applicable Final Terms.

If the Final Terms do not include the subscription price and/or other pricing data relating to the Notes such as the rate of Interest, a pricing statement disclosing this information will be published before the Issue Date. Unless otherwise indicated in the applicable Final Terms, the pricing statement will be published in the same manner as the Base Prospectus and the applicable Final Terms and in accordance with Article 8 of the Prospectus Directive and article 10 of the Prospectus Act 2005.

Payment for the Notes must be received by the relevant Placing Agent from subscribers on or before the Issue Date by debit of a cash account.

The delivery of the Notes will take place as described in the Base Prospectus and the Final Terms. On or about the Issue Date, the relevant securities account of each Noteholder will be credited with the relevant amount of Notes purchased.

By subscribing for, or subsequently otherwise acquiring, Notes, Noteholders are bound by the Conditions and are deemed to have acknowledged and accepted the terms pursuant to which the Notes are being offered as set out in the Base Prospectus together with the applicable Final Terms.

Unless otherwise indicated in the applicable Final Terms, in case of an early termination of the subscription period due to oversubscription or a decrease in the Offer size in the circumstances set out under the heading "Offer size" above, allotment of the Notes will be made, to the extent possible, on the basis of objective allotment criteria. Any payment received in connection with the subscription of Notes which are not allotted will be returned within seven Business Days (Business Days in this section means days on which banks are open for general business in the relevant Public Offer Jurisdiction and the TARGET2 system is operating)

after the date of receipt of such payment. However, there will be no entitlement to interest in respect of such payments.

Indicative timetable

An indicative timetable listing certain expected key dates for the Offer, such as (but not limited to) the publication of the prospectus, the latest time and date for subscriptions, the publication of the pricing statement (if relevant), and the announcement of the offer size will be specified in the applicable Final Terms. However, the timetable for the Offer is subject to acceleration or extension. Unless otherwise indicated in the applicable Final Terms, any acceleration or extension of the timetable for the Offer will be announced in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

Cancellation of the Offer

The relevant Issuer reserves the right to cancel, at any time on or before the Issue Date and for any reason, the Offer and issue of the Notes, it being understood that in such case no Notes will be issued. In the event of a cancellation, and unless otherwise indicated in the applicable Final Terms, such cancellation will be communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

The Offer may be cancelled if any of the following events occur:

- the Notes are not or will not be admitted to trading and listing on the relevant stock exchange on the Issue Date (or, in the case of an extension of the timetable, such later date as is determined by the relevant Issuer as the latest date for such admission);
- there has been a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls that would, in the view of the relevant Issuer or the relevant Dealer, Manager or Lead Manager, as the case may be, be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market;
- there has been, in the view of the relevant Issuer or the relevant Dealer, Manager or Lead Manager, an adverse change, financial or otherwise in the condition or general affairs of the relevant Issuer that would be likely to prejudice materially the success of the offering;
- the relevant Dealer, Manager or Lead Manager, as the case may be, determines, in its absolute discretion, that it is unable to source or price appropriate hedging transactions relating to the relevant Issuer's obligations under the Notes on terms which are satisfactory to it;
- the Underwriting Agreement (as defined below) (if any) is terminated by the underwriter in accordance with its terms;
- the Placing and Purchase Agreement (as defined below) (if any) is terminated in accordance with its terms; or
- in any other circumstances where the relevant Issuer considers it necessary or desirable.

Subscription fees and taxes

Noteholders will bear fees and taxes including the following:

- a fee payable by the relevant Issuer to the relevant Dealer or/and to any Placing Agent if included in the subscription price of the Notes and then borne and paid by subscribers on subscription;

- any costs arising from holding their Notes on a securities account with a financial intermediary;
- any financial service costs which may be charged by any financial intermediary;
- taxes on stock market transactions other than upon initial subscription.

Other fees and charges

Except as stated above or in the applicable Final Terms, the relevant Issuer will not impose any charges or fees in respect of the Notes. Prospective purchasers should note, however, that they may be required to bear certain fees and charges for custodial, nominee, transfer and clearing services charged by the Relevant Clearing System(s) and/or any intermediaries for the holding, transfer or redemption of Notes. Prospective purchasers of Notes should contact any relevant intermediaries for further details of these fees and charges.

In the event that a notification of the prospective Noteholders is required and unless otherwise indicated in the applicable Final Terms, such notification will be published in the same manner in which the Final Terms and the Base Prospectus have been published.

Underwriting and placing arrangements

The underwriters(s) mentioned in Item 9(a) of Part B of the applicable Final Terms (the "**Underwriter**") may enter into an underwriting agreement with the relevant Issuer on or about the Issue Date (the "**Underwriting Agreement**"). Under the terms of the Underwriting Agreement and the amended and restated programme agreement between the Issuer and the Dealers dated on or about 13 June 2014 (as amended, supplemented and/or restated from time to time) (the "**Programme Agreement**") and subject to the satisfaction of certain conditions, the underwriter will agree to subscribe for the Notes. The Underwriting Agreement may be terminated in certain circumstances by the Underwriter, prior to payment being made to the relevant Issuer. Any such termination is likely to result in a cancellation of the Offer, as described under the heading "Cancellation of the Offer" above.

The relevant Issuer and the Underwriter may also enter into a placing and purchase agreement with the Placing Agents on or about the first day of the Offer Period (the "**Placing and Purchase Agreement**"). If such an agreement is entered into, the Placing Agents will agree to use their best endeavours, during the Offer Period and pursuant to the Offer, to procure subscribers for an aggregate principal amount of Notes equal to the anticipated Offer size of the Notes at the subscription price. If a Placing and Purchase Agreement is entered into, each Placing Agent will also agree to purchase from the Underwriter on the Issue Date an aggregate principal amount of Notes equal to the principal amount of Notes placed by such Placing Agent pursuant to the Offer with the subscribers it has procured.

Each Placing Agent shall be entitled to deduct, before payment to the Underwriter, a commission representing a percentage of the principal amount of the Notes placed by it. The commission will be specified in the applicable Final Terms. The Placing and Purchase Agreement may be terminated in certain circumstances by the Underwriter or the Placing Agents, prior to payment being made to the Underwriter. Any such termination is likely to result in the cancellation of the Offer, as described under the heading "Cancellation of the Offer" above.

SELLING RESTRICTIONS

The following is only a description as at the date of this Base Prospectus of certain restrictions that may vary from time to time. Prospective investors and purchasers of Notes must inform themselves about all the relevant, applicable and up-to-date restrictions prior to investing in the Notes. Moreover the selling restrictions that are applicable to a Tranche of Notes may be modified in the relevant Final Terms if agreed by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s). Each Dealer has undertaken that it will, to the best of its knowledge, comply with all applicable securities

laws, regulations and directives in each country or jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any other such offering material, in all cases at its own expense, and has agreed that it will only do so if it has been approved by the relevant Issuer and, if applicable, the Guarantor.

IN THE EUROPEAN ECONOMIC AREA

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "CSSF"), which is the Luxembourg competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg Law dated 10 July 2005 on prospectuses for securities, and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Consequently Notes issued under the Programme may be offered to the public, in accordance with the requirements of the Prospectus Directive.

The Issuers have requested the CSSF to provide to the relevant competent authority of The Netherlands, Belgium, France, Germany and Austria respectively with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Issuers reserve the right to request the CSSF to provide the competent authority of any other host Member State, in the meaning of the Prospectus Directive, with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive, such notification being accompanied by the relevant translation of the summary of this Base Prospectus, if applicable.

Austria

In addition to the cases described in the section headed "European Economic Area Public Offer Selling Restrictions" below, under the Prospectus Directive in which the Notes may be offered to the public in an EEA Member State (including Austria), the Notes may be offered to the public in Austria only:

- (a) if the following conditions have been satisfied:
 - (i) the Base Prospectus, including any supplements but excluding any Final Terms, which has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "FMA") or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive, has been published at least one Austrian bank working day prior to the commencement of the relevant offer of the Notes to the public;
 - (ii) the applicable Final Terms for the Notes have been published and filed with the FMA on or prior to the date of commencement of the relevant offer of the Notes to the public; and
 - (iii) a notification with the Oesterreichische Kontrollbank Aktiengesellschaft, all as prescribed by the Capital Market Act 1991 (*Kapitalmarktgesetz 1991*), as amended (the "CMA"), has been filed at least one Austrian bank working day prior to the commencement of the relevant offer of the Notes to the public; or
- (b) otherwise in compliance with the CMA.

For the purposes of this Austrian selling restriction, the expression "an offer of the Notes to the public" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Belgium

With regard to Notes having a maturity of less than 12 months and qualifying as money market instruments (and which therefore fall outside the scope of the Prospectus Directive), this Base Prospectus has not been submitted for approval to the Belgian FSMA and, accordingly, such Notes may not be distributed in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as last amended on 25 April 2014 and as amended or replaced from time to time.

France

In the period beginning on the date of notification of the approval of this Base Prospectus by the CSSF to the *Autorité des marchés financiers* (the "**AMF**") for the purposes of the Prospectus Directive, and ending at the latest on the date which is 12 months after the date of such approval, each Issuer and any Dealer of an issue of Notes may make an offer of Notes:

- (i) to the public in France, as defined in Article L.411-1 of the French *Code monétaire et financier* and in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the provisions of the *Règlement général* of the AMF; and/or
- (ii) in circumstances that do not constitute an offer to the public in France pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF.

Pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF, (in each case as may be amended from time to time), the circumstances in which an offer of Notes shall not constitute an offer to the public in France include, but are not limited to, an offer of Notes:

- (i) addressed solely to qualified investors (*investisseurs qualifiés*), acting for their own account; and/or
- (ii) addressed solely to a limited number of investors (*cercle restreint d'investisseurs*) acting for their own account; and/or
- (iii) addressed solely to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or
- (iv) addressed to investors who acquire Notes for a total consideration of at least euro 100,000 (or its equivalent in another currency) per investor, for each separate offer; and/or
- (v) whose notional amount, nominal amount or equivalent amounts to at least euro 100,000 (or its equivalent in another currency); and/or
- (vi) with a total consideration of less than euro 100,000 (or its equivalent in another currency), which limit shall be calculated over a period of 12 months.

The Netherlands

For selling restrictions in respect of The Netherlands, see "European Economic Area Public Offer Selling Restrictions" below and in addition:

- (a) Specific Dutch selling restriction for exempt offers: Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not make an offer of Notes which are the subject of the offering contemplated by this Base

Prospectus as completed by a Pricing Supplement or Drawdown Prospectus in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (i) such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA"), as amended from time to time) in The Netherlands; or
- (ii) standard exemption logo and wording are disclosed as required by article 5:20(5) of the FSA; or
- (iii) such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable,

provided that no such offer of Notes shall require any Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (a) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and (b) "Prospectus Directive", have the meaning given to them below in the paragraph headed with "European Economic Area Public Offer Selling Restrictions".

- (b) Regulatory capacity to offer Notes in The Netherlands: Each Dealer under the Programme, and each further Dealer appointed under the Programme, that did and does not have the requisite Dutch regulatory capacity to make offers or sales of financial instruments in The Netherlands has represented and agreed respectively will be required to represent and agree with the Issuers that it has not offered or sold and will not offer or sell any of the Notes of the relevant Issuer in The Netherlands, other than through one or more investment firms acting as principals and having the Dutch regulatory capacity to make such offers or sales.
- (c) Compliance with Dutch Savings Certificates Act: Each Dealer has represented and agreed that Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext (Amsterdam) admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V., in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (i) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (ii) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (iii) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (iv) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche of Notes are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not, or in the case of the Guarantor, would not, if it was not an authorised person, apply to the relevant Issuer or the Guarantor; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

European Economic Area Public Offer Selling Restrictions

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus as the case may be) to the public in that Relevant Member State, except that it may with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

Provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

OUTSIDE THE EUROPEAN ECONOMIC AREA

Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules under that Ordinance; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Winding Up and Miscellaneous Provisions) (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, the "**FIEA**") and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes 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 the FIEA and other relevant laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Switzerland

The Notes do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"). Therefore, the Notes

are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority ("FINMA"), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.

Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitute a prospectus within the meaning of (i) Articles 652a or Article 1156 of the Swiss Federal Code of Obligations, (ii) Article 5 CISA and its implementing regulations or (iii) Article 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange.

However, the Issuers reserve the right to set forth all information which may be required to be disclosed in a simplified prospectus pursuant to Article 5 CISA in a separate document referred to as "Final Termsheet" and/or "Simplified Prospectus" (the "**Simplified Prospectus**") for Notes distributed (such term including any offering and advertising) to qualified investors according to Article 10 Paras. 3–4 CISA (the "**Qualified Investors**") or non-qualified investors within the meaning of the CISA (the "**Non-Qualified Investors**").

Except as described in this section, Notes constituting structured products within the meaning of Article 5 CISA may not be distributed to Non-Qualified Investors in or from Switzerland.

Any Notes constituting structured products within the meaning of Article 5 CISA which are intended to be distributed to Non-Qualified Investors in and from Switzerland may only be offered or advertised in accordance with the provisions of the CISA and its implementing regulations. In particular, the CISA requires that a Simplified Prospectus complying with Article 5 CISA, its implementing regulations and the Swissbanking Guidelines on Informing Investors about Structured Products (as amended from time to time) must be published: A provisional version of such Simplified Prospectus including indicative information must be made available free of charge to any interested person prior to subscribing the Notes or prior to concluding an agreement to subscribe the Notes. The definitive version must be made available free of charge to any interested person on issue or on concluding an agreement to subscribe the Notes.

Notes constituting structured products within the meaning of Article 5 CISA which are not intended to be distributed to Non-Qualified Investors in or from Switzerland may only be offered or advertised, and any Simplified Prospectuses, term sheets, fact sheets, or any other marketing material relating to such Notes may only be distributed, offered or made available to Qualified Investors in or from Switzerland by way of private placement which is exclusively addressed to and available for such Qualified Investors. The respective Simplified Prospectuses, term sheets, fact sheets, or any other marketing material may not be distributed, copied, published or otherwise made public or available for Non-Qualified Investors.

In the case of Exempt Notes only, additional specific selling restrictions, if any, applicable in Switzerland will be included in the Pricing Supplements of the relevant Notes.

United States of America

The Notes and Guarantees have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or for the account or benefit of to U.S. persons. Terms used in this paragraph have the meaning ascribed in Regulation S under the Securities Act.

