

SOCIÉTÉ GÉNÉRALE CREDIT-LINKED NOTES

PRODUCT SUPPLEMENT

(To the Offering Memorandum dated March 23, 2016)

Payment or delivery of all amounts due and payable or deliverable under the Credit-Linked Notes is irrevocably and unconditionally guaranteed pursuant to a Guarantee issued by

Société Générale, New York Branch

We, Société Générale, a *société anonyme* incorporated in the Republic of France (the “**Issuer**”), may offer from time to time, pursuant to the offering memorandum dated March 23, 2016 (as supplemented and amended from time to time, the “**Offering Memorandum**”), and this product supplement (the “**Product Supplement**”), the Credit-Linked Notes (each, a “**Note**” and together, the “**Notes**”) as part of one or more series of notes, certificates or securities issued by us under the **Program** (as defined herein). The specific terms of each offering of Notes will be set forth in the applicable pricing supplement (the “**Pricing Supplement**”). You should read this Product Supplement, the Offering Memorandum, and the applicable Pricing Supplement carefully before investment in the Notes. If the terms described in this Product Supplement are different or inconsistent with those described in the Offering Memorandum, the terms described in this Product Supplement will govern the Notes. If the terms described in the applicable Pricing Supplement are different or inconsistent with those described herein or in the Offering Memorandum, the terms described in the applicable Pricing Supplement will govern the Notes.

General Terms of the Notes:

Payment at Maturity: If you hold your Notes to maturity (or Redemption), for each Note, you may receive a payment, which may or may not include the return of all or any portion of your initial investment, as specified in the applicable Pricing Supplement, subject to the credit risk of the Issuer and the Guarantor.

Early Redemption: Terms of specific Notes may permit or require early redemption, in full or in part, by the Issuer (“**Early Redemption**”), including but not limited to redemption as a result of the occurrence of a Credit Event in respect of a Reference Entity as determined by a Credit Derivatives Determinations Committee or the Calculation Agent, as the case may be. Unless otherwise specified in the applicable Pricing Supplement, you may not redeem the Notes prior to Redemption. The applicable Pricing Supplement will indicate the terms of Early Redemption (if any).

Redemption: For purposes of this Product Supplement, each of the maturity, accelerated maturity and/or Early Redemption of the Notes, as applicable, shall be referred to as “**Redemption**.” The date of the Redemption may be referred to as “**Early Redemption Date**,” “**Accelerated Maturity Date**,” “**Maturity Date**” or any other Redemption date, as applicable, specified in the Pricing Supplement and each of these dates shall herein be referred to as the “**Redemption Date**.”

Interest Payments: The applicable Pricing Supplement will specify whether the Notes are interest bearing, and if so, (i) the date on which interest will begin accruing, (ii) the rate(s) of interest, (iii) the interest payment dates, (iv) the coupon amounts and any applicable formula in determination thereof and (v) the interest determination dates and/or any other terms that may be relevant to interest payment determination.

Reference Entity(s): The principal, interest or any other amounts payable or deliverable under the Notes will be based on whether a Credit Event has occurred with respect to one or more reference entities specified in the applicable Pricing Supplement (each, a “**Reference Entity**”).

Credit Events: The applicable Pricing Supplement will specify the Credit Events that will apply to the Reference Entity(s).

Credit Derivatives Determinations Committee: The Calculation Agent may rely on the determinations of a Credit Derivatives Determinations Committee, which include but are not limited to whether a Credit Event has occurred in respect of a Reference Entity. Determinations of a Credit Derivatives Determinations Committee (which are likely to include the Issuer or its affiliates) will be binding on Noteholders if the Calculation Agent elects to apply such determinations for the purposes of the Notes.

Settlement Method: The applicable Pricing Supplement will specify the applicable settlement method and the applicable Fallback Settlement

Method, if any. The Notes may be settled by Auction Settlement, Cash Settlement or Physical Settlement (each, as defined below).

Scheduled Maturity Date: The applicable Pricing Supplement will specify the Scheduled Maturity Date.

Denominations: Unless otherwise specified in the applicable Pricing Supplement, the Notes will be issued in denominations of \$1,000 (or the specified currency equivalent), and multiples of \$1,000 (or the specified currency equivalent) thereafter.

Notional Amount: Unless otherwise specified in the applicable Pricing Supplement, \$1,000 per Note.

Currency: Unless otherwise specified in the applicable Pricing Supplement, the Notes will be denominated in U.S. dollars.

Investor Eligibility: The applicable Pricing Supplement will specify the investor eligibility for the Notes issued thereunder.

Minimum Investment Amount and Minimum Holding: The Notes will be subject to the minimum investment amount and minimum holding set forth in the applicable Pricing Supplement.

Rating: Unless otherwise specified in the applicable Pricing Supplement, the Notes are not, and will not be, rated by any nationally recognized statistical rating organization. The Notes are securities in the same series as and have equal rights and obligations as investment grade rated notes and certificates issued by us under the Program.

Ranking: The Notes will be our direct, general, unconditional, unsecured and unsubordinated obligation and will rank *pari passu* without any preference among themselves and *pari passu* with all of our other unconditional, unsecured and unsubordinated obligations, except those mandatorily preferred by law.

Guarantee: The payment or delivery of all amounts due and payable or deliverable under the Notes is irrevocably and unconditionally guaranteed pursuant to the Guarantee (as defined in the Offering Memorandum) by Société Générale, New York Branch (the “**Guarantor**”).

Program: We intend to issue from time to time certificates, warrants or notes specified in the Offering Memorandum, including the Notes described herein, having an aggregate notional amount of up to \$6,000,000,000 (the “**Program**”).

Other terms: As specified in the section “*Definitions*” herein and, with respect to each offering of Notes, as specified in the applicable Pricing Supplement.

CAPITALIZED TERMS USED BUT NOT DEFINED HEREIN HAVE THE MEANINGS ASCRIBED TO THEM IN THE OFFERING MEMORANDUM.