Each Dealer has agreed that it will not offer, sell or deliver the Notes of any Tranche, (a) as part of their distribution at any time or (b) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, or the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, or person receiving a selling concession fee or remuneration in respect of the Notes sold to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Notes in bearer form that are debt for U.S. federal income tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain circumstances permitted by U.S. Treasury regulations. The applicable Final Terms will specify whether the provisions of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) ("**TEFRA C**"), the provisions of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) ("**TEFRA D**"), or neither the provisions of TEFRA C nor TEFRA D ("**TEFRA not applicable**") will apply to the issuance of Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes from that offering within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

FORM OF FINAL TERMS FOR NON-EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes issued under the Programme.

Final Terms dated [●]

[BNP PARIBAS FORTIS SA/NV

(incorporated as a public company with limited liability (société anonyme/naamloze vennootschap) under the laws of Belgium, having its registered office in Montagne du Parc 3, B-1000 Brussels, and registered with the register of legal entities of Brussels under enterprise No. 0403.199.702]

[BNP PARIBAS FORTIS FUNDING

(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 67, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg and registered with the Registry of Commerce and Companies of Luxembourg under No. B 24.784)]

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

[Guaranteed by BNP PARIBAS FORTIS SA/NV]

under the

Euro Medium Term Note Programme

PART A– CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 13 June 2014 [and the supplement[s] to the Base Prospectus dated [insert date] [and [insert date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. [A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.] The Base Prospectus [and the supplement to the Base Prospectus ¹⁶] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange (www.bourse.lu)] [and at the website of NYSE Euronext (www.nyx.com)] and copies may be obtained from BNP Paribas Fortis Funding at 67, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg and BNP Paribas Fortis SA/NV at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, BNP Paribas Securities Services, Luxembourg Branch at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg.

(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date. N.B. when using a post – 1 July 2012 approved Base Prospectus to tap a previous issue under a previously approved Base Prospectus, the final terms in the post – 1 July 2012 Base Prospectus may (and will, if the previous issue was completed under a pre-1 July 2012 Base Prospectus) take a different form to the final terms used for the original issue being tapped. The Conditions of the original issue being tapped should be reviewed to ensure that they would not require the final terms documenting the further issue to include information which is no longer permitted in final terms. Where the final terms documenting the further issue would need to include such information, it will not be

¹⁶ Only include details of a supplement to the Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [23 September 2008] [17 June 2009] [17 June 2010] [17 June 2011 and the supplement to it dated 6 January 2012] [13 June 2012 and the supplements to it dated 28 June 2012 and 30 October 2012] [14 June 2013 and the supplement to it dated 25 September 2013] which are incorporated by reference in the Base Prospectus dated 13 June 2014. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 13 June 2014 [and the supplement[s] to the Base Prospectus dated [insert date] [and [insert date]] which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. [A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.] The Base Prospectus [and the supplement to the Base Prospectus¹⁷] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange (www.bourse.lu)] [and at the website of NYSE Euronext (www.nyx.com)] and copies may be obtained from BNP Paribas Fortis Funding at [67, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg] and BNP Paribas Fortis SA/NV at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, BNP Paribas Securities Services, Luxembourg Branch at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg.]

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU. The applicable Final Terms (in the case of Notes listed on the official list and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange ("**Luxembourg Regulated Market**")) will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Principal Paying Agent and Luxembourg Paying Agent at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg.

Copies of the applicable Final Terms (in the case of Notes listed on the official list and admitted to trading on the regulated market of NYSE Euronext Amsterdam ("**Amsterdam Regulated Market**")) may be obtained from the registered office of [●] as the Amsterdam Listing Agent at [●].

The applicable Final Terms (in the case of Notes listed on the official list and admitted to trading on the regulated market of NYSE Euronext Brussels ("**Brussels Regulated Market**")) will be published on the website of NYSE Euronext (www.nyx.com) and copies may be obtained from the registered office of [●] as the Brussels Listing Agent at [●].

The Issuer will also make the applicable Final Terms available at www.bnpparibasfortis.be.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs (in which case the sub paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1. (a) Series Number: [●]

¹⁷ Only include details of a supplement to the Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

- (b) Tranche Number: [●]
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [34] below, which is expected to occur on or about *[date]*][Not Applicable]
2. Currency or Currencies: [●]
3. Form: [Bearer Notes][Exchangeable Bearer Notes][Registered Notes][Dematerialised Notes]
4. Aggregate Principal Amount:
- (a) Series: [●]
- (b) Tranche: [●]
5. Issue Price: [●] per cent. of the Principal Amount of Tranche [plus accrued interest from *[insert date]*] *[(in the case of fungible issues only, if applicable)]*
6. Specified Denominations:
- (a) Specified Denomination(s): [●]
- [Notes issued by BNPPF under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms "regulated market" and "offer to the public" are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency)]*
- [EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No notes in definitive form will be issued with a denomination above EUR 199,000.]*
- (b) Calculation Amount: [●]
- [The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (a) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (b) if there are several Specified Denominations, the highest common factor of those Specified Denominations (note: there must be a*

common factor in the case of two or more Specified Denominations).]

(c) Minimum Trading Size: [specify][Not Applicable]

(d) Minimum Subscription Amount [specify] [Not Applicable]

7. (a) Issue Date: [●]

(b) Interest Commencement Date: [specify/Issue Date/Not Applicable]

(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)

8. Maturity Date [and Extended Maturity Date (insert if applicable)]: [[●], [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]

[The Interest Payment Date falling in or nearest to [specify month and year]].

[The Notes are Junior Subordinated Notes and accordingly have no Maturity Date]

[If Notes issued by BP2F have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]

9. Interest Basis: [Not Applicable]
[[●] per cent. Fixed Rate]
[[[LIBOR/EURIBOR/LIBID/LIMEAN] +/- [●]]
[●] per cent. Floating Rate]
[Zero Coupon]
[Inflation Index-Linked Interest]
[Foreign Exchange (FX) Rate-Linked Interest]
[Underlying Interest Rate-Linked Interest]
[Non-Interest Bearing]

(further particulars specified below)

10. Redemption Amount: [[100][●]] per cent. of its principal amount]
[Inflation Index-Linked Redemption]
[Foreign Exchange (FX) Rate-Linked Redemption]

(further particulars specified below)

11. Change of Interest: [Specify the date when any fixed to floating rate

change occurs or cross refer to paragraphs 18] and 19 below and identify there][Not Applicable]

- | | | |
|-----|--|---|
| 12. | Terms of redemption at the option of the Issuer/Noteholders or other Issuer's/Noteholders' option: | [Applicable]/[Not Applicable]

[(further particulars specified below)] |
| 13. | (a) Status of the Notes: | [Senior/Senior Subordinated/Junior Subordinated] ¹⁸ |
| | (b) Status of the Guarantee | [Senior/Senior Subordinated/Junior Subordinated/Not Applicable] ¹⁹ |
| 14. | Calculation Agent responsible for calculating interest and/or redemption amounts due: | [Applicable/Not Applicable] |
| 15. | Knock-in Event ²⁰ : | <p>[Applicable/Not applicable]</p> <p><i>[If applicable: [Foreign Exchange (FX) Rate-Linked Note Conditions 1 and 5 shall apply.][Underlying Interest Rate-Linked Note Condition 7 shall apply.]]</i></p> <p><i>[If applicable:</i></p> <p><i>["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]]</i></p> <p><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p> <p>(a) Level:</p> <p>[Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]/[Not Applicable]</p> <p>(b) Knock-in Level/Knock-in Range Level:</p> <p>[specify]/[[From and including/From but excluding][specify][to and including/to but excluding][specify]]/[FX Knock-in Level:</p> <p>[Knock-in Average Value
Knock-in Averaging Dates: [●]]</p> <p>[Single Resettable Knock-in
Knock-in Observation Date: [●]
Resettable Adjustment: [+/-][●]]</p> <p>[Multiple Resettable Knock-in
Resettable Knock-in Period: [●]
Knock-in Observation Date(s): [●]
Resettable Adjustment: [+/-][●]]]</p> <p>(c) Knock-in Period Beginning Date:</p> <p>[specify]</p> |

¹⁸ In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by BP2F) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.

¹⁹ Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee (delete accordingly where the Issuer is BNP Paribas Fortis SA/NV: Date of [BP2F's Board and Guarantor's BNP Paribas Fortis SA/NV's Management Committee approval for issuance of Notes [and Guarantee] obtained: [●] [and [●], respectively]

²⁰ Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

- (d) Knock-in Period Beginning Date Convention: [Applicable/Not applicable]
- (e) Knock-in Determination Period: [*specify*]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 5][Underlying Interest Rate-Linked Note Condition 7]]
- (f) Knock-in Determination Day(s): [*specify*]/[Each [Scheduled Trading Day/Business Day]in the Knock-in Determination Period]
- (g) Knock-in Period Ending Date: [*specify*]
- (h) Knock-in Period Ending Date Day Convention: [Applicable/Not applicable]
- (i) Knock-in Valuation Time: [*specify*]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 5][Underlying Interest Rate-Linked Note Condition 7]]/[Valuation Time]/[Any time on a Knock-in Determination Day]/[Not applicable]
- (j) Knock-in Observation Price Source: [*specify*]
- (k) Disruption Consequences: [Applicable/Not applicable]
16. Knock-out Event²¹: [Applicable/Not applicable]
- [If applicable: [Foreign Exchange (FX) Rate-Linked Note Conditions 1 and 5 shall apply.][Underlying Interest Rate-Linked Note Condition 7 shall apply.]]
- [If applicable:
- ["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Level: [Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]/[Not Applicable]
- (b) Knock-out Level /Knock-out Range Level: [*specify*][[From and including/From but excluding][*specify*][to and including/to but excluding][*specify*]]/[FX Knock-out Level:
- [Knock-out Average Value
Knock-out Averaging Dates: [●]]
[Single Resettable Knock-out
Knock-out Observation Date: [●]
Resettable Adjustment: [+/-][●]]

²¹ Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

[Multiple Resettable Knock-out
Resettable Knock-out Period: [●]
Knock-out Observation Date(s): [●]
Resettable Adjustment: [+/-][●]]

- (c) Knock-out Period Beginning Date: [specify]
- (d) Knock-out Period Beginning Date Convention: [Applicable/Not applicable]
- (e) Knock-out Determination Period: [specify]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 5][Underlying Interest Rate-Linked Note Condition 7]]
- (f) Knock-out Determination Day(s): [specify]/[Each [Scheduled Trading Day/Business Day] in the Knock-out Determination Period]
- (g) Knock-out Period Ending Date: [specify]
- (h) Knock-out Period Ending Date Convention: [Not Applicable/Applicable]
- (i) Knock-out Valuation Time: [specify]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 5][Underlying Interest Rate-Linked Note Condition 7]] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]
- (j) Knock-out Observation Price Source: [specify]
- (k) Disruption Consequences: [Applicable/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17. General Interest Provisions:

- (a) Interest Payment Date(s)/[Specified Period²²]: [●] in each year [adjusted in accordance with the Business Day Convention set out in (d) below] [for the purpose of payment only²³] or [Not subject to adjustment as the Business Day Convention in (d) below is specified to be Not Applicable]

(If applicable, identify any Additional Business Centre(s) for the purpose of payment)
- (b) Interest Period Dates: [●]
- (c) Day Count Fraction: [[Actual/Actual (ICMA)],[Actual/Actual]/[Actual/365(Fixed)],[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]]

²² Relevant for Floating Rate Notes only.

- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]²⁴
[Not Applicable]
- (e) Interest Accrual Period: [●]
(If applicable, identify any Additional Business Centre(s) for the purpose of interest accrual periods)
- (f) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]): [●]
- (g) Minimum Interest Rate: [[●] per cent. per annum]/[Not Applicable]
- (h) Maximum Interest Rate: [[●] per cent. per annum]/[Not Applicable]
- (i) Accrual to Redemption: [Applicable]/[Not Applicable]
- (j) Interest Rate: *[If applicable: Payout Conditions 1(a), 1(b), 1(f) , 2 and 3 apply.]*
[Fixed Rate]
[Floating Rate]
[[Inflation Index/Foreign Exchange (FX) Rate/Underlying Interest Rate]-Linked Interest]
[Fixed Income Interest Rates:
[FI Digital Coupon applicable (see Payout Condition 1(a)(i)):
FI Upper Barrier Level: *[[specify] per cent.] / [insert level] [specify for each Underlying Reference]*
FI Lower Barrier Level: *[[specify] per cent.]/[insert level] [specify for each Underlying Reference]*
FI Digital Coupon Condition: *[greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the FI Upper Barrier Level [and [greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the FI Lower Barrier Level]*
[Underlying Reference 2: [Applicable/Not applicable]]

²⁴

Modified Following Business Day Convention and Preceding Business Day Convention are not permissible if Notes are settled through the X/N System.

Gearing A: [●] per cent.

Global Cap A: [●] per cent.

Global Floor A: [●] per cent.

Constant A: [●] per cent.

Gearing B: [●] per cent.

Global Cap B: [●] per cent.

Global Floor B: [●] per cent.

Constant B: [●] per cent.

FI Rate A: [Rate/Inflation Rate]

FI Rate B: [Rate/Inflation Rate] *[FI Rate A and FI Rate B should either both specify Rate or both specify Inflation Rate]*

[Inflation Rate: [YoY Inflation Rate / Cumulative Inflation Rate]

[Strike Date: [●]]

FI Interest Valuation Date(s): *[Specify]*

[Range Accrual Coupon applicable (see Payout Condition 1(a)(ii)):

Gearing: [●] per cent.

Global Margin: [●] per cent.

Global Cap: [●] per cent.

Global Floor: [●] per cent.

Local Cap: [●] per cent.

Local Floor: [●] per cent.

FI Rate: [Rate/Inflation Rate]

[Inflation Rate: [YoY Inflation Rate / Cumulative Inflation Rate]

Strike Date: [●]]

[Range Accrual Coupon Barrier Level Up: *[specify]* per cent. *[specify for each Underlying Reference]*]

Range Accrual Coupon Barrier Level Down:
[specify] per cent. [specify for each Underlying Reference]

Range Accrual Coupon Condition: [greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the Range Accrual Coupon Barrier Level Down [and [greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the Range Accrual Coupon Barrier Level Up]

[Underlying Reference 2: [Applicable/Not applicable]]

Range Period: [specify]

Range Accrual Day: [Scheduled Trading Day/Business Day/Underlying Interest Determination Day/calendar day]

Deemed Range Accrual: [Applicable/Not applicable]

[Range Cut-off Date: [specify]

Range Period End Date: [●]]

FI Interest Valuation Date(s): [●]]

[Combination Floater Coupon applicable (see Payout Condition 1(a)(iii)):

Global Cap: [●] per cent.

Global Floor: [●] per cent.

Global Margin: [specify] per cent. per annum.

Gearing: [specify] per cent. for Rate_(i) (repeat for each Rate)

FI Rate: [Rate/Inflation Rate]

[Inflation Rate: [YoY Inflation Rate / Cumulative Inflation Rate]

Strike Date: [●]]

FI Interest Valuation [●]
Date(s):

[PRDC Coupon applicable (see Payout Condition 1(a)(iv)):

Coupon Percentage 1: [●] per cent.

Coupon Percentage 2: [●] per cent.

Cap: [●]

Floor: [●]

[FI Interest Valuation *specify*]
Date(s):

[Averaging: [Applicable/Not applicable]

[Averaging Dates: *specify*]

Initial Settlement Price: [[●]/

[Initial Closing
Value:

Strike Date: [●]/

[Initial Average
Value:

Strike Days: [●]

[Averaging Date [Applicable/Not
Consequences: Applicable]

Strike Period: [●]]]

[FI Digital Floor Coupon applicable (see Payout Condition 1(a)(v)):

Digital Floor Percentage 1: [●] per cent.

Digital Floor Percentage 2: [●] per cent.

FI Digital Value: [Performance
Value/Worst Value/Best
Value/Multi-Basket
Value/Weighted
Average FI Basket
Value]

Performance Value: Performance Value
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [*specify per Underlying Reference*]]

FI Digital Floor Level: [[●]/

[FX Digital Level:

 FX Digital
Average Value:

 FX Averaging [*specify*]/
Dates:

[Single Resettable
Level:

 FX Digital [*specify*]
Observation
Date(s):

 Resettable [+/-][●]
Adjustment:

[Multiple Resettable
Level:

 Resettable [*specify*]
Period:

 FX Digital [*specify*]
Observation
Date(s):

 Resettable [+/-] [●]]
Adjustment:

FI Interest Valuation [*specify*]
Date(s):

[Averaging: [Applicable/Not applicable]

 [Averaging Dates: [*specify*]]

Initial Settlement Price: [[●]/

[Initial Closing Value:

 Strike Date: [●]/

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not
Consequences: Applicable]

Strike Period: [●]]

**[FI Digital Cap Coupon applicable (see Payout
Condition 1(a)(vi)):**

Digital Cap Percentage [●] per cent.
1:

Digital Cap Percentage [●] per cent.
2:

FI Digital Value: [Performance
Value/Worst Value/Best
Value/Multi-Basket
Value/Weighted
Average FI Basket
Value]

Performance Value: Performance Value
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [*specify per Underlying
Reference*]]

FI Digital Cap Level: [[●]/

[FX Digital Level:

[FX Digital
Average Value:

FX Averaging [*specify*]/
Dates:

[Single Resettable
Level:

FX Digital [*specify*]
Observation
Date(s):

Resettable [+/-][●]
Adjustment:

[Multiple Resettable
Level:

Resettable Period:	[specify]
FX Digital Observation Date(s):	[specify]
Resettable Adjustment:	[+/-] [●]
FI Interest Valuation Date(s):	[specify]
[Averaging:	[Applicable/Not applicable]
[Averaging Dates:	[specify]]
Initial Settlement Price:	[[●]/
[Initial Closing Value:	
Strike Date:	[●]/
[Initial Average Value:	
Strike Days:	[●]
[Averaging Date Consequences:	[Applicable/Not Applicable]
Strike Period:	[●]]]
[FI Target Coupon Notes (see Payout Condition 1(a)(vii))	
Target Coupon Percentage:	[●] per cent.
Target Determination Date:	[specify]]
[FI FX Vanilla Notes (see Payout Condition 1(a)(viii)):	
Gearing:	[●]
Cap:	[●]
Floor:	[●]
Performance Value:	Performance Value [1/2/3/4/5/6/7/8/9/10]

FI Interest Valuation [specify]
Dates:

Averaging: [Applicable/Not
Applicable]

Averaging Dates: [specify]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]]

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not
Consequences: Applicable]

Strike Period: [●]]]

**[FI Digital Plus Coupon Notes (see Payout
Condition 1(a)(ix)):**

Digital Plus Percentage [●] per cent.
1:

Digital Plus Percentage [●] per cent.
2:

Gearing: [●]

FI Digital Value: [Performance
Value/Worst Value/Best
Value/Multi-Basket
Value/Weighted
Average FI Basket
Value]

Performance Value: Performance Value
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [specify per Underlying
Reference]]

FI Digital Plus Level: [[●]/

[FX Digital Level:

[FX Digital

Average Value:

FX Averaging *[specify]]/*
Dates:

[Single Resettable
Level:

FX Digital *[specify]*
Observation
Date(s):

Resettable *[+/-][●]*
Adjustment:

[Multiple Resettable
Level:

Resettable *[specify]*
Period:

FX Digital *[specify]*
Observation
Date(s):

Resettable *[+/-] [●]]]*
Adjustment:

FI Interest Valuation *[specify]*
Date(s):

[Averaging: *[Applicable/Not
applicable]*

Averaging Dates: *[specify]]*

Initial Settlement Price: *[[●]/*

[Initial Closing Value:

Strike Date: *[●]/*

[Initial Average Value:

Strike Days: *[●]*

[Averaging Date *[Applicable/Not
Consequences: Applicable]*

Strike Period: *[●]]]*

[Rate:

[Fixed Rate]

[Floating Rate]]

18. **Fixed Rate Note Provisions**

[Applicable/Not Applicable]

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

(If more than one fixed rate is to be determined, repeat items (a) to (b) for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B)

- (a) Interest Rate[s]: [●] per cent. per annum [payable [annually/semiannually/quarterly/monthly] in arrear on each Interest Payment Date]
- (b) Fixed Coupon Amount[(s)]: [[●] per Calculation Amount] [Not Applicable]
- (c) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]

19. **Floating Rate Note Provisions**

[Applicable/Not Applicable]

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

(If more than one floating rate is to be determined, repeat items (a) to (f) for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B)

- (a) Reference Banks: [specify four]
- (b) Spread (if applicable): [[[●] per cent. per annum]/[Not Applicable]].
- (c) Spread Multiplier (if applicable): [[●]/[Not Applicable]]
- (d) Relevant Time (if applicable): [●]/[Condition 4 applies]/[Not Applicable]
- (e) Screen Rate Determination:
- Primary Source for Interest Rate Quotations: [Relevant Screen Page][Reference Banks][Not Applicable]
 - Benchmark: [LIBOR/EURIBOR/LIBID/LIMEAN]
 - Interest Determination Date(s): [[●] Business Days in [specify city] prior to] [the first day in each Interest Period/each Interest Payment Date]

[(Indicate Interest Determination Date and specify if the calculation is to be made at the beginning/end of

the period.))]

(If applicable, identify any Additional Business Centre(s) for the purpose of interest determination dates)

– Relevant Screen Page: [●]/[Not Applicable].

[For example, Reuters LIBOR 01/EURIBOR 01]

– Relevant Financial Centre: [●]/[Not Applicable].

[For example, London/Euro-zone (where Euro-zone means the region comprised of countries whose lawful currency is the euro)]

(f) ISDA Determination:

– Floating Rate Option: [●]/[Not Applicable].

– Designated Maturity: [●]/[Not Applicable].

– Reset Date: [●]/[Not Applicable].

– Margin [●]/[Not Applicable].

20. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

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

(a) Amortisation Yield (*Zero Coupon/High Interest/Low Interest Note*): [●] per cent. per annum

(b) Reference Price (*Zero Coupon/High Interest/Low Interest Note*): [●]

(c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

21. **Inflation Index-Linked Interest Note Provisions** [Applicable/Not Applicable]

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

(If more than one Inflation Rate is to be determined, repeat items (a) to (i) for each such Inflation Rate and, if FI Digital Coupon is applicable, distinguish between the Inflation Rate which is FI Rate A and the Inflation Rate which is FI Rate B)

[The Inflation Index-Linked Note Conditions at Part 3 of the Conditions apply.]

- (a) Index: ☐ [Composite/Non-composite]
- (b) Screen Page/Exchange Code: ☐
- (c) Cut-Off Date: ☐ / [Not applicable]
- (d) Related Bond: ☐ / [Fallback Bond]
- (e) Issuer of Related Bond: ☐ / [Not applicable]
- (f) Fallback Bond: [Applicable] / [Not applicable]
- (g) Index Sponsor: ☐
- (h) Related Bond Redemption Event: [Applicable] / [Not applicable]
- (i) Determination Date: ☐
- (j) Optional Additional Disruption Events: [The following Optional Additional Disruption events apply to the Notes:]

(specify each of the following which applies)

[Increased Cost of Hedging]
- (k) Trade Date: ☐

22. Foreign Exchange (FX) Rate-Linked Interest Note Provisions

[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The Foreign Exchange (FX) Rate-Linked Note Conditions at Part 4 of the Conditions apply.]

- (a) The relevant base currency (the "**Base Currency**") is: [specify]
- (b) The relevant subject [currency/currencies]/ ([each a]/[the] "**Subject Currency**") [is/are]: [specify]
- (c) Weighting: [specify]
- (d) Price Source: [specify]
- (e) Disruption Event: Specified Maximum Days of Disruption will be equal to ☐/[five]

(If no specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will

be equal to five)

- (f) Delayed Redemption on Occurrence of a Disruption Event: [Applicable] / [Not applicable]
[if applicable:
Principal Protection Termination Amount:
[Applicable] / [Not applicable]]
- (g) Relevant Screen Page: [specify]
- (h) Interest Valuation Time: [specify]
- (i) Interest Valuation Date: [●]
- (j) Averaging Date(s): [●][Not Applicable]
- (k) Strike Date: [●][Not Applicable]
- (l) Optional Additional Disruption Events: [The following Optional Additional Disruption events apply to the Notes:]

(specify each of the following which applies)

[Increased Cost of Hedging]

- (m) Trade Date: [●]

23. **Underlying Interest Rate-Linked Note Provisions**

[Applicable/Not Applicable]

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

[The Underlying Interest Rate-Linked Note Conditions at Part 5 of the Conditions apply.]

- (a) Underlying Interest Rate Determination Date(s): [specify]
(If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate₁:")
- (b) Manner in which the Underlying Interest Rate is to be determined: [Screen Rate Determination/ISDA Determination]
- (c) Screen Rate Determination: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Primary Source for Underlying Interest Rate Quotation: [Relevant Screen Page (Underlying)][Underlying Reference Banks]
 - Underlying Benchmark: [LIBOR/EURIBOR/LIBID/LIMEAN]
 - Underlying Specified [specify]

- Duration:
- Relevant Screen Page (Underlying): [specify][Not Applicable]
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- Underlying Reference Banks: [specify four]
 - Relevant Time (Underlying): [specify]
- (d) ISDA Determination: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Floating Rate Option: [specify]
 - Designated Maturity: [specify]
 - Reset Date: [specify]
 - Underlying Margin: [specify]
- (e) Underlying Spread: [[+/-[●]] per cent. per annum][Not Applicable]
- (f) Underlying Spread Multiplier: [specify]
- (g) Minimum Underlying Interest Rate: [[●] per cent. per annum] [Not Applicable]
- (h) Maximum Underlying Interest Rate: [[●] per cent. per annum] [Not Applicable]
- (If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate₂:" and repeat items (b) to (h)).*

Repeat for each Underlying Interest Rate.)

PROVISIONS RELATING TO REDEMPTION

24. **Redemption at the option of the Issuer or other Issuer's option (pursuant to Condition 5.5)** [Applicable/Not Applicable]

[In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by BP2F) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.]

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

(a) Issuer's Option Period:

[Insert period]

[Option Period must end no later than 5 Clearing System Business Days prior to the date on which the Issuer's option is to be exercised, where "Clearing System Business Day" means a day on which the Relevant Clearing System through which the notes are held is open for business.]

[Please consider the practicalities of distribution of information through intermediaries (for example, clearing systems will normally require a minimum of 5 clearing system business days to process any notice), as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]

(b) Early Redemption Amount(s) of each Note:

[●] per Calculation Amount

(c) If redeemable in part:

[Applicable/Not Applicable]

– Minimum Early Redemption Amount:

[●] per Calculation Amount

– Maximum Early Redemption Amount:

[●] per Calculation Amount

25. Redemption at the option of the Noteholder or other Noteholder's option (pursuant to Condition 5.6)

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

(a) Noteholder's Option Period:

[Insert period]

[Option Period must end no later than ten Clearing System Business Days prior to the date on which the Issuer's option is to be exercised, where "Clearing System Business Day" means a day on which the Relevant Clearing System through which the notes are held is open for business.]

[Please consider the practicalities of distribution of information through intermediaries (for example, clearing systems will normally require a minimum of 5 clearing system business days to process any notice) as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]

(b) Early Redemption Amount(s) of each Note:

[●] per Calculation Amount

26.	Final Redemption Amount of each Note	[Calculation Amount x [●] per cent]/[Final Payout]
	Final Payout:	[Not Applicable]
		[If applicable: Payout Conditions 1(c), 1(f), 2 and 3 apply.]
	[FI FX Vanilla Notes (see Payout Condition 1(c)(i)):	
	Gearing:	[●]
	Cap:	[●]
	Floor:	[●]
	Performance Value:	Performance Value [1/2/3/4/5/6/7/8/9/10]
	FI Redemption Valuation Dates:	[specify]
	Averaging:	[Applicable/Not Applicable]
	Averaging Dates:	[specify]
	Initial Settlement Price:	[[●]/
	[Initial Closing Value:	
	Strike Date:	[●]]/
	[Initial Average Value:	
	Strike Days:	[●]
	[Averaging Date Consequences:	[Applicable/Not Applicable]
	Strike Period:	[●]]
	FI Constant Percentage 1	[●]]
	[FI Inflation Notes (see Payout Condition 1(c)(ii)):	
	FI Redemption Valuation Date(s):	[●]
	Strike Date:	[●]]
27.	Automatic Early Redemption²⁵	[Applicable/Not applicable]

²⁵ Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

[Insert if applicable: [Foreign Exchange (FX) Rate-Linked Note Condition 6 applies.][Underlying Interest Rate-Linked Note Condition 8 applies.]