The Notes involve risks not associated with an investment in ordinary debt securities. See “*Risk Factors*” beginning on page 2 of this Product Supplement and on page 8 of the Offering Memorandum. Additional Risk Factors may appear in the applicable Pricing Supplement.

The Notes and the Société Générale, New York Branch Guarantee (the “**Guarantee**”) have not been, and will not be, registered under the Securities Act of 1933, as amended (the “**Securities Act**”) and, except as specified otherwise in the Pricing Supplement, are being offered pursuant to the exemption from the registration requirements thereof contained in Section 3(a)(2) of the Securities Act.

The Notes and the Guarantee may also, in conjunction with or independently from the exemption from registration provided by Section 3(a)(2) of the Securities Act, be offered and sold (i) in the United States, only to persons who are “Accredited Investors” (as defined in Rule 501 of Regulation D, as amended, under the Securities Act) in reliance on Section 4(a)(2) of the Securities Act (the “Section 4(a)(2) Notes”), or (ii) in the United States, to “Qualified Institutional Buyers” (as defined in Rule 144A, as amended, under the Securities Act) in reliance on Rule 144A under the Securities Act (“Rule 144A Notes”) or (iii) outside the United States, in reliance on Regulation S under the Securities Act (“Regulation S Notes”). The Section 4(a)(2) Notes, Rule 144A Notes or Regulation S Notes, as applicable, have not been, and will not be, registered under the Securities Act, or the state securities laws of any state of the United States or the securities laws of any other jurisdiction. The Section 4(a)(2) Notes, Rule 144A Notes or Regulation S Notes, as applicable, may not be offered, sold, pledged or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Prospective purchasers are hereby notified that (i) the seller of the Section 4(a)(2) Notes may be relying on the exemption from provisions of Section 5 of the Securities Act contained in Section 4(a)(2) thereof and (ii) the seller of Rule 144A Notes may be relying on the exemption from provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers and resales of the Section 4(a)(2) Notes, Rule 144A Notes and Regulation S Notes, see the section entitled “*Notice to Investors*” in the Offering Memorandum.

The Issuer has not been registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

None of the Securities and Exchange Commission (the “SEC”), any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Notes or the Guarantee or passed upon the accuracy or adequacy of the Offering Memorandum, this Product Supplement or any Pricing Supplement. Any representation to the contrary is a criminal offense in the United States. Under no circumstances shall the Offering Memorandum, this Product Supplement and/or any Pricing Supplement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Notes or the Guarantee, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such jurisdiction.

THE NOTES CONSTITUTE UNCONDITIONAL LIABILITIES OF THE ISSUER, AND THE GUARANTEE CONSTITUTES AN UNCONDITIONAL OBLIGATION OF THE GUARANTOR. THE NOTES AND THE GUARANTEE ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND OR ANY U.S. OR FRENCH GOVERNMENTAL OR DEPOSIT INSURANCE AGENCY.

SG Americas Securities, LLC (“SGAS”), one of the potential selling agents in this offering, is an affiliate of ours. See “*Supplemental Plan of Distribution—Conflicts of Interest*” herein.

The date of this Product Supplement is March 23, 2016.



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In making your investment decision, you should rely only on the information contained or incorporated by reference in this Product Supplement, the applicable Pricing Supplement and the Offering Memorandum. Copies of this Product Supplement, the applicable Pricing Supplement and the Offering Memorandum are available from us, at no cost to you, and you should read each of these documents carefully prior to investing in the Notes. We have not authorized anyone to give you any additional or different information. The information in this Product Supplement, the applicable Pricing Supplement and the Offering Memorandum may only be accurate as of the dates of each of these documents, respectively.

The contents of this Product Supplement are not to be construed as legal, business, or tax advice. The Notes described in this Product Supplement, the applicable Pricing Supplement and the Offering Memorandum are not appropriate for all investors, and involve important legal and tax consequences and investment risks which should be discussed with your professional advisors. You should be aware that the regulations of the Financial Industry Regulatory Authority, Inc. (formerly known as the National Association of Securities Dealers, Inc.) and the laws of certain jurisdictions (including regulations and laws that require brokers to ensure that investments are suitable for their customers) may limit the availability of the Notes.

We are offering to sell, and are seeking offers to buy, the Notes only in jurisdictions where such offers and sales are permitted. This Product Supplement, the applicable Pricing Supplement and the Offering Memorandum do not constitute an offer to sell or a solicitation of an offer to buy the Notes in any circumstances in which such offer or solicitation is unlawful.

Neither the delivery of this Product Supplement nor any sale made hereunder implies that there has been no change in our or our affiliates' affairs or that the information in this Product Supplement is correct as of any date after the date hereof.

You must (i) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this Product Supplement, the applicable Pricing Supplement and the related Offering Memorandum and the purchase, offer or sale of the Notes and (ii) obtain any consent, approval or permission required to be obtained by you for the purchase, offer or sale by you of the Notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales; neither we, Société Générale, New York Branch, or any of our or their affiliates shall have any responsibility therefor.

Prior to an investment in the Notes, you should be familiar with the concepts described in the credit derivatives definitions and related documentation published by ISDA from time to time.

In this Product Supplement, the applicable Pricing Supplement and the accompanying Offering Memorandum, "we," "us" and "our" refer to Société Générale, unless the context requires otherwise.

RISK FACTORS

The Notes are generally riskier than ordinary debt securities. This section of the Product Supplement describes some risks relating to the Notes. Additional risk factors are described in the applicable Pricing Supplement and the Offering Memorandum. You should carefully consider all of the information set forth herein, in the applicable Pricing Supplement and in the Offering Memorandum and whether the Notes are suited to your particular circumstances before you decide to purchase them.

Notes not principal protected

Unless otherwise specified in the applicable Pricing Supplement, the Notes will not be principal protected and therefore the amount of principal you receive at Redemption may be less than the amount of your initial investment. **As described further below, by investing in the Notes you face the risk of losing your entire investment.**

You must rely on your own evaluation of the merits as well as the risks of an investment in the Notes

In connection with your purchase of the Notes, we urge you to consult your own financial, tax and legal advisors as to the risks involved in an investment in the Notes and to investigate the Reference Entity(s) and not rely on our views in any respect. **You should make a complete investigation as to the merits of an investment in the Notes, including a thorough evaluation of any Reference Entity that is referenced in such Notes before making any investment decision.**

Credit default risk with respect to the Reference Entity(s) in addition to credit risk with respect to the Issuer and Guarantor

The payment of principal and interest, if any, on the Notes is contingent upon each Reference Entity's satisfaction of its present and future financial obligations and Noteholders will be exposed to credit default risk with respect to each Reference Entity in addition to credit risk with respect to the Issuer and the Guarantor.

If one or more Reference Entities experience a Credit Event during the Credit Protection Period, and the related Credit Event Notice is delivered or deemed delivered during the Notice Delivery Period, the Notes (other than Tranche Notes and Linear Basket Notes for which Deferred Settlement is specified to be applicable in the relevant Pricing Supplement) will be subject to mandatory redemption (which (i) may, depending on the settlement terms specified in the relevant Pricing Supplement, not occur until the Scheduled Maturity Date or later, and (ii) may be a partial redemption in the case of Linear Basket Notes for which Deferred Settlement is not applicable) in accordance with the applicable Settlement Method or, if a Fallback Settlement Event occurs, the applicable Fallback Settlement Method, at a price which may be at a considerable discount to par or even zero. In addition, interest, if specified in the Pricing Supplement as payable with respect to the Notes, will stop accruing on the interest payment date preceding the Credit Event Determination Date, subject to certain exceptions in the case of Tranche Notes and Linear Basket Notes. In the case of Tranche Notes, such occurrence of a Credit Event and delivery or deemed delivery of a Credit Event Notice will result in a loss of tranche subordination and/or a writedown of the principal amount. In the case of Linear Basket Notes, interest may continue to accrue after such occurrence of a Credit Event and delivery or deemed delivery of a Credit Event Notice, but may be calculated on the basis of a reduced principal amount.

The Credit Event that is the subject of the Credit Event Notice does not have to be continuing on the date of the Credit Event Notice or subsequently. Accordingly, Noteholders are exposed to credit default risk with respect to the Reference Entity for Credit Events that may be cured or waived subsequent to their occurrence.

Issuer and Guarantor credit risk

The Notes are subject to our and the Guarantor's credit risk. Our ability to pay our obligations under the Notes is dependent upon a number of factors, including our and the Guarantor's actual or perceived creditworthiness, financial condition and results of operations. No assurance can be given, and none is

intended to be given, that you will receive any interest payment (if applicable), or other amount at Redemption or otherwise.

The Notes are intended to be held to Redemption

You may receive less, and potentially significantly less, than the amount you originally invested if you sell your Notes in the secondary market (if any exists) prior to Redemption. You should be willing and able to hold your Notes until Redemption. Also see “*Risk Factors - There may be no secondary market for the Notes; potential illiquidity of the secondary market*” below.

The Notes are not registered securities and will not be listed on any securities exchange; transfer restrictions may apply

The Notes and the Guarantee are not registered under the Securities Act or under any state laws. The Notes are being offered pursuant to one or more exemptions from the registration requirements of the Securities Act. Restrictions may apply to any purported transfer of the Notes. Neither the SEC nor any state securities commission or regulatory authority has recommended or approved the Notes or the Guarantee, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this Product Supplement, the Offering Memorandum or the applicable Pricing Supplement. The Notes will not be listed on an organized securities exchange or any inter-dealer quotation system. Please also read “*Risk Factors – The Notes and the Guarantee are not registered securities*” in the Offering Memorandum.

The Notes are not insured by any third parties

The Notes will be solely our and the Guarantor’s obligations, and no other third party entity will have any obligation, contingent or otherwise, to make any payments or deliveries with respect to the Notes.

You will receive neither further benefits nor additional payments relating to the Notes if we call or redeem the Notes prior to their scheduled maturity (automatically or otherwise)

The Issuer may redeem the Notes early if the Calculation Agent determines that an Additional Disruption Event has occurred. The terms of any particular issuance of Notes, as specified in the applicable Pricing Supplement, may also permit or require Early Redemption by us (automatic or otherwise). If the Notes are redeemed or called by us prior to their scheduled maturity, in full or in part, you may be subject to reinvestment risk, whereby it is likely that you will not be able to invest in securities with similar risks, terms and yield as the Notes as originally issued.

Moreover, in the event of an Early Redemption of the Notes, in full or in part, you will cease to benefit from the features of the Notes to the extent that such Notes are redeemed early. You will receive no further benefits or payments under the Notes after such Notes have been redeemed in full.

The market value of the Notes will be influenced by many unpredictable factors

A number of factors, many of which are beyond the Issuer’s control, will influence the value of the Notes, including but not limited to:

- the actual or perceived creditworthiness and credit ratings of a Reference Entity and any guarantors or other supporters of its relevant obligations;
- expected rates of recovery on obligations of a Reference Entity;
- the nature of a Reference Entity’s outstanding indebtedness, including its maturity and subordination structure and any guarantees or other support that the Reference Entity has provided to other entities;
- actions of a Reference Entity and its principal creditors;
- economic, financial, political, regulatory or judicial events that affect any Reference Entity or the Issuer and the markets for the debt securities of each Reference Entity or the Issuer;
- technical factors affecting pricing in the credit default swap market;

- the Issuer's and Guarantor's creditworthiness;
- interest rates and yields in the market; and
- in the case of First-to-Default Notes and Tranche Notes, correlation among the credit spreads and/or default probabilities of the Reference Entities.