- (a) Automatic Early Redemption Event: [Target Automatic Early Redemption] [FI Underlying Automatic Early Redemption] [FI Coupon Automatic Early Redemption] [Standard Automatic Early Redemption: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"]
- (b) Automatic Early Redemption Valuation Time: [*specify*]
- (c) Automatic Early Redemption Payout: [Target Automatic Early Redemption (see Payout Condition 1(d)(i)):
- Final Interest Rate: [Capped and Guaranteed Applicable][Capped and Guaranteed Not Applicable][Capped Only][Guaranteed Only]
- [[FI Underlying Automatic Early Redemption (see Payout Condition 1(d)(ii)]
- [Accrual to Automatic Early Redemption: [Applicable/Not Applicable]]
- [FI Coupon Automatic Early Redemption (see Payout Condition 1(d)(iii):
- Coupon Cap: [●]]
- (d) Automatic Early Redemption Date(s): [*specify*]
- (e) Automatic Early Redemption Level: [*specify*]
- (f) Automatic Early Redemption Percentage: [[●] per cent.][Not Applicable]
- (g) Automatic Early Redemption Percentage Up: [[●] per cent.][Not Applicable]
- (h) Automatic Early Redemption Percentage Down: [[●] per cent.][Not Applicable]
- (i) Automatic Early Redemption Valuation Date(s)/Period: [*specify*]
- [For Fixed Income payouts, consider whether this is the interest determination date (i.e. 2 business days prior to the Automatic Early Redemption Date)]*
- (j) Observation Price Source: [[*specify*]/[Not Applicable]]

(k) Underlying Reference Level: [Official level]/[Official close]/[last price]/[Bid price]/[Asked price]/[Standard Underlying Reference Level]

28. Inflation Index-Linked Redemption Notes:

[Applicable/Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[The Inflation Index-Linked Note Conditions at Part 3 of the Conditions apply.]

(a) Index/Indices: [●]

[Composite/non Composite]

(b) Cut-Off Date: [●]/[Not applicable]

(c) Related Bond: [[●]/Fallback Bond]

(d) Issuer of Related Bond: [●]/[Not applicable]

(e) Fallback Bond: [Applicable/Not applicable]

(f) Index Sponsor: [●]

(g) Related Bond Redemption Event: [Applicable/Not applicable]

(h) Determination Date: [●]

(i) Optional Additional Disruption Events: [The following Optional Additional Disruption events apply to the Notes:]

(specify each of the following which applies)

[Increased Cost of Hedging]

(j) Trade Date [●]

29. Foreign Exchange (FX) Rate-Linked Redemption Notes:

[Applicable/Not applicable]

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

[The Foreign Exchange (FX) Rate-Linked Note Conditions at Part 4 of the Conditions apply.]

(a) Relevant Screen Page: [specify]

(b) The relevant base currency (the "**Base Currency**") is: [specify]

(c) The relevant subject [currency/currencies] ([each a]/[the] "**Subject Currency**") [is/are]: [specify]

- (d) Weighting: [specify]
- (e) Price Source: [specify]
- (f) Disruption Event: Specified Maximum Days of Disruption will be equal to [●]/[five]
- (If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to five)*
- (g) Valuation Time: [specify]
- (h) Redemption Valuation Date: [specify]
- (i) Delayed Redemption on the Occurrence of an Additional Disruption Event: [Applicable/Not applicable]
- [if applicable:*
- Principal Protection Termination Amount: [Applicable/Not applicable]]
- (j) Averaging Date(s): [●][Not Applicable]
- (k) Strike Date(s): [●][Not Applicable]
- (l) Observation Date(s) [specify]
- (m) Observation Period [specify]
- (n) Optional Additional Disruption Events: [The following Optional Additional Disruption events apply to the Notes:]
- (specify each of the following which applies)*
- [Increased Cost of Hedging]
- (o) Trade Date: [●]

30. **Early Redemption Amount (pursuant to Condition 5)**

- (a) Early redemption for taxation reasons: [Applicable/Not Applicable/As per Conditions]
- [(If not applicable delete the remaining sub-paragraphs of this paragraph) and insert "do not apply" in paragraph 40 (Taxation)]*
- (i) Early Redemption Amount of each Note payable on redemption: [[100][●] per cent. of its principal amount/Market Value less Costs/Not Applicable]
- (ii) Payment of additional amounts in case of tax [Applicable] [Not Applicable, the Issuer will not pay any additional amount in case of tax changes.]

changes:

- (iii) Minimum notice period: *[insert period]* days
- Maximum notice period: *[insert period]* days
- (b) Early redemption on event of default: *[Applicable/Not Applicable] [(If not applicable, delete the remaining sub-paragraphs of this paragraph)]*
- (i) Early Redemption Amount of each Note payable on early redemption: *[[100][●] per cent. of its principal amount/Market Value less Costs]*
- (ii) Minimum notice period: *[insert period]* days
- (iii) Maximum notice period: *[insert period]* days
- (c) Early redemption for illegality : *[Applicable/Not Applicable] [(If not applicable, delete the remaining sub-paragraphs of this paragraph)]*
- Early Redemption Amount of each Note payable on redemption for illegality: *[[100][●] per cent. of its principal amount/Market Value less Costs]*
31. Instalment Date(s) (if applicable): *[●][Not Applicable]*
32. Instalment Amount(s) (if applicable): *[●][Not Applicable]*
33. Unmatured Coupons to become void upon early redemption: Unmatured Coupons will [not] become void upon the due date for redemption.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

34. Form of Notes: Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]*
- [Temporary Global Note exchangeable for Definitive Notes on or after the Exchange Date.]*
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]. [Insert this option for Notes issued by BNP Paribas Fortis SA/NV and cleared through the X/N System.]*
35. *[New Global Note:]**[delete if Registered Notes]* *[Applicable/Not Applicable]*
- [If "Not Applicable" is specified, ensure that "Not*

Applicable" is also specified for Eurosystem eligibility in the relevant paragraph of section 10 of Part B of these Final Terms, and if "Applicable" is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem eligibility.]

- | | | |
|-----|---|---|
| 36. | Business Day Jurisdictions for Condition 6.7 and any special provisions relating to payment dates: | [Not Applicable/give details. Note that this item relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which item 17(a) relates] |
| 37. | Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon: | [No/Yes, maturing every [27] Interest Payment Dates] |
| 38. | Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made: | [Not Applicable/give details] [(with respect to dates, indicate whether they are subject to adjustment in accordance with the applicable Business Day Convention)] |
| 39. | Exchange for Definitive Notes at the request of the holder at the expense of: | [the Issuer/Noteholder if permitted by applicable law] (Indicate which party will pay the costs of exchange for Definitive Notes at the request of the Noteholder)

(generally, the expenses of exchange should be borne by the Noteholder) |
| 40. | Taxation: | The provisions in Condition 7 of the Terms and Conditions of the Notes [do not] apply. |

THIRD PARTY INFORMATION

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]²⁶

Signed on behalf of the Issuer:

By:

[Director]

By:

[Director]

²⁶

Include where any information sourced from a third party has been reproduced, and provide necessary details.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a) Listing and admission to trading: [[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [listing on the official list and to trading on the Luxembourg Stock Exchange/trading on the Luxembourg Regulated Market] with effect from [●].

[[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [NYSE Euronext in Brussels] and/or [NYSE Euronext in Amsterdam] with effect from [●]]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to [listing on the official list and to trading on the Luxembourg Stock Exchange] with effect from [●].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [NYSE Euronext in Brussels] and/or [NYSE Euronext in Amsterdam] with effect from [●].]

[Not Applicable.]

[(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)]

(b) [Estimates of total expenses related to admission to trading: [●]]²⁷

[(Only the estimated costs of listing should be included here)]

2. [RATINGS]

Ratings:

[S & P: [●]]

[Moody's: [●]]

[Fitch: [●]]

[[insert legal name of any other rating agency]: [●]]

Each of [S&P], [Moody's] and [Fitch] is established and operating in the European Community and registered under the CRA Regulation, as set out within the list of registered CRAs by ESMA

²⁷

Do not include this information if the minimum denomination of the Notes is less than EUR100,000 (or its equivalent in another currency)

(<http://esma.europa.eu/page/List-registered-and-certified-CRAs>).

[[insert legal name of any other rating agency] is established and operating in the European Community and registered under the CRA Regulation, as set out within the list of registered CRAs dated by ESMA (<http://esma.europa.eu/page/List-registered-and-certified-CRAs>)] / [[insert legal name of any other rating agency] is established and operating outside the European Community and is certified in accordance with the CRA Regulation] / [[insert legal name of any other rating agency] is established and operating outside the European Community and the ratings assigned by it to the Notes have been endorsed by [insert legal name of endorsing rating agency], a rating agency that is established and operating in the European Community and registered under the CRA Regulation] / [[insert legal name of any other rating agency] is established and operating outside the European Community and is not registered under the CRA Regulation]

For the purposes of the above, "**S&P**" means [Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies Inc.], "**Moody's**" means [Moody's Investors Service Limited], "**Fitch**" means [Fitch Ratings Ltd], and "**CRA Regulation**" means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

The above mentioned ratings are the credit ratings assigned to the Programme: [Yes/No]

The above mentioned ratings are specific credit ratings only assigned to this Tranche of Notes: [Yes/No]

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

Save [for any fees payable to the [Managers/Dealers]], so far as the Issuer [and the Guarantor] [is/are] aware, no person involved in the offer of the Notes has an interest material to the offer. [The Managers/Dealers] and other affiliates have engaged, and may in the future engage in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. – *Amend as appropriate if there are other interests*

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

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(a) [Reasons for the offer] [The net proceeds from the issue of Notes will be used by the Issuer to meet part of its financing requirements and for general corporate purposes.] [Insert for when BNPPF is the Issuer]]

[The net proceeds from the issue of the Notes will be lent to the Guarantor, to be used by the Guarantor for its general corporate purposes.] [Insert for when BP2F is the Issuer]

(b) Estimated net proceeds: [●].

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

(c) Estimated total expenses: [●].

[Include breakdown of expenses which are to be borne by the Noteholders]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses to be borne by the Noteholders at (b) and (c) above where disclosure is included at (a) above.)

5. [Fixed Rate Notes only — YIELD

(Only for Fixed Rate Notes, not relevant for Fixed to Floating Rate Notes or for Fixed to Variable Rate Notes or for variable redemption Notes).

Indication of yield: [●].

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

6. [Floating Rate Notes and Underlying Interest Rate-Linked Notes — **HISTORIC INTEREST RATES**]²⁸

Details of historic [LIBOR/EURIBOR/LIBID/LIMEAN] rates can be obtained from [Reuters].]

²⁸

Include this information only where the Notes have a denomination of less than EUR 100,000 or if Underlying Interest Rate-Linked Notes.

7. [PERFORMANCE OF [INFLATION INDEX/FOREIGN EXCHANGE (FX) RATE]– EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (TO BE INCLUDED FOR DERIVATIVE SECURITIES TO WHICH ANNEX XII TO THE PROSPECTIVE DIRECTIVE REGULATIONS APPLIES)]²⁹

[Need to include details of where past and future performance and volatility of the [inflation index/foreign exchange rate] can be obtained. [If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, an example(s) of how the value of the investment is affected by the value of the underlying may be included.] [Where the underlying is an inflation index need to include the name of the inflation index and details of where the information about the index can be obtained. Where the underlying is not an inflation index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

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

[The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information] (including information about corporate actions or other events affecting the underlying and adjustments or substitutions to the underlying resulting therefrom), except if required by any applicable laws and regulations.]

- (a) [Name of inflation index/exchange rate] *[specify]*
- (b) [Information on inflation index /exchange rate:] *[specify]*
- (c) The underlying is a basket of underlyings: *[disclosure of relevant weightings of each underlying in the basket]*

8. [Derivatives³⁰ only – OTHER INFORMATION CONCERNING THE NOTES TO BE [OFFERED]/[ADMITTED TO TRADING]]

Details of how interest payments, are affected by the value of the underlying instrument(s)³¹: *(Insert details, in particular describing circumstances where there is a risk that the amount of interest payments may be reduced.)*

Details of how the value of investment is affected by the value of the underlying instrument(s)³²: *(Insert details, in particular describing circumstances where there is a risk that the value may be reduced.)*

Details of any post-issuance information relating to the underlying to be provided and *[Insert details]*

²⁹ Notes will constitute derivative securities for the purposes of the Prospectus Directive where (i) the Final Redemption Amount is linked to an underlying (whether a reference index, rate, security or otherwise) and (ii) may be less than 100% of the nominal value.

³⁰ Notes will constitute derivative securities for the purposes of the Prospectus Directive where (i) the Final Redemption Amount is linked to an underlying (whether a reference index, rate, currency or otherwise) and (ii) may be less than 100% of the nominal value.

³¹ Only applicable for Notes with a denomination per unit of less than EUR 100,000.

³² Only applicable for Notes with a denomination per unit of less than EUR 100,000 or which can be acquired for less than EUR 100,000.

where such information can be obtained:

9. DISTRIBUTION

- (a) If syndicated, names [and addresses] of Dealers/Managers [and underwriting commitments]: [Syndicated/Non-syndicated]
[Not Applicable/give names [and addresses and underwriting commitments]] (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers/Managers.)
- (b) [Date of [Subscription] Agreement:] []
- (c) Stabilisation Manager (if any): [Not Applicable/give name]
- (d) If non-syndicated, name [and address] of relevant Dealer: [Name [and address]^{33*}]
- (e) [Total commission and concession: [] per cent. of the Aggregate Principal Amount]
- (f) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
- (g) Non-exempt Offer [where there is no exemption from the obligation under the Prospectus Directive to publish a Prospectus] : [Applicable] [Not Applicable] *(if not applicable, delete the remaining placeholders of this paragraph (g) and also paragraph 11 below)*
- Non-exempt Offer Jurisdictions: *[Specify relevant Member State(s) where the issuer intends to make Non-exempt Offers (where the Base Prospectus lists the Non-exempt Offer Jurisdictions, select from the list), which must therefore be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)]*
- Offer Period [Specify date] until [specify date or a formula such as "the issue date" or "the date which falls [● Business Days thereafter"] (the "Offer Period").
- Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: *[Insert names and addresses of financial intermediaries receiving consent (specific consent)]*

³³

Only applicable for Notes with a denomination per unit of less than EUR 100,000.