Some or all of these factors will influence the price received if Noteholders are able to sell their Notes prior to maturity.

There may be no secondary market for the Notes; potential illiquidity of the secondary market

The Notes are most suitable for purchase and holding until Redemption. The Notes will be new securities for which currently there is no trading market. We do not intend to apply for listing of the Notes and therefore the Notes will not be listed or quoted on any exchange. We cannot assure you as to whether there will be a secondary market for the Notes or, if there were to be such a secondary market, that it would be liquid.

In addition, the Aggregate Notional Amount of the Notes being offered may not be purchased by investors in the initial offering, and one or more of our affiliates may have agreed to purchase any unsold portion in accordance with our internal policies and procedures relating to inventorying of securities. Such affiliate's or affiliates' holding of the Notes may affect the supply of the Notes available in any secondary market trading and therefore may adversely affect the liquidity and price of the Notes in any such secondary market trading. If a substantial portion of any Notes held by our affiliates were to be offered for sale following this offering, the market price of such Notes could fall, especially if secondary market trading in such Notes is limited or illiquid (which is likely to be the case).

Under ordinary market conditions, SGAS, as a Dealer distributing the Notes, intends to maintain a secondary market in the Notes; however, none of the Issuer, SGAS or any other Dealer has any obligation to provide a secondary market in the Notes and may cease doing so at any time, in its sole discretion. Accordingly, we cannot assure you as to the development or liquidity of any secondary market for the Notes. If none of the Issuer, SGAS or any other Dealer makes or maintains a secondary market in the Notes, you may not be able to sell your Notes easily or at prices that will provide you with a yield comparable to that of similar securities that have a liquid secondary market.

The Notes will be subject to Credit Events that occur prior to the issuance of the Notes

The Credit Protection Period for the Notes starts from the Credit Event Backstop Date. Accordingly, the Noteholder will be exposed to the risk of the occurrence of any Credit Event after the applicable Credit Event Backstop Date even if it occurs prior to the Issue Date, which may be several weeks after the Credit Event Backstop Date. If the Reference Entity suffers a Credit Event prior to the Issue Date, and a Credit Event Notice is properly delivered, which may occur upon or shortly after the Issue Date of the Notes, a Credit Event Determination Date will occur with respect to such Notes (as well as a notional reduction in some cases), although such Notes may not be subject to redemption until the Scheduled Maturity Date or later, depending on the settlement terms specified in the relevant Pricing Supplement. No interest will accrue on such Notes (or portion of such Notes), and you may lose all or part of your investment. You should therefore carefully investigate each Reference Entity and its financial condition prior to investing in the Notes. See also "*Risk Factors— Credit default risk with respect to the Reference Entity(s) in addition to credit risk with respect to the Issuer and Guarantor*" above.

The Calculation Agent will have the authority to make determinations that could affect the Cash Settlement Amount or Deliverable Obligations, as the case may be

The Calculation Agent will have discretion in making various determinations that affect the Notes, including without limitation the determination of the occurrence of a Credit Event, the occurrence of a Potential Failure to Pay, the occurrence of a Potential Repudiation/Moratorium, the currency exchange rate applicable to Deliverable Obligations denominated in foreign currencies, successor Reference Entities, Deliverable Obligations that the Issuer intends to deliver, the market value of any Deliverable Obligations that the Issuer is unable to deliver, the selection of Valuation Obligations for valuation purposes, the obtaining of quotations in respect of such obligations and the appropriate adjustment to account for an Additional Disruption Event. The exercise of this discretion by the Calculation Agent could

adversely affect the amount in cash, if any, that will be paid to you at Redemption in respect of any Notes or the market value of any Deliverable Obligations delivered to you by the Issuer.

Delay to the Scheduled Maturity Date

If we deliver a Credit Event Notice to the Paying Agent during the Notice Delivery Period or if we deliver an Extension Notice to the Paying Agent on or prior to the last day of the Credit Protection Period, final payment of principal, interest and/or final Delivery of Deliverable Obligations on the Notes may be delayed. Such delay could continue for a substantial period of time and maturity of the Notes could be postponed significantly after the Scheduled Maturity Date, and no additional compensation (including any interest) will be paid to Noteholders for any period after the interest payment date immediately prior to the Credit Event Determination Date (in the case that a Credit Event Notice is delivered) or the Scheduled Maturity Date, as applicable.

Noteholders should also be aware that following the occurrence of a Credit Event Resolution Request Date in respect of a Reference Entity, any obligation of the Issuer to redeem or otherwise settle any Notes or pay or deliver an amount in respect thereof may be suspended pending resolution of the relevant request.

Risks related to Auction Settlement

If the applicable Pricing Supplement specifies that Auction Settlement is applicable but, among other things, ISDA does not sponsor an Auction or if the Auction is considered abandoned, the Notes will be redeemed (or, in the case of Tranche Notes, Loss Amounts determined) in accordance with the Fallback Settlement Method specified in the applicable Pricing Supplement.

Credit losses determined pursuant to a market auction process may be greater than the losses which would have been determined in the absence of the Auction. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a third party. Neither the Calculation Agent, the Issuer, the Guarantor nor any of their respective affiliates has any responsibility for verifying that any Auction has been conducted in accordance with its rules. If the Issuer, the Guarantor or any of their respective affiliates participates in an Auction, then it will do so without regard to the interests of the Noteholders of the Notes. Such participation may have a material adverse effect on the outcome of the relevant Auction and/or on the Notes. Where the terms of any Notes state that "Restructuring Maturity Limitation Date and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation Date and Conditionally Transferable Obligation" is applicable in respect of a Reference Entity, and the only relevant Credit Event is a Restructuring, several concurrent but separate Auctions may occur with respect to such Reference Entity and such Credit Event. The Auction Settlement Amount may be based on the price of one or more obligations of the Reference Entity having a final maturity date different from the Restructured Bond or Loan.