General Consent:	[Not Applicable][Applicable]
Other Authorised Offeror Terms:	[Not Applicable][Add here any other Authorised Offeror Terms]

(Authorised Offeror Terms should only be included here where General Consent is applicable.)

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a Non-exempt Offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt Offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

10. OPERATIONAL INFORMATION

- | | | |
|-----|---|--|
| (a) | ISIN Code: | [●] |
| (b) | Common Code: | [●] |
| (c) | Intended to be held in a manner which would allow Eurosystem eligibility: | <p>[Not Applicable/Yes/No]</p> <p>[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] <i>[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]</i></p> |
| (d) | X/N Note intended to be held in a manner which would allow Eurosystem eligibility ³⁴ : | <p>[Not Applicable/Yes/No]</p> <p>[Note that the designation "Yes" simply means that the X/N Notes are intended upon issue to be deposited with the National Bank of Belgium and does not necessarily mean that such X/N Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] <i>[Include this text if "Yes" selected]</i></p> |
| (e) | Any clearing system(s) other than | [X/N System (give numbers)/Not Applicable/give |

³⁴ Only applicable in relation to X/N Notes issued by BNP Paribas Fortis SA/NV

Euroclear and Clearstream, *name(s) and number(s)*
Luxembourg and the relevant
identification number(s):

- (f) Delivery: Delivery [against/free of] payment
- (g) Names and addresses of additional Paying Agent(s) (if any): [●]
- (h) Name and address of Calculation Agent: [BNP Paribas Securities Services, Luxembourg Branch/BNP Paribas Fortis SA/NV/the Dealer/*any other third party*]
- (i) Total amount of the offer: [●]

[If the amount is not fixed, insert: The Issuer will, as soon as reasonably practicable after the end of the Offer Period, publish a notification on the website of the Luxembourg Stock Exchange (www.bourse.lu) setting out the total amount of the offer in respect of each Series of Notes in accordance with Article 8 of the Prospectus Directive.]
- (j) Deemed delivery of clearing system notices: Any notice delivered to Noteholders through the clearing systems would be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
- (k) Names and addresses of any relevant Listing Agents: [Not applicable / *give details*]

[(Note: a listing agent is required to be appointed in relation to listing of any Series of Notes on NYSE Euronext Amsterdam and/or NYSE Euronext Brussels)]

11. TERMS AND CONDITIONS OF THE OFFER

- (a) Offer Price: [Issue Price] [*specify*]
- (b) Conditions to which the offer is subject: [The Issuer reserves the right to withdraw the present offer, if the minimum amount is not placed or if there are market or other disruptions not enabling a smooth settlement of the Notes, as determined by the Issuer in its sole discretion/*Not Applicable*/[*other*]]
- (c) Description of the application process: [Not Applicable/*give details*]
- (d) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/*give details*]

- (e) Details of the minimum and/or maximum amount of application: [Not Applicable/*give details*]
- (f) Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/*give details*]
- (g) Manner in and date on which results of the offer are to be made to the public: [Not Applicable/*give details*]
- (h) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]
- (i) Whether tranche(s) have been reserved for certain countries: [Not Applicable/*give details*]
- (j) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made; [Not Applicable/*give details*]
- (k) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]
- (l) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [The Authorised Offerors identified in paragraph 9 above and identifiable from the Base Prospectus /None/*give details*]
- (m) Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [None/*give details*]

[SUMMARY OF THE NOTES

[issue-specific summary to be inserted in relation to each issue of Non-exempt Notes with a denomination of less than EUR100,000 (or its equivalent in another currency)]

FORM OF PRICING SUPPLEMENT FOR EXEMPT NOTES ONLY

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

Pricing Supplement dated [●]

[BNP PARIBAS FORTIS SA/NV

(incorporated as a public company with limited liability (société anonyme/naamloze vennootschap) under the laws of Belgium, having its registered office in Montagne du Parc 3, B-1000 Brussels, and registered with the register of legal entities of Brussels under enterprise No. 0403.199.702]

[BNP PARIBAS FORTIS FUNDING

(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 67, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg and registered with the Registry of Commerce and Companies of Luxembourg under No. B 24.784)]

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

[Guaranteed by BNP PARIBAS FORTIS SA/NV]

under the

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein and must be read in conjunction with the Base Prospectus dated 13 June 2014 [as supplemented by the supplement[s] dated [date[s]]] (the "**Base Prospectus**").

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus. Full information on the Issuer and the Notes described herein is only available on the basis of a combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus³⁵] may be obtained from BNP Paribas Fortis Funding at [67, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg] and BNP Paribas Fortis SA at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, BNP Paribas Securities Services, Luxembourg Branch at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors included in the Base Prospectus and any complementary risk considerations included in this Pricing

³⁵ Only include details of a supplement to the Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

Supplement prior to investing in the Notes. Each prospective investor should also carefully consider the tax considerations relating to the Notes included in the Base Prospectus and any other up-to-date tax considerations that would be relevant for such prospective investor.

Moreover, prospective investors and purchasers of Notes must inform themselves about all the relevant applicable and up-to-date restrictions, including but not limited to, selling and transfer restrictions relating to the Notes, prior to investing in the Notes.

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, prospective investors should consult a specialised financial advisor or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on its own independent review of the information included in the Base Prospectus and in this Pricing Supplement.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing this Pricing Supplement.]

1. (a) Issuer: [BNP Paribas Fortis SA/NV/BNP Paribas Fortis Funding]
- (b) Guarantor: [BNP Paribas Fortis SA/NV] [Not Applicable]
2. (a) Series Number: [●]
- (b) Tranche Number: [●]
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about *[date]*][Not Applicable]
3. Currency or Currencies: [●] [*(being equivalent of [●] Units)*]
4. Form: [Bearer Notes][Exchangeable Bearer Notes][Registered Notes][Dematerialised Notes]
5. Aggregate Principal Amount:
 - (a) Series: [●]
 - (b) Tranche: [●]
6. Issue Price: [●] per cent. of the Principal Amount of Tranche [plus accrued interest from *[insert date]* [*(in the case of fungible issues only, if applicable)*]
7. Specified Denominations and Units:
 - (a) Specified Denomination(s): [●]
 - (b) Calculation Amount: [●]

[The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations, the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).]

(c) [Trading in Units:

[Applicable/Not Applicable]

[If Trading in Units is specified as being Applicable then the Notes will be tradeable (only whilst such Notes are in global form and interests therein are reflected in the records of the Relevant Clearing Systems) by reference to the number of Notes being traded (each having the Specified Denomination) as opposed to the aggregate principal amount of Notes being traded. [Trading in Units may only be specified as being Applicable if the Notes have a single Specified Denomination.]]

(d) [Minimum Trading Size:

[specify]]

(e) [Minimum Subscription Amount

[specify]]

8.

(a) Issue Date:

[●]

(b) Interest Commencement Date:

[●] [specify/Issue Date/Not Applicable]

(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)

9.

Maturity Date:

[●], [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention/[The Interest Payment Date falling in or nearest to [specify month and year]].

[The Notes are Junior Subordinated Notes and accordingly have no Maturity Date]

[If Notes issued by BP2F have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]

10. Interest Basis: [Not Applicable]
 [[●] per cent. Fixed Rate]
 [[specify reference rate] +/-
 [●] per cent. Floating Rate]
 [Zero Coupon]
 [Inflation Index-Linked Interest]
 [Foreign Exchange (FX) Rate-Linked Interest]
 [Underlying Interest Rate-Linked Interest]
 [Non Interest Bearing]
 [Rate: [Fixed]
 [Floating Rate]]
 [specify other]
(further particulars specified below)
11. Redemption Amount: [[100][●] per cent. of its principal amount]
 [Inflation Index-Linked Redemption]
 [Foreign Exchange (FX) Rate-Linked Redemption]
 [Underlying Interest Rate-Linked Redemption]
 [specify other]
(further particulars specified below)
12. Change of Interest or Redemption Amount: [Specify details of any provision for convertibility of
 Notes into another interest or redemption/payment
 basis][Not Applicable]
13. Terms of redemption at the option of the Issuer/Noteholders or other
 Issuer's/Noteholders' option: [●]
 [(further particulars specified below)]
14. [(a)] Status of the Notes: [Senior/Senior Subordinated/Junior Subordinated³⁶]
 (b) [Status of the Guarantee: [Senior/Senior Subordinated/Junior
 Subordinated/Not Applicable]]³⁷
15. Calculation Agent responsible for calculating interest and/or redemption amounts due: [Applicable/Not Applicable]
16. Knock-in Event³⁸: [Applicable/Not applicable]
 [If applicable: [Foreign Exchange (FX) Rate-Linked
 Note Conditions 1 and 5 shall apply.][Underlying
 Interest Rate-Linked Note Condition 7 shall apply.]]
 [If applicable:
 ["greater than"/"greater than or equal to"/"less
 than"/"less than or equal to"/"within"]]

³⁶ In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by BP2F) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.

³⁷ Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee (delete accordingly where the Issuer is BNP Paribas Fortis SA/NV: Date of [BP2F's Board and Guarantor's BNP Paribas Fortis SA/NV's Management Committee approval for issuance of Notes [and Guarantee] obtained: [●] [and [●], respectively]

³⁸ Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

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

- (a) Level: [Official level]/Official close/[last price]/[bid price]/[asked price]/[Standard Level][Not Applicable]
- (b) Knock-in Level/Knock-in Range Level: [specify]/[[From and including/From but excluding][specify][to and including/to but excluding][specify]][FX Knock-in Level:

[Knock-in Average Value
Knock-in Averaging Dates: [●]]
[Single Resettable Knock-in
Knock-in Observation Date: [●]
Resettable Adjustment: [+/-][●]]
[Multiple Resettable Knock-in
Resettable Knock-in Period: [●]
Knock-in Observation Date(s): [●]
Resettable Adjustment: [+/-][●]]]
- (c) Knock-in Period Beginning Date: [specify]
- (d) Knock-in Period Beginning Date Convention: [Applicable/Not applicable]
- (e) Knock-in Determination Period: [specify]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 5][Underlying Interest Rate-Linked Note Condition 7]]
- (f) Knock-in Determination Day(s): [specify]/[Each [Scheduled Trading Day/Business Day] in the Knock-in Determination Period]
- (g) Knock-in Period Ending Date: [specify]
- (h) Knock-in Period Ending Date Day Convention: [Applicable/Not applicable]
- (i) Knock-in Valuation Time: [specify]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 5][Underlying Interest Rate-Linked Note Condition 7]]/[Valuation Time]/[Any time on a Knock-in Determination Day]/[Not applicable]
- (j) Knock-in Observation Price Source: [specify]
- (k) Disruption Consequences: [Applicable/Not applicable]
17. Knock-out Event³⁹: [Applicable/Not applicable]

[If applicable: [Foreign Exchange (FX) Rate-Linked Note Conditions 1 and 5 shall apply.][Underlying

³⁹

Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

Interest Rate-Linked Note Condition 7 shall apply.]]

[If applicable:

["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]]

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

- (a) Level: [Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]/[Not Applicable]
- (b) Knock-out Level /Knock-out Range Level: *[specify]* [[From and including/From but excluding]*[specify]*][to and including/to but excluding]*[specify]*]/[FX Knock-out Level:
- [Knock-out Average Value
Knock-out Averaging Dates: [●]]
[Single Resettable Knock-out
Knock-out Observation Date: [●]
Resettable Adjustment: [+/-][●]]
[Multiple Resettable Knock-out
Resettable Knock-out Period: [●]
Knock-out Observation Date(s): [●]
Resettable Adjustment: [+/-][●]]]
- (c) Knock-out Period Beginning Date: *[specify]*
- (d) Knock-out Period Beginning Date Convention: [Applicable/Not applicable]
- (e) Knock-out Determination Period: *[specify]*/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 5][Underlying Interest Rate-Linked Note Condition 7]]
- (f) Knock-out Determination Day(s): *[specify]*/[Each [Scheduled Trading Day/Business Day] in the Knock-out Determination Period]
- (g) Knock-out Period Ending Date: *[specify]*
- (h) Knock-out Period Ending Date Convention: [Not Applicable/Applicable]
- (i) Knock-out Valuation Time: *[specify]*/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 5][Underlying Interest Rate-Linked Note Condition 7]] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]
- (j) Knock-out Observation Price Source: *[specify]*
- (k) Disruption Consequences: [Applicable/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18. General Interest Provisions:

- (a) [Interest Payment Date(s)]/[Specified Period⁴⁰]: [●] in each year [adjusted in accordance with the Business Day Convention as set out in (d) below] [for the purpose of payment only⁴¹] *or* [Not subject to adjustment, as the Business Day Convention in (d) below is specified to be Not Applicable]
- (If applicable, identify any Additional Business Centre(s) for the purpose of payment)*
- (b) Interest Period Dates: [●]
- (c) Day Count Fraction: [[Actual/Actual (ICMA)],[Actual/Actual]/[Actual/365(Fixed)],[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]⁴² [Not Applicable]
- (e) Interest Accrual Period: [●]
- (If applicable, identify any Additional Business Centre(s) for the purpose of interest accrual periods)*
- (f) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]): [●]
- (g) Minimum Interest Rate: [[●] per cent. per annum]/[Not Applicable]
- (h) Maximum Interest Rate: [[●] per cent. per annum]/[Not Applicable]
- (i) Accrual to Redemption: [Applicable]/[Not Applicable]
- (j) Interest Rate: [If applicable: Payout Conditions 1(a), 1(b), 1(f), 2 and 3 apply.]
- [Fixed Rate]
- [Floating Rate]
- [[Inflation Index/Foreign Exchange (FX) Rate/Underlying Interest Rate]-Linked Interest]

⁴⁰ Relevant for Floating Rate Notes only

⁴¹ Insert "for the purpose of payment only" if the accrual periods are not subject to adjustment in the same manner as the payment dates.

⁴² Modified Following Business Day Convention and Preceding Business Day Convention are not permissible if Notes are settled through the X/N System.

[Fixed Income Interest Rates:

[FI Digital Coupon applicable (see Payout Condition 1(a)(i)):

FI Upper Barrier Level: *[[specify] per cent.] / [insert level] [specify for each Underlying Reference]*

[FI Lower Barrier Level: *[[specify] per cent.]/[insert level] [specify for each Underlying Reference]*

FI Digital Coupon Condition: *[greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the FI Upper Barrier Level [and [greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the FI Lower Barrier Level]*

[Underlying Reference 2: [Applicable/Not applicable]]

Gearing A: [●] per cent.

Global Cap A: [●] per cent.

Global Floor A: [●] per cent.

Constant A: [●] per cent.

Gearing B: [●] per cent.

Global Cap B: [●] per cent.

Global Floor B: [●] per cent.

Constant B: [●] per cent.

FI Rate A: [Rate/Inflation Rate]

FI Rate B: [Rate/Inflation Rate] *[FI Rate A and FI Rate B should either both specify Rate or both specify Inflation Rate]*

[Inflation Rate: [YoY Inflation Rate / Cumulative Inflation Rate]

[Strike Date: [●]]

FI Interest Valuation Date(s): *[Specify]*

[Range Accrual Coupon applicable (see Payout Condition 1(a)(ii)):

Gearing: [●] per cent.

Global Margin: [●] per cent.

Global Cap: [●] per cent.

Global Floor: [●] per cent.

Local Cap: [●] per cent.

Local Floor: [●] per cent.

FI Rate: [Rate/Inflation Rate]

[Inflation Rate: [YoY Inflation Rate/Cumulative Inflation Rate]

Strike Date: [●]]

[Range Accrual Coupon Barrier Level Up: *[specify]* per cent. *[specify for each Underlying Reference]*

Range Accrual Coupon Barrier Level Down: *[specify]* per cent.] *[specify for each Underlying Reference]*

Range Accrual Coupon Condition: [greater than / less than / equal to or greater than / less than or equal to] *[specify for each Underlying Reference]* the Range Accrual Coupon Barrier Level Down [and [greater than / less than / equal to or greater than / less than or equal to] *[specify for each Underlying Reference]* the Range Accrual Coupon Barrier Level Up]

[Underlying Reference 2: [Applicable/Not applicable]]

Range Period: *[specify]*

Range Accrual Day: [Scheduled Trading Day/Business Day/Underlying Interest Determination Day/calendar day]

Deemed Range Accrual: [Applicable/Not applicable]

[Range Cut-off Date: *[specify]*

Range Period End Date; [●]]

FI Interest Valuation [●]]

Date(s):

[Combination Floater Coupon applicable (see **Payout Condition 1(a)(iii)**) :

Global Cap: [●] per cent.

Global Floor: [●] per cent.

Global Margin: *[specify]* per cent. per annum

Gearing: *[specify]* per cent. For Rate_[(i)]
(repeat for each Rate)

FI Rate: [Rate/Inflation Rate]

[Inflation Rate: [YoY Inflation Rate/Cumulative
Inflation Rate]

Strike Date: [●]]

FI Interest Valuation Date(s): [●]]

[PRDC Coupon applicable (see Payout Condition 1(a)(iv)) :

Coupon Percentage 1: [●] per cent.

Coupon Percentage 2: [●] per cent.

Cap: [●]

Floor: [●]

[FI Interest Valuation *[specify]*
Date(s):

[Averaging: [Applicable/Not
applicable]

[Averaging Dates: *[specify]*]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]]/

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not
Consequences: Applicable]

Strike Period: [●]]]

[FI Digital Floor Coupon applicable (see **Payout Condition 1(a)(v)**):

Digital Floor Percentage [●] per cent.
1:

Digital Floor Percentage [●] per cent.
2:

FI Digital Value: [Performance Value/Worst Value/Best Value/Multi-Basket Value/Weighted Average FI Basket Value]

Performance Value: Performance Value
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [*specify per Underlying Reference*]]

FI Digital Floor Level: [[●]/

[FX Digital Level:

[FX Digital Average Value:

FX Averaging [*specify*]/
Dates:

[Single Resettable Level:

FX Digital [*specify*]
Observation
Date(s):

Resettable [+/-][●]
Adjustment:

[Multiple Resettable Level:

Resettable Period: [*specify*]

FX Digital [*specify*]
Observation
Date(s):

Resettable [+/-] [●]]

Adjustment:

FI Interest Valuation *[specify]*
Date(s):

[Averaging: [Applicable/Not applicable]

[Averaging Dates: [specify]]

Initial Settlement Price: $[[\bullet]/$

[Initial Closing Value:

Strike Date: [●]/

[Initial Average Value:

Strike Days: [●]

Averaging	Date	[Applicable/Not
Consequences:		Applicable]

Strike Period: [●]]

[FI Digital Cap Coupon applicable (see Payout Condition 1(a)(vi)):

Digital Cap Percentage [●] per cent.
1:

Digital Cap Percentage [●] per cent.
2:

FI Digital Value: [Performance Value/Worst Value/Best Value/Multi-Basket Value/Weighted Average FI Basket Value]

Performance Value:	Performance Value [1/2/3/4/5/6/7/8/9/10]
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10

[FI Weighting: [●]]

[G: [specify per Underlying Reference]]

FI Digital Cap Level: [[●]/

[FX Digital Level:

[FX Digital Average Value:

FX	Averaging	[specify]/	
Dates:			
[Single	Resettable		
Level:			
FX	Digital	[specify]	
Observation			
Date(s):			
Resettable		[+/-][●]	
Adjustment:			
[Multiple	Resettable		
Level:			
Resettable Period:		[specify]	
FX	Digital	[specify]	
Observation			
Date(s):			
Resettable		[+/-] [●]	
Adjustment:			
FI Interest Valuation		[specify]	
Date(s):			
[Averaging:		[Applicable/Not	
		applicable]	
[Averaging Dates:		[specify]	
Initial Settlement Price:		[[●]/	
[Initial Closing Value:			
Strike Date:		[●]/	
[Initial Average Value:			
Strike Days:		[●]	
Averaging	Date	[Applicable	Not
Consequences:		Applicable]	
Strike Period:		[●]]]	
[FI	Target	Coupon	Notes (see Payout
Condition 1(a)(vii)):			
Target	Coupon	[●] per cent.	
Percentage:			
Target	Determination	[specify]	

Date:

[FI FX Vanilla Notes (see Payout Condition 1(a)(viii)):

Gearing: [●]

Cap: [●]

Floor: [●]

Performance Value: Performance Value
[1/2/3/4/5/6/7/8/9/10]

FI Redemption [specify]
Valuation Dates:

Averaging: [Applicable/Not
Applicable]

Averaging Dates: [specify]

Initial Settlement Price: [[●]]/

[Initial Closing Value:

Strike Date: [●]]

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not
Consequences: Applicable]

Strike Period: [●]]]

[FI Digital Plus Coupon Notes (see Payout Condition 1(a)(ix)) :

Digital Plus Percentage [●] per cent.
1:

Digital Plus Percentage [●] per cent.
2:

Gearing: [●] per cent.

FI Digital Value: [Performance
Value/Worst Value/Best
Value/Multi-Basket
Value/Weighted
Average FI Basket
Value]

Performance Value: Performance Value
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [specify per Underlying Reference]]

FI Digital Plus Level: [[●]/

[FX Digital Level:

[FX Digital Average Value:

FX Averaging [specify]]/
Dates:

[Single Resettable Level:

FX Digital [specify]
Observation
Date(s):

Resettable [+/-][●]
Adjustment:

[Multiple Resettable Level:

Resettable Period: [specify]

FX Digital [specify]
Observation
Date(s):

Resettable [+/-] [●]
Adjustment:

FI Redemption [specify]
Valuation Date(s):

[Averaging: [Applicable/Not applicable]

[Averaging Dates: [specify]]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]/

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not
Consequences: Applicable]

Strike Period: [●]]]

[Rate:

[Fixed Rate]

[Floating Rate]]

19. **Fixed Rate Note Provisions**

[Applicable/Not Applicable]

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

(If more than one fixed rate is to be determined, repeat items (a) to (d) for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B)

- (a) Interest Rate[s]: [●] per cent. per annum [payable [annually/semiannually/quarterly/monthly] in arrear on each Interest Payment Date]
- (b) Fixed Coupon Amount[(s)]: [[●] per Calculation Amount][Not Applicable]
- (c) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
- (d) Other terms relating to the method of calculating interest for Fixed Interest Rate Notes which are Exempt Notes: [Not Applicable/give details]

20. **Floating Rate Note Provisions**

[Applicable/Not Applicable]

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

(If more than one floating rate is to be determined, repeat items (a) to (g) for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B)

- (a) Reference Banks: [specify four]
- (b) Spread (if applicable): [●] per cent. per annum

- (c) Spread Multiplier (if applicable): ☐
- (d) Relevant Time (if applicable): ☐[Condition 4 applies]/[Not Applicable]
- (e) Screen Rate Determination:
- Primary Source for Interest Rate Quotations: ☐[Relevant Screen Page] ☐[Reference Banks]
 - Benchmark: ☐[LIBOR, EURIBOR, LIMEAN, LIBID or other benchmark]

(Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement.)
 - Interest Determination Date(s): ☐[[☐] Business Days in [specify city] prior to] [the first day in each Interest Period/each Interest Payment Date]

[(Indicate Interest Determination Date and specify if the calculation is to be made at the beginning /end of the period.)]

(If applicable, identify any Additional Business Centre(s) for the purpose of interest determination dates)
 - Relevant Screen Page: ☐

[For example, Reuters LIBOR 01/EURIBOR 01]
 - Relevant Financial Centre: ☐

[For example, London/Euro-zone (where Euro-zone means the region comprised of countries whose lawful currency is the euro)]
- (f) ISDA Determination:
- Floating Rate Option: ☐
 - Designated Maturity: ☐
 - Reset Date: ☐

(In the case of LIBOR or EURIBOR based option, the first day of the Interest Period)
 - Margin: ☐
- (g) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of ☐

calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:

21. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- [(If not applicable, delete the remaining sub-paragraphs of this paragraph)]*
- (a) Amortisation Yield (*Zero Coupon/High Interest/Low Interest Note*): [●] per cent. per annum
- (b) Reference Price (*Zero Coupon/High Interest/Low Interest Note*): [●]
- (c) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: [●]
- (d) Day Count Fraction in relation to Early Redemption Amounts [30/360]
- [Actual/360]
- [Actual/365]
- [other]
22. **Inflation Index-Linked Interest Note Provisions** [Applicable/Not Applicable] *[(If not applicable, delete the remaining sub-paragraphs of this paragraph)]*
- [The Inflation Index-Linked Note Conditions at Part 3 of the Conditions apply].
- [(If more than one Inflation Rate is to be determined, repeat items (a) to (i) for each such Inflation Rate and, if FI Digital Coupon is applicable, distinguish between the Inflation Rate which is FI Rate A and the Inflation Rate which is FI Rate B)]*
- (a) Index: [●]
- [Composite][Non composite]
- (b) Screen Page/Exchange Code: [●]
- (c) Cut-Off Date: [●] / [Not applicable]
- (d) Related Bond: [●] / [Fallback Bond]
- (e) Issuer of Related Bond: [●] / [Not applicable]

- (f) Fallback Bond: [Applicable] / [Not applicable]
- (g) Index Sponsor: [●]
- (h) Related Bond Redemption Event: [Applicable] / [Not applicable]
- (i) Determination Date: [●]
- (j) Optional Additional Disruption Events: [The following Optional Additional Disruption events apply to the Notes:]
- (specify each of the following which applies)*
- [Increased Cost of Hedging]
- Trade Date [●]
23. Foreign Exchange (FX) Rate-Linked Interest Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [The Foreign Exchange (FX) Rate-Linked Note Conditions at Part 4 of the Conditions apply.]
- (a) The relevant base currency (the "**Base Currency**") is: [specify]
- (b) The relevant subject [currency/currencies]/ ([each a]/[the] "**Subject Currency**") [is/are]: [specify]
- (c) Weighting: [specify]
- (d) Price Source: [specify]
- (e) Disruption Event: Specified Maximum Days of Disruption will be equal to [●]/[five]
- (If no specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five)*
- (f) Delayed Redemption on Occurrence of a Disruption Event: [Applicable] / [Not applicable]
- [if applicable:
- Principal Protection Termination Amount:
- [Applicable] / [Not applicable]]
- (g) Relevant Screen Page: [specify]
- (h) Interest Valuation Time: [specify]
- (i) Interest Valuation Date: [●]

- (j) Averaging Date(s): [●][Not Applicable]
- (k) Strike Date: [●][Not Applicable]
- (l) Optional Additional Disruption Events: [The following Optional Additional Disruption events apply to the Notes:]
- (specify each of the following which applies)*
- [Increased Cost of Hedging]
- [[The Trade Date is [●].]

24. **Underlying Interest Rate-Linked Note Provisions**

[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[The Underlying Interest Rate-Linked Note Conditions at Part 5 of the Conditions apply.]

- (a) Underlying Interest Rate Determination Date(s): [specify]
- (If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate₁:")*
- (b) Manner in which the Underlying Interest Rate is to be determined: [Screen Rate Determination/ISDA Determination]
- (c) Screen Rate Determination: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Primary Source for Underlying Interest Rate Quotation [Relevant Screen Page (Underlying)] [Underlying Reference Banks]
 - Underlying Benchmark: [specify]
 - (either LIBOR, EURIBOR, LIBID, LIMEAN or other)*
 - Underlying Specified Duration: [specify]
 - Relevant Screen Page (Underlying): [specify]
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

- Underlying Reference Banks: *[specify four]*
 - Relevant Time (Underlying): *[specify]*

(which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR)
- (d) ISDA Determination: *[Applicable]/[Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Floating Rate Option: *[specify]*
 - Designated Maturity: *[specify]*
 - Reset Date: *[specify]*
 - Underlying Margin: *[specify]*
- (e) Underlying Spread: *[+/-[●]] per cent. per annum*
- (f) Underlying Spread Multiplier *[specify]*
- (g) Minimum Underlying Interest Rate: *[●] per cent. per annum*
- (h) Maximum Underlying Interest Rate: *[●] per cent. per annum*
- (If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate₂:" and repeat items (b) to (h).*

Repeat for each Underlying Interest Rate.)