In certain circumstances (for example where ISDA does not sponsor an Auction or the Auction is considered abandoned, Physical Settlement is the Fallback Settlement Method and the Issuer is unable to Deliver any relevant Deliverable Obligations), a pro rata proportion of the market value of such Undelivered Deliverable Obligations will be paid in cash in respect of each Note, which may be significantly less than the aggregate Notional Amount of any Notes or may even be zero.

If ISDA sponsors an auction, the Notes will not be redeemed (or, in the case of Tranche Notes, Loss Amounts will not be determined) until the settlement date occurs for market credit default swap transactions which are the subject of that auction. Such settlement date may not occur for a significant period of time. Settlement may be further delayed if the Credit Derivatives Determinations Committee elects to abandon the Auction in accordance with the DC Rules.

Risks related to Cash Settlement

If the applicable Pricing Supplement specifies that Cash Settlement is applicable, or if a Fallback Settlement Event has occurred and Cash Settlement is the applicable Fallback Settlement Method, then

following the occurrence of a Credit Event and the delivery of a Credit Event Notice, the Calculation Agent will be required to seek quotations in respect of selected Valuation Obligations of the Reference Entity. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the relevant Reference Entity, such as liquidity constraints affecting market dealers. Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation, which would be determined by reference to the present net value of related cashflows. If the Calculation Agent is unable to obtain two or more quotations for a Valuation Obligation on the same Business Day within five (5) Business Days of the Valuation Date, then the Final Price will be determined by the Calculation Agent in its commercially reasonable discretion.

Risks related to Physical Settlement

If the applicable Pricing Supplement specifies that Physical Settlement is applicable, or if a Fallback Settlement Event has occurred and Physical Settlement is the applicable Fallback Settlement Method, the Issuer will Deliver one or more Deliverable Obligations meeting the criteria set forth in the applicable Pricing Supplement to the Noteholders of the Notes in lieu of a cash payment. Such Deliverable Obligations will have an aggregate outstanding principal balance equal to the outstanding principal amount of the Notes, rounded down to the nearest whole unit of each Deliverable Obligation and net of certain costs and fees. However, because the relevant Reference Entity has experienced a Credit Event, it is likely that the Deliverable Obligations will be worth considerably less than the outstanding principal amount of the Notes and, in some cases, may have little or no value. The Deliverable Obligations that the Issuer intends to Deliver will be specified in the Notice of Physical Settlement. The Calculation Agent may amend or correct a Notice of Physical Settlement at any time up to and including the Delivery Date.

If (i) the Calculation Agent determines, in its sole discretion, that it is impossible or illegal to Deliver a Deliverable Obligation specified in the Notice of Physical Settlement, or (ii) the Issuer has not received obligations equivalent to the Deliverable Obligations specified in the Notice of Physical Settlement from a hedging counterparty for any reason, or (iii) a consent required for Delivery has not been obtained or (iv) any holder of a beneficial interest in the Notes has failed to deliver a blocking instruction required for Delivery of Deliverable Obligations (or any other documentation requested by the Issuer in order to comply with securities laws or other transfer restrictions applicable to any Deliverable Obligation), then the Noteholder may not receive such Deliverable Obligations on the Initial Credit Event Delivery Redemption Date. Instead, the Issuer may wait for up to sixty-five (65) Business Days after the Initial Credit Event Delivery Redemption Date before it Delivers such Deliverable Obligations, and if on such date it has not Delivered or still cannot Deliver such Deliverable Obligations, the Issuer will, in lieu of Delivering such Deliverable Obligations, pay an amount per Note equal to the pro rata proportion of the market value of such Undelivered Deliverable Obligations in cash on a date no later than the tenth (10th) Business Day after the value of all such Undelivered Deliverable Obligations has been determined by the Calculation Agent.

Where Physical Settlement is applicable, Noteholders will only be able to transfer the Deliverable Obligations they receive to the extent consistent with the relevant exemptions from the registration requirement of the Securities Act, applicable transfer restrictions or the terms of the Deliverable Obligations. Such restrictions may limit the marketability and value of any such Deliverable Obligations. Consequently, you may be required to bear the risk of an investment in such Deliverable Obligations for an indefinite period of time.

We may sell the Notes through our affiliate, SGAS; Potential conflict of interest

The Notes may be sold through our affiliate, SGAS, by appointment of SGAS as the principal agent for the sale of the Notes. SGAS and the Issuer are under common control and SGAS is not an underwriter that is independent from the Issuer. A conflict of interest may exist or arise with respect to the offering and sale of the Notes by SGAS to investors because an independent underwriter is not participating in the pricing of the Notes to investors.

Additionally, we may pay SGAS an underwriting fee and, similarly, if SGAS distributes the Notes to or through other broker-dealers or banks, we, SGAS or one of our affiliates may pay such other broker-dealers or banks a fee in connection with their distribution of the Notes. SGAS has discretion to determine the amount of fees paid to such other broker-dealers or banks, and may change them from

time to time. Because such fees may negatively impact your investment in the Notes, SGAS's interests with respect to the Notes may be adverse to yours.

For more information about distribution of the Notes and related commissions, see the section "*Supplemental Plan of Distribution*" in this Product Supplement.

The inclusion of commissions and projected profit from hedging in the original price is likely to adversely affect secondary market prices

Assuming no change in market conditions or any other relevant factors, the price, if any, at which we, the applicable Dealer or one or more of our or its respective affiliates may be willing to purchase the Notes in secondary market transactions will likely be lower than the price at which you purchased the Notes. This is because such price included, and secondary market prices are likely to exclude, commissions paid with respect to the Notes, as well as the projected profit included in the cost of hedging our obligations under the Notes. In addition, any such prices may differ from values determined by pricing models used by us, the applicable Dealer or one or more of our or its respective affiliates, as a result of dealer discounts, mark ups or other transaction costs.