PROVISIONS RELATING TO REDEMPTION

25. **Redemption at the option of the Issuer or other Issuer's option (pursuant to Condition 5.5)** *[Applicable/Not Applicable]*

[In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by BP2F) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.]

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

- (a) Issuer's Option Period: *[●]*

[Option Period must end no later than 5 Clearing System Business Days prior to the date on which the Issuer's option is to be exercised, where "Clearing System Business Day" means a day on which the Relevant Clearing System through which the notes are held is open for business.]

[Please consider the practicalities of distribution of information through intermediaries (for example, clearing systems will normally require a minimum of 5 clearing system business days to process any notice), as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]

(b) Early Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount

(c) If redeemable in part: [Applicable/Not Applicable]

– Minimum Early Redemption Amount: [●] per Calculation Amount

– Maximum Early Redemption Amount: [●] per Calculation Amount

26. **Redemption at the option of the Noteholder or other Noteholder's option (pursuant to Condition 5.6)**

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

(a) Noteholder's Option Period: [●]

[Option Period must end no later than ten Clearing System Business Days prior to the date on which the Issuer's option is to be exercised, where "Clearing System Business Day" means a day on which the Relevant Clearing System through which the notes are held is open for business.]

[Please consider the practicalities of distribution of information through intermediaries (for example, clearing systems will normally require a minimum of 5 clearing system business days' to process any notice) as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]

(b) Early Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount

27. **Final Redemption Amount of each Note**

[Calculation Amount x [●] per cent.]/[Final Payout][Other]]

Final Payout:

[Not Applicable]

[If applicable: Payout Conditions 1(c), 1(f), 2 and 3 apply.]

[FI FX Vanilla Notes (see Payout Condition 1(c)(i)):

Gearing: [●]

Cap: [●]

Floor: [●]

Performance Value: Performance Value
[1/2/3/4/5/6/7/8/9/10]

FI Redemption [specify]
Valuation Dates:

Averaging: [Applicable/Not
Applicable]

Averaging Dates: [specify]

Initial Settlement Price: [[●]/

[Initial Closing Value:

Strike Date: [●]]/

[Initial Average Value:

Strike Days: [●]

[Averaging Date [Applicable/Not
Consequences: Applicable]

Strike Period: [●]

FI Constant [●]
Percentage 1

[FI Inflation Notes (see Payout Condition 1(c)(ii)):

FI Redemption Valuation Date(s): [●]

Strike Date: [●]]

*[If Payout Conditions are being relied upon
and item 29, 30 or 31, as the case may be, is
completed, delete the remainder of this item,
otherwise complete:*

In cases where the Final Redemption Amount is linked to an inflation index, exchange rate or other variable-linked:

- | | | |
|-----|--|---|
| (a) | Inflation Index/Foreign Exchange (FX) Rate/Underlying Interest Rate/other variable: | <p>[Inflation Index-Linked Redemption. The Inflation Index-Linked Note Conditions at Part 3 to the Conditions apply.]</p> <p>[Foreign Exchange (FX) Rate-Linked Redemption. The Foreign Exchange (FX) Rate-Linked Note Conditions at Part 4 to the Conditions apply.]</p> <p>[Underlying Interest Rate-Linked Redemption. The Underlying Interest Rate-Linked Note Conditions at Part 5 to the Conditions apply.]</p> <p><i>[Insert other relevant details]</i></p> |
| (b) | Calculation Agent responsible for calculating the Final Redemption Amount | [give or annex details] |
| (c) | Provisions for determining Final Redemption Amount where calculated by reference to Inflation Index/Foreign Exchange (FX) Rate/Underlying Interest Rate and/or other variable: | [●] |
| (d) | Determination Date(s): | <p>[●]</p> <p>Subject to adjustment in accordance with the <i>[name of applicable Business Day Convention]</i> or [Not subject to adjustment]</p> <p><i>(If applicable, identify any Additional Business Centre(s) for the purpose of determination of the Final Redemption Amount)</i></p> |
| (e) | Provisions for determining Final Redemption Amount where calculation by reference to Inflation Index/ Foreign Exchange (FX) Rate/Underlying Interest Rate and/or other variable is impossible or impracticable or otherwise disrupted: | [●] |
| (f) | Payment Date: | <p>[●]</p> <p>Subject to adjustment in accordance with the <i>[name of applicable Business Day Convention]</i> or [Not subject to adjustment]</p> |

(If applicable, identify any Additional Business Centre(s) for the purpose of payment of the Final Redemption Amount)

(g) Minimum Final Redemption Amount: [[●] per Calculation Amount/Not Applicable]

(h) Maximum Final Redemption Amount: [[●] per Calculation Amount/Not Applicable]

28. **Automatic Early Redemption⁴³:** [Applicable/Not applicable]

[Insert if applicable: [Foreign Exchange (FX) Rate-Linked Note Condition 6 applies.][Underlying Interest Rate-Linked Note Condition 8 applies.]

(a) Automatic Early Redemption Event: [Target Automatic Early Redemption] [FI Underlying Automatic Early Redemption] [FI Coupon Automatic Early Redemption] [Standard Automatic Early Redemption: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"]

(b) Automatic Early Redemption Valuation Time: [*specify*]

(c) Automatic Early Redemption Payout: [Target Automatic Early Redemption (see Payout Condition 1(d)(i)):

Final Interest Rate: [Capped and Guaranteed Applicable][Capped and Guaranteed Not Applicable][Capped Only][Guaranteed Only][FI Underlying Automatic Early Redemption (see Payout Condition 1(d)(ii))]

[Accrual to Automatic Early Redemption: [Applicable/Not Applicable]]

[FI Coupon Automatic Early Redemption (see Payout Condition 1(d)(iii)):

Coupon Cap: [●]]

(d) Automatic Early Redemption Date(s): [*specify*]

(e) Automatic Early Redemption Level: [*specify*]

(f) Automatic Early Redemption Percentage: [[●] per cent.][Not Applicable]

(g) Automatic Early Redemption Percentage Up: [[●] per cent.][Not Applicable]

⁴³ Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes and Underlying Interest Rate-Linked Notes.

	(h)	Automatic Early Redemption Percentage Down:	[[●] per cent.][Not Applicable]
	(i)	Automatic Early Redemption Valuation Date(s)/Period:	[specify] (For Fixed Income payouts, consider whether this is the interest determination date (i.e. 2 business days prior to the Automatic Early Redemption Date))
	(j)	Observation Price Source:	[specify]
	(k)	Underlying Reference Level:	[Official level]/[Official close]/[last price]/[Bid price]/[Asked price]/[Standard Underlying Reference Level]
29.	Inflation Index-Linked Redemption Notes:		[Applicable/Not applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [The Inflation Index-Linked Note Conditions at Part 3 of the Conditions apply.]
	(a)	Index/Indices:	[●] [Composite/non Composite]
	(b)	Cut-Off Date:	[●]/[Not applicable]
	(c)	Related Bond:	[[●]/Fallback Bond]
	(d)	Issuer of Related Bond:	[●]/[Not applicable]
	(e)	Fallback Bond:	[Applicable/Not applicable]
	(f)	Index Sponsor:	[●]
	(g)	Related Bond Redemption Event:	[Applicable/Not applicable]
	(h)	Determination Date:	[●]
	(i)	Optional Additional Disruption Events:	[The following Optional Additional Disruption events apply to the Notes:] (specify each of the following which applies) [Increased Cost of Hedging]
		Trade Date	[●]
30.	Foreign Exchange (FX) Rate-Linked Redemption Notes:		[Applicable/Not applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The Foreign Exchange (FX) Rate-Linked Note Conditions at Part 4 of the Conditions apply.]

- (a) Relevant Screen Page: [specify]
- (b) The relevant base currency (the "**Base Currency**") is: [specify]
- (c) The relevant subject [currency/currencies] ([each a]/[the] "**Subject Currency**") [is/are]: [specify]
- (d) Weighting: [specify]
- (e) Price Source: [specify]
- (f) Disruption Event: Specified Maximum Days of Disruption will be equal to [●]/[five]

(If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to five)
- (g) Valuation Time: [specify]
- (h) Redemption Valuation Date: [specify]
- (i) Delayed Redemption on the Occurrence of an Additional Disruption Event: [Applicable/Not applicable]
[if applicable:

Principal Protection Termination Amount:
[Applicable/Not applicable]]
- (j) Averaging Date(s): [●][Not Applicable]
- (k) Strike Date(s): [●][Not Applicable]
- (l) Observation Date(s): [specify]
- (m) Observation Period: [specify]
- (n) Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable: [●]
- (o) Optional Additional Disruption Events: [The following Optional Additional Disruption events apply to the Notes:]

(specify each of the following which applies)

[Increased Cost of Hedging]

[The Trade Date is [●].]

31. **Underlying Interest Rate-Linked Redemption Notes:**
- [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [The Underlying Interest Rate-Linked Note Conditions at Part 5 of the Conditions apply.]
- (a) Underlying Interest Rate Determination Date(s): [specify]
- (If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate₁:")*
- (b) Manner in which the Underlying Interest Rate is to be determined: [Screen Rate Determination/ISDA Determination]
- (c) Screen Rate Determination: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Primary Source for Underlying Interest Rate Quotation: [Relevant Screen Page (Underlying)][Underlying Reference Banks]
 - Underlying Benchmark: [LIBOR/EURIBOR/LIBID/LIMEAN]
 - Underlying Specified Duration: [specify]
 - Relevant Screen Page (Underlying): [specify][Not Applicable]
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- Underlying Reference Banks: [specify four]
 - Relevant Time (Underlying): [specify]
- (d) ISDA Determination: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Floating Rate Option: [specify]
 - Designated Maturity: [specify]
 - Reset Date: [specify]
 - Underlying Margin: [specify]
- (e) Underlying Spread: [[+/-[●]] per cent. per annum][Not Applicable]

	(f) Underlying Spread Multiplier:	[specify]
32.	Early Redemption Amount (pursuant to Condition 5)	
	(a) Early redemption for taxation reasons and method of calculating the same (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable/As per Conditions] [<i>If not applicable delete the remaining sub-paragraphs of this paragraph) and insert "do not apply" in paragraph 33 (Taxation)</i>]
	(i) Early Redemption Amount of each Note payable on redemption:	[[100][●] per cent. of its principal amount/Market Value less Costs/Not Applicable]
	(ii) Method of calculating (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable/As per Conditions] [The Issuer will not pay any additional amount in case of tax changes.] [<i>specify other method/arrangements</i>]
	(iii) – Maximum notice period:	[●]
	(iv) – Minimum notice period:	[●]
	(b) Early redemption on event of default and method of calculating the same (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable] [<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)]
	Early Redemption Amount of each Note payable on early redemption:	[[100][●] per cent. of its principal amount/Market Value less Costs] [<i>specify amount</i>]
	Maximum notice period:	[●]
	Minimum notice period:	[●]
	(c) Early redemption for other reasons (<i>specify</i>) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable] [<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)]
	(i) Early Redemption Amount of each Note payable on redemption:	[Applicable/Not Applicable] [[100][●] per cent. of its principal amount/Market Value less Costs][<i>specify amount</i>]
	(ii) Method of calculating (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable] [<i>specify method/arrangements</i>]
33.	Instalment Date(s) (if applicable):	[●]
34.	Instalment Amount(s) (if applicable):	[●]

- | | | |
|-----|---|--|
| 35. | Unmatured Coupons to become void upon early redemption: | [Unmatured Coupons will [not] become void upon the due date for redemption.] |
|-----|---|--|

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|---|
| 36. | Form of Notes: | <p>Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice.]</p> <p>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]. <i>[Insert this option for Notes issued by BNP Paribas Fortis SA/NV and cleared through the X/N System.]</i></p> |
| 37. | [New Global Note:][<i>delete if Registered Notes</i>] | <p>[Applicable/Not Applicable]</p> <p><i>[If "Not Applicable" is specified, ensure that "Not Applicable" is also specified for Eurosystem eligibility in the relevant paragraph of section 10 of Part B of this Pricing Supplement, and if "Applicable" is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem eligibility.]</i></p> |
| 38. | Business Day Jurisdictions for Condition 6.7 and any special provisions relating to payment dates: | <p>[Not Applicable/give details. <i>Note that this item relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which item 18(a) relates</i>]</p> |
| 39. | Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon: | <p>[No/Yes, maturing every [27] Interest Payment Dates]</p> |
| 40. | Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made: | <p>[Not Applicable/give details] <i>[(with respect to dates, indicate whether they are subject to adjustment in accordance with the applicable Business Day Convention)]</i></p> |
| 41. | Consolidation provisions: | <p>[Not Applicable/The provisions annexed to this Pricing Supplement apply]</p> |
| 42. | Exchange for Definitive Notes at the request of the holder at the expense of: | <p>[the Issuer/Noteholder if permitted by applicable law] <i>(Indicate which party will pay the costs of exchange for Definitive Notes at the request of the Noteholder)</i></p> |

(generally, the expenses of exchange should be borne by the Noteholder)

43. Taxation: The provisions in Condition 7 of the Terms and Conditions of the Notes [do not] apply
44. Other terms or special conditions: [Not Applicable/give details]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]⁴⁴

Signed on behalf of the Issuer:

By:

[Director]

By:

[Director]

⁴⁴ Include where any information sourced from a third party has been reproduced, and provide necessary details.

PART B – OTHER INFORMATION

1. LISTING

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this should not be a regulated market] with effect from [].][Not Applicable]

2. [RATINGS]

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of relevant credit rating agency].

(Only required if ratings differ from those in the Base Prospectus)

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

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

"Save [as disclosed in "Plan of Distribution"] [for any fees payable to the [Managers/Dealers]], so far as the Issuer [and the Guarantor] [is/are] aware, no person involved in the offer of the Notes has an interest material to the offer" [The [Managers/Dealers] and their affiliates have engaged, and may in the future engage in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. – Amend as appropriate if there are other interests.

4. USE OF PROCEEDS

Use of Proceeds

[●]

(Only required if the use of proceeds is different to that stated in the Base Prospectus)

5. DISTRIBUTION

(a) Method of Distribution:

Method of Distribution:

(b) If syndicated, names [and addresses] of Managers/Dealers [and underwriting commitments]:

[Not Applicable/give names [and addresses and underwriting commitments]] (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers/Dealers.)