If the Notes are accelerated due to our insolvency, you may receive an amount substantially less than the Notional Amount of the Notes

The amount you receive from us as payment on the Notes if the Notes are accelerated due to an Event of Default may be substantially diminished (and could be zero) if such an acceleration is due to our or the Guarantor's insolvency and/or we or the Guarantor are not able to make such payment under applicable bankruptcy laws. Also see "*Risk Factors—Your return may be limited or delayed by the insolvency of Société Générale*" in the Offering Memorandum.

Certain business activities may create conflicts with your interests

We, the Guarantor, the applicable Dealer or one or more of our or their respective affiliates, may engage in trading and other business activities relating to a Reference Entity that are not for your account or on your behalf. These activities may present a conflict between your interest in the Notes and interests we, the Guarantor, the applicable Dealer or one or more of our or their respective affiliates, may have in our or their proprietary account. Such activities may include, among other things, the exercise of voting power, financial advisory relationships, publication of research, financing transactions, derivative transactions and the exercise of creditor rights, each of which may be contrary to your interests. Any of these trading and/or business activities may affect actual or perceived creditworthiness of a Reference Entity, and thus could be adverse to your return (if any) on the Notes. We, the Guarantor, the applicable Dealer and our or their respective affiliates may engage in any such activities without regard to the Notes or the effect that such activities may directly or indirectly have on the Notes and the Noteholders.

We, the Guarantor, the applicable Dealer or one or more of our or their respective affiliates, may also issue, underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments with returns linked to the credit risk of one or more Reference Entities. By introducing competing products into the marketplace in this manner, we, the Guarantor, the applicable Dealer and/or our or their respective affiliates could adversely affect the value of the Notes.

In addition, to the extent applicable, we, the Guarantor, the applicable Dealer or one or more of our or their respective affiliates may, at present or in the future, engage in business with the Reference Entity, including making loans to or equity investments in those companies or providing investment banking, asset management or other advisory services to those companies. These activities may present a conflict between your interests as Noteholders and the interests of the Issuer, the Guarantor, the applicable Dealer or our or their respective affiliates. In the course of that business, we, the Guarantor, the applicable Dealer or one or more of their respective affiliates may acquire non-public information about one or more Reference Entities. We, the Guarantor, the applicable Dealer and our and their respective affiliates have no obligation to disclose such information.

The Calculation Agent's Choice of Valuation Obligations may increase Noteholders' losses

Where Physical Settlement or Cash Settlement is applicable, upon the occurrence of a Credit Event and the delivery of the Credit Event Notice (and, in the case of Physical Settlement, also the Notice of Physical Settlement) the Calculation Agent has the discretion to choose the Deliverable Obligations to be

delivered to Noteholders if Physical Settlement applies and the Valuation Obligations to be valued if Cash Settlement applies. You should assume that the Deliverable Obligations and the Valuation Obligations selected by the Calculation Agent will be Deliverable Obligations and Valuation Obligations of the Reference Entity with the lowest market value that are permitted to be delivered or valued pursuant to the terms of the Notes. This could result in a lower recovery value and hence greater losses for investors in the Notes.

Bid/offer spreads

Where the Notes are redeemed (or, in the case of Tranche Notes, Loss Amounts Determined) by reference to quotations obtained by the Calculation Agent in respect of a portfolio of Valuation Obligations, you should note that such quotations will be subject to prevailing bid-offer spreads, which may be significant in distressed markets and could therefore adversely affect your payout at Redemption.

Noteholders (in their capacity as holders of the Notes) will not be able to refer questions to the Credit Derivatives Determinations Committees

The Noteholders, in their capacity as holders of the Notes, will not have the ability to refer questions to a Credit Derivatives Determinations Committee since the Notes are not a credit default swap transaction and the Notes do not incorporate and are not deemed to have incorporated the DC Rules. As a result, Noteholders will be dependent on other market participants to refer specific questions to the Credit Derivatives Determinations Committees that may be relevant to the Noteholders. The Calculation Agent has no duty to the Noteholders to, and does not intend to, refer specific questions to the Credit Derivatives Determinations Committees.

Noteholders will have no role in the composition of the Credit Derivatives Determinations Committees

Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committees and the Noteholders will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committees will change from time to time in accordance with the DC Rules, as the term of a member institution may expire or a member institution may be required to be replaced. The Noteholders will have no control over the process for selecting institutions to participate on the Credit Derivatives Determinations Committees and, to the extent provided for in the Notes, will be subject to the determinations made by such selected institutions in accordance with the DC Rules.

Potential conflicts of interest due to the involvement of the Calculation Agent with the Credit Derivatives Determinations Committees

Since, as of the Issue Date, the Calculation Agent (or one of its affiliates) is a consultative member on each of the Credit Derivatives Determinations Committees and is a party to transactions which incorporate, or are deemed to incorporate, the DC Rules, it may take certain actions, including participating in Auctions, which may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees. Such action may be adverse to the interests of the Noteholders and may result in an economic benefit accruing to the Calculation Agent or its affiliates. In taking any action relating to the Credit Derivatives Determinations Committees or performing any duty under the DC Rules, the Calculation Agent shall have no obligation to consider the interests of the Noteholders and may ignore any conflict of interest arising due to its responsibilities under the Notes.

Noteholders will have no recourse against either the institutions serving on the Credit Derivatives Determinations Committees or the external reviewers

Institutions serving on the Credit Derivatives Determinations Committees and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the DC Rules, except in the case of gross negligence, fraud or willful misconduct. Furthermore, the member institutions of the Credit Derivatives Determinations Committees from time to time will not owe any duty to the Noteholders, and the Noteholders will be prevented from pursuing legal claims with respect to actions taken by such member institutions under the DC Rules.

Noteholders should also be aware that member institutions of the Credit Derivatives Determinations Committees have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committees are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts.

Noteholders shall be responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committees

Notices of questions referred to the Credit Derivatives Determinations Committees, meetings convened to deliberate such questions and the results of binding votes of the Credit Derivatives Determinations Committees will be published on the website of the International Swaps and Derivatives Association, Inc. and neither the Issuer, the Calculation Agent nor any of their respective affiliates shall be obliged to inform the Noteholders of such information (other than as expressly provided in the terms of the Notes). Failure by the Noteholders to be aware of information relating to determinations of a Credit Derivatives Determinations Committee will have no effect under the Notes and Noteholders are solely responsible for obtaining any such information.

No Noteholder rights with respect to a Reference Entity

We have no ability to control or predict the actions of any Reference Entity, including actions that could affect the value of the Notes. None of the money you pay us will go to any Reference Entity, such Reference Entity will not be involved in the offering of the Notes in any way, and such Reference Entity will not have any obligation to consider your interest as a Noteholder in taking any actions that might affect the value of the Notes. As a Noteholder, you will not have voting rights, rights to receive distributions or any other rights with respect to the obligations of such Reference Entity.

Actions of Reference Entities may adversely affect the value of the Notes. The views of market participants and/or legal counsel may differ as to how standard market terms for credit default swaps should be interpreted in the context of such actions, or such terms may operate in a manner contrary to the expectations of market participants and/or adversely to the interests of Noteholders. No Reference Entity will have any obligation to consider your interest as a Noteholder as to any corporate or sovereign actions that might affect the value of the Notes.

No replacement of a Reference Entity to avoid Credit Events or Succession Events

The terms of the Notes do not provide for replacement of a Reference Entity to avoid Credit Events or Succession Events. Consequently, the occurrence or increased likelihood of Credit Events may adversely affect your investment in the Notes, including a reduction, potentially to zero, in the amount payable to you upon redemption of the Notes, the value of the Notes in secondary market trading (if any exists), loss of tranche subordination (in the case of Tranche Notes), cessation or suspension of interest accruals and/or other adverse consequences described herein following the occurrence of a Credit Event Determination Date. Similarly, any Succession Event that occurs with respect to a Reference Entity or its Successor on or after the Succession Event Backstop Date may change the probability (actual or perceived) of the occurrence of a Credit Event, which may adversely impact your investment in the Notes. Therefore, you should not invest in the Notes unless you are comfortable with the creditworthiness of the applicable Reference Entity(s) and the likelihood of the occurrence of a Credit Event and/or Succession Event with respect to such Reference Entity(s).

Succession Events may result in different or additional Reference Entities

Following certain corporate events relating to a Reference Entity, such as (in the case of a non-sovereign entity) a merger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event in which an entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement, the Reference Entity may change. As a result, the Notes may reference substantially different, and potentially greater, credit risks following the occurrence of a Succession Event.

Limited provision of information about a Reference Entity

The occurrence of a Credit Event Determination Date with respect to a Reference Entity will result in a reduction, potentially to zero, in the amount payable to you upon redemption of the Notes, loss of tranche subordination (in the case of Tranche Notes), cessation or suspension of interest accruals and/or other adverse consequences described herein. Consequently, you should conduct your own investigation and analysis with respect to the creditworthiness of the relevant Reference Entity(s) and the likelihood of the occurrence of Credit Events and Succession Events.

As of the Issue Date, the financial and other information with respect to the relevant Reference Entity(s) may be available from publicly available sources. Neither Société Générale nor any of its affiliates make any representation as to the accuracy, completeness or timeliness of any information available with respect to such Reference Entity(s). We have not made nor will we make any “due diligence” investigation or any inquiry with respect to any Reference Entity in connection with the offering of the Notes. Furthermore, with respect to each offering of Notes, we do not know whether all events relating to the Reference Entity(s) occurring before the Issue Date have been publicly disclosed. Subsequent disclosure of events concerning a Reference Entity that occurred prior to the Issue Date or the disclosure or failure to disclose material future events concerning a Reference Entity could adversely affect your investment in the Notes. We and our affiliates will have no obligation to keep Noteholders informed as to any matters with respect to the Reference Entity(s) or any of its or their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event or a Succession Event with respect to any Reference Entity.

The Issuer, Guarantor or any of their respective affiliates, including the Calculation Agent, whether by virtue of the types of relationships described above or otherwise, may at any time be in possession of information relating to a Reference Entity or any of its affiliates that is or may be material in the context of the Notes and that may or may not be publicly available or known to the Noteholders. Except for the information contained herein or in the Pricing Supplement, none of the Issuer, the Guarantor or their respective affiliates, including the Calculation Agent, will have any obligation to disclose any such information (including without limitation any information or evidence regarding the existence or terms of any obligation of the Reference Entity or otherwise regarding such Reference Entity, any guarantor or any other person), whether or not confidential, to the Noteholders. Where permitted to do so, the Calculation Agent may base its determinations on such information without disclosing such information to the Noteholders. You will not have the right to inspect any of our records or any records of our affiliates.

A Credit Event may occur at any time during the Credit Protection Period. A Credit Event Determination Date generally will occur when we deliver a Credit Event Notice to the Paying Agent. We will notify the Paying Agent of the occurrence of a Credit Event at any time during the Notice Delivery Period. The Paying Agent will then give notice to you through the clearing system of the occurrence of a Credit Event Determination Date. We will not be liable for failure by the Paying Agent or the clearing system to provide notice to you.

Emerging market Reference Entities

Prospective investors in Notes that are linked to sovereign or corporate Reference Entities in emerging market jurisdictions should note in particular that emerging market economies may be particularly volatile, including as a result of reliance on a limited number of commodity markets, exposure to levels of consumer or industrial demand in developed or other emerging market economies, capital inflows and outflows, currency exchange rates, corruption, political risk or civil unrest. Publicly available information, including official statistics, may be incorrect, incomplete or misleading. In addition, the ability of an emerging market Reference Entity to meet payments on its debt obligations as they fall due may be highly dependent on, among other things, the production and prevailing price of commodities for export, and movements in relevant exchange rates. Accordingly, the risk of the occurrence of a Credit Event may be particularly high in relation to such Reference Entities.