(c) [Date of Agreement:] [Subscription] []

(d) Stabilisation Manager (if any): [Not Applicable/*give name*]

If non-syndicated, name [and address] of relevant Dealer: [*Name [and address]*]

[Total commission and concession: [] per cent. of the Aggregate Principal Amount]

Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]

Additional U.S. Selling Restrictions: [Not Applicable/*give details*]

6. OPERATIONAL INFORMATION

(a) ISIN Code: [●]

(b) Common Code: [●]

(c) Intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable]

[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*Include this text if "Yes" in which case the Notes must be issued in NGN form*]

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

(d) X/N Note intended to be held in a manner which would allow Eurosystem eligibility⁴⁵: [Not Applicable]

⁴⁵ Only applicable in relation to X/N Notes issued by BNP Paribas Fortis SA/NV

[Yes. Note that the designation "Yes" simply means that the X/N Notes are intended upon issue to be deposited with the National Bank of Belgium and does not necessarily mean that such X/N Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the X/N Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the X/N Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

- | | | |
|-----|---|---|
| (e) | Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): | [X/N System (<i>give numbers</i>)/Not Applicable/ <i>give name(s) and number(s)</i>] |
| (f) | Delivery: | Delivery [against/free of] payment |
| (g) | Names and addresses of additional Paying Agent(s) (if any): | [●] |
| (h) | Deemed delivery of clearing system notices for the purposes of Condition 13: | Any notice delivered to Noteholders through the clearing system will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg |
| (i) | Name and address of Calculation Agent: | [BNP Paribas Securities Services, Luxembourg Branch/BNP Paribas Fortis SA/NV/the Dealer/ <i>any other third party</i>] |
| (j) | Total amount of the offer: | [●]

[(If the amount is not fixed, provide a description of the arrangements and time for announcements to the public the amount of the offer)] |
| (k) | Names and addresses of any persons authorised by the Issuer to distribute the Base Prospectus and this Pricing | [Not applicable / <i>give details</i>] |

Supplement after the Issue
Date:

GENERAL INFORMATION

The following section applies to both Exempt Notes and Non-exempt Notes.

1. Application has been made for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing on the official list and to trading on the Luxembourg Regulated Market, Amsterdam Regulated Market and Brussels Regulated Market. The Issuers may also make an application for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system.

The Luxembourg Regulated Market, Brussels Regulated Market and Amsterdam Regulated Markets are each a regulated market for the purpose of Directive 2004/39/EC on Markets in Financial Instruments.

Notes may be issued pursuant to the Programme which will not be admitted to listing on the official list and to trading on the Luxembourg Regulated Market nor be admitted to listing, trading and/or quotation on any other competent authority, stock exchange and/or quotation system, or which will be admitted to listing, trading and/or quotation on such competent authority, stock exchange or quotation system as the Issuers and the relevant Dealers may agree.

2. As disclosed on the cover page, each of the Issuers and this Programme has been rated by Moody's, Standard & Poor's and Fitch. Nevertheless not all Notes which may be issued under the Programme will necessarily have the same ratings as the ratings assigned to the Programme, or indeed any ratings at all. The rating assigned to any Tranche of Notes issued under this Programme will be disclosed in the relevant Final Terms together with an indication of whether such ratings are specific to such Tranche of Notes or whether such ratings are the ratings assigned to the Programme.
3. The update of the Programme and the issue of Notes thereunder was authorised by resolutions of the Executive Board of BNPPF and the Board of Directors of BP2F passed on or about 15 May 2014 and 4 May 2014, respectively, and the guarantee of the Notes was confirmed and authorised by a resolution of the Executive Board of the Guarantor passed on or about 15 May 2014.
4. Each permanent Global Note, Bearer Note, Exchangeable Bearer Note, Coupon and Talon which specifies TEFRA D in the applicable Fund Terms or Pricing Supplement, as the case may be, will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

5. Bearer Notes, Exchangeable Bearer Notes and Registered Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Notes issued by BNPPF have been accepted for clearance through the X/N System. The Common Code given by the X/N System or Euroclear and Clearstream, Luxembourg, as the case may be, together with the relevant ISIN number for each Series of Notes will be set out in the relevant Final Terms.
6. The basis for any statements in this Base Prospectus (including those at pages 16 and 17 of this Base Prospectus) made by the Issuers regarding their competitive position originate from the Issuers' evaluation of market trends and generally reflect market views.
7. Each set of Final Terms will contain, *inter alia*, the following information in respect of the issue of Notes to which it relates:

- (a) Series Number;
- (b) principal amount of the Notes;
- (c) the form of the Notes;
- (d) issue date and interest commencement date;
- (e) currency and denomination;
- (f) maturity date/redemption month (if any);
- (g) issue price;
- (h) interest rate, spread, the interest period, any maximum or minimum rate of interest and all other information required to calculate interest amounts (including basis for calculating interest payable on Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes or Underlying Interest Rate-Linked Interest Notes, if applicable);
- (i) interest payment dates;
- (j) basis for calculating redemption amounts payable in respect of Zero Coupon Notes, Variable Redemption Amount Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes or Underlying Interest Rate-Linked Interest Notes, if applicable;
- (k) the common code given by Euroclear and Clearstream, Luxembourg and the ISIN number;
- (l) whether the Notes are redeemable prior to their stated maturity at the option of the Issuer or the Guarantor and/or the Noteholders and the terms relating thereto;
- (m) the amortisation yield in respect of Zero Coupon Notes;
- (n) whether or not the Notes will be admitted to listing, trading and/or quotation by a competent authority stock exchange, and/or quotation system and, if so, the relevant competent authority, stock exchange and/or quotation system;
- (o) the name of any Stabilisation Manager;
- (p) the rate of exchange (if any) at which the principal amount of the tranche issued has been converted into U.S. dollars;
- (q) whether the Guarantee is subordinated or unsubordinated;
- (r) whether the Notes will be Subordinated Notes or not;
- (s) the details of any additional Dealers appointed in respect of any issue of Notes;
- (t) details of the Calculation Agent, if any;
- (u) the name of the Principal Paying Agent (if not the Fiscal Agent);
- (v) the name and specified office of the Paying Agent in France (where applicable);
- (w) the name of the specialist broker in France (where applicable); and

- (x) in the case of Exempt Notes only, any other relevant information which is not inconsistent with the Programme or the terms of the Agency Agreement.

Copies of the Final Terms relating to a Series of Notes which (i) is to be admitted to listing on the official list and to trading on the Luxembourg Regulated Market will be made freely available at the office of the Listing Agent in Luxembourg, (ii) is to be admitted to trading on the Brussels Regulated Market will be made freely available at the office of the Listing Agent in Brussels and (iii) is to be admitted to trading on the Amsterdam Regulated Market will be made freely available at the office of the Listing Agent in Amsterdam and, in each case, will be made available by the Issuer at www.bnpparibasfortis.be.

8. For so long as the Programme remains in effect or any Notes remain outstanding, the following documents (together, in the case of any document not in the English language, with an English translation thereof) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection and, in the case of paragraphs (e), (f), and (g) below, may be obtained free of charge, at the registered offices of the Issuers and the Guarantor, and at the office of the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the Paying Agents:
- (a) the Agency Agreement (which includes the form of the Global Notes, the Definitive Notes in Bearer and Registered Form, the Guarantees, the Coupons, Receipts and Talons);
 - (b) the Programme Agreement;
 - (c) the Deed of Covenant;
 - (d) the Memorandum and Articles of Association of the Issuers and the Guarantor;
 - (e) the latest audited financial statements of BNPPF and the latest audited annual accounts of BP2F, for the years ended 31 December 2012 and 2013 together with any explanatory notes and independent auditors' or, as the case may be, statutory auditors' report accompanying such financial statements or annual accounts. The Guarantor publishes consolidated and non-consolidated financial statements;
 - (f) the Final Terms relating to any Notes which are admitted to listing on the official list and trading on the Luxembourg Regulated Market and the Final Terms relating to any Notes which are admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system;
 - (g) the Pricing Supplement (in the case of Exempt Notes (save that such a Pricing Supplement will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent (or, in the case of X/N Notes, the Domiciliary Agent) and the Paying Agent) as to its holding of Notes and identity)); and
 - (h) a copy of this Base Prospectus or any further Base Prospectus together with any supplement thereto.

9. The annual accounts of BP2F for the year ended 31 December 2012 and 2013 have been audited by Deloitte S.à.r.l. respectively as approved independent auditor (*réviseur d'entreprises agréé*) and as approved independent auditor (*réviseur d'entreprises agréé*) whose registered offices are 560, rue de Neudorf, L-2220 Luxembourg and who is a member of the *Institut des Réviseurs d'Entreprises*.

The cash flow statements of BP2F for the years ended 31 December 2012 and 31 December 2013 have been audited by Deloitte S.à.r.l. as approved independent auditor (*réviseur d'entreprises agréé*) whose registered office is 560, rue de Neudorf, L 2220 Luxembourg, Grand Duchy of Luxembourg, who is a member of the *Institut des Réviseurs d'Entreprises*.

The financial statements for the year ending 31 December 2012 of BNPPF have been audited by PricewaterhouseCoopers Reviseurs d'Entreprises S.C.C.R.L., represented by Roland Jeanquart, Partner, and Josy Steenwinckel, Partner, Woluwedal 18, B 1932 Sint-Stevens Woluwe, Brussels, and Deloitte Reviseurs d'Entreprises SC sous Forme d'une S.C.R.L., represented by Philip Maeyaert and Frank Verhaegen, Partners, Berkenlaan 8b, B 1831 Diegem, in accordance with the laws of Belgium. An unqualified opinion on the consolidated financial statements with an explanatory paragraph has been issued on 15 March 2013. All are members of the *Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises*.

The financial statements for the year ending 31 December 2013 of BNPPF have been audited by PricewaterhouseCoopers Reviseurs d'Entreprises S.C.C.R.L., represented by Roland Jeanquart, Partner, Woluwedal 18, B 1932 Sint-Stevens Woluwe, Brussels, and Deloitte Reviseurs d'Entreprises SC sous forme d'une S.C.R.L., represented by Philip Maeyaert and Frank Verhaegen, Partners, Berkenlaan 8b, B 1831 Diegem, in accordance with the laws of Belgium. An unqualified opinion on the consolidated financial statements with an explanatory paragraph has been issued on 26 March 2014. All are members of the *Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises*.

10. Yield: In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the relevant Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes (as specified in the relevant Final Terms) and will not be an indication of future yield.
11. This Base Prospectus (or any future Base Prospectus) together with any supplement thereto, the documents incorporated by reference herein and the final terms of any Tranches issued under this Prospectus will be available (a) in the case of Notes listed on the official list and admitted to trading on the Luxembourg Regulated Market, on the website of the Luxembourg Stock Exchange, www.bourse.lu, (b) in the case of Notes listed on the official list and admitted to trading on the Brussels Regulated Market, on the website of NYSE Euronext, www.nyx.com, and (b) in the case of Notes listed on the official list and admitted to trading on the Luxembourg Regulated Market, the Brussels Regulated Market and/or the Amsterdam Regulated Market, the applicable Final Terms will be published at www.bnpparibasfortis.be. Additionally, this Base Prospectus, any supplements to this Base Prospectus and the documents incorporated by reference at paragraphs 3, 4, 5 and 6 of the section entitled “*Information Incorporated by Reference*” above will be available at www.bp2f.lu.
12. Each of the Issuers do not intend to provide post-issuance information in relation to the underlying assets under paragraph 7.5 of Annex XII of Regulation (EC) No. 809/2004, except as otherwise stated in the relevant Final Terms.
13. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of the National Bank of Belgium as operator of the X/N System is Boulevard de Berlaimont 14, 1000 Brussels, Belgium.

REGISTERED OFFICES OF THE ISSUERS

BNP Paribas Fortis SA/NV

Montagne du Parc 3

B-1000 Brussels

Belgium

BNP Paribas Fortis Funding

Boulevard Grande-Duchesse Charlotte 67

L-1331 Luxembourg

Grand Duchy of Luxembourg

REGISTERED OFFICE OF THE GUARANTOR

BNP Paribas Fortis SA/NV

Montagne du Parc 3

B-1000 Brussels

Belgium

ARRANGER AND DEALER

BNP Paribas Fortis SA/NV

Montagne du Parc 3

B-1000 Brussels

Belgium

FISCAL AGENT, REGISTRAR, PRINCIPAL PAYING AGENT AND TRANSFER AGENT

BNP Paribas Securities Services, Luxembourg Branch

rue de Gasperich 33

Hesperange

L-2085 Luxembourg

Grand Duchy of Luxembourg

ALTERNATIVE PRINCIPAL PAYING AGENT AND TRANSFER AGENT

BNP Paribas Fortis SA/NV

Montagne du Parc 3

B-1000 Brussels

Belgium

DOMICILIARY AGENT

BNP Paribas Fortis SA/NV

Montagne du Parc 3

B-1000 Brussels

Belgium

LEGAL ADVISERS

*to the Dealers
in respect of English law*

Allen & Overy LLP

One Bishops Square
London
E1 6AD

in respect of Luxembourg law

Allen & Overy
*Société en commandite simple
(inscrite au barreau de
Luxembourg)*

avenue J.F. Kennedy 33
L-1855
Luxembourg
PO Box 5017, L-1050
Grand Duchy of Luxembourg

in respect of Belgian law

Allen & Overy LLP

Tervurenlaan 268A avenue de
Tervueren
Brussels
B-1150
Belgium

in respect of Dutch law

Allen & Overy LLP

Apollolaan 15
1077 AB Amsterdam
PO Box 75440
Amsterdam
1070 AK
Netherlands

AUDITORS TO BNP PARIBAS FORTIS FUNDING

Deloitte Audit S.à.r.l.

rue de Neudorf 560
L - 2220 Luxembourg
Grand Duchy of Luxembourg

AUDITORS TO BNP PARIBAS FORTIS SA/NV

PwC Reviseurs d'Entreprises S.C.C.R.L.

Represented by
Roland Jeanquart, Partner
Woluwedal 18
B-1932 Sint-Stevens-Woluwe
Belgium

Deloitte Réviseur d'Entreprises S.C.R.L

Represented by
Philip Maeyaert, Partner and
Frank Verhaegen, Partner
Berkenlaan 8b
B-1831 Diegem
Belgium

LISTING AGENT

LUXEMBOURG LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch

rue de Gasperich 33
Howald
Hesperange
L-2085 Luxembourg
Grand Duchy of Luxembourg