Credit spread basis risk

As credit spreads widen for a Reference Entity, the value of debt securities issued by the Reference Entity will generally decline. Conversely, as credit spreads tighten for a Reference Entity, the value of its debt securities will generally increase. Changes in the value of the Notes as a result of changing credit spreads, to the extent the value of the Notes may be determined, may be less favorable to you than the

corresponding changes in the value of debt securities of a Reference Entity with a maturity equal to the Scheduled Maturity Date of the Notes.

Increased risks associated with certain First-to-Default, Linear Basket or Tranche Notes

First-to-Default Notes will be subject to redemption in full upon the occurrence of a Credit Event and the delivery of a Credit Event Notice with respect to any one Reference Entity in the portfolio of Reference Entities underlying the Notes. The credit risk to Noteholders with respect to such Notes and any Linear Basket or Tranche Notes may be increased, among other things, as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks. For example, if all of the Reference Entities have similar capital structures and are in a similar industry or geographical location, all such Reference Entities might be expected to experience financial difficulties and ultimately a Credit Event, at the same time upon the occurrence or non-occurrence of similar market events (e.g., an industry downturn). On the other hand, as the correlation between the default risk of the Reference Entities decreases (e.g., if economic conditions change such that the effect of such common factors diminishes), it becomes less likely that all of the Reference Entities will experience a Credit Event simultaneously, but relatively more likely that one of the Reference Entities will independently experience a Credit Event at any given time.

Changes in the constituents of a portfolio of Reference Entities, such as those that may occur following Succession Events, may affect the level of default correlation among the Reference Entities in the portfolio and, therefore, the value of certain First-to-Default and Tranche Notes as well as the concentration risk associated with Linear Basket Notes. The dependence of the value of First-to-Default Notes and Tranche Notes on changes in correlation may be complex, and there may not be market consensus on the appropriate valuation models.

Additional risks related to Tranche Notes

Noteholders of Tranche Notes bear the risk that losses on a portfolio of Reference Entities will fall within the tranche defined by the Attachment Point and Detachment Point specified in the applicable Pricing Supplement. This position represents a leveraged exposure to credit risk since the size of the Reference Portfolio Notional Amount may be considerably larger than the Aggregate Notional Amount of the Tranche Notes. This position entails a high degree of risk (such that the Noteholder will suffer higher losses due to the settlement of Credit Events than those it would suffer in respect of an unleveraged position that referenced the entire portfolio of Reference Entities).

Noteholders of Tranche Notes will not receive any early partial redemption payments following the occurrence of a Credit Event Determination Date during the Notice Delivery Period. Rather, such occurrence will result in a loss of tranche subordination and/or a writedown of the principal amount, possibly to zero.

Due to the more complex nature of Tranche Notes, and the potential higher risks involved with such an investment, any potential investors should ensure that they fully understand all of the mechanics of such Notes, including how the Attachment Point and Detachment Point will affect the value of the Notes, how losses on the applicable portfolio of Reference Entities falling below the Attachment Point will be determined and how they will affect the value and risk of your investment in the Notes, and all other associated risks.

Calculation Agent's powers to adjust terms of Notes in accordance with market convention without consent of Noteholders

Noteholders should note that the Calculation Agent may from time to time and at any time in its sole and absolute discretion, without obtaining the consent of or consulting with the Noteholders, adjust the terms of the Notes described in this Product Supplement and the applicable Pricing Supplement in accordance with any industry protocol or convention published by ISDA with respect to credit derivative transactions and/or the operation or application of determinations by the Credit Derivatives Determinations Committees if and to the extent that the Calculation Agent determines that such protocol or convention would amend the terms of outstanding credit derivatives transactions that have a trade date that coincides with (or is earlier than) the Issue Date of the Notes and are of a type comparable to the credit-linked provisions of the Notes.

ISDA has recently published the “2014 ISDA Credit Derivatives Definitions” which are expected to become the market standard definitions used in certain credit derivative transactions during the course of 2014. Noteholders should note that the Calculation Agent may utilize the powers set out above to adjust the terms of the Notes to reflect the new definitions and any related trading standards. Noteholders are strongly advised to consult the ISDA website (www2.isda.org) for the latest published indicative guidance from ISDA on proposed scope and timing for implementation of the revised version of ISDA’s credit derivatives definitions and any related industry protocol or convention.

Legislative and regulatory risk

As part of global governmental and private sector efforts to stabilize and reform financial markets, changes in the regulation of persons who engage in derivatives transactions have been considered, proposed, adopted, and/or implemented. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) establishes a new regulatory framework for derivatives transactions. New requirements relating to capital, margin, registration, trading restrictions and myriad other aspects of engaging in derivatives transactions have been enacted and are being implemented, while others are still being formulated. It is anticipated that promulgation of new rules will be followed by periods in which the meaning and application of rules will be evolving. Further and unforeseeable changes may result. The regulatory changes and resulting requirements of the Dodd-Frank Act, the European Market Infrastructure Regulation, the Basel III framework and similar international reform efforts may limit or restrict, or increase the costs of, engaging in derivatives transactions, market-making and related activities, and such regulatory changes may adversely affect your investment in the Notes, either directly or through adverse effects on liquidity, valuations, or volatility in the markets for credit derivatives transactions comparable to the credit-linked provisions of the Notes.

DESCRIPTION OF THE NOTES

The following description of the terms of the Notes supplements the description of the general terms of the Notes set forth under the heading “Description of the Notes” in the Offering Memorandum. For the purposes of this “Description of the Notes,” the term “Note” refers to the Notional Amount per Note specified on the cover page hereof and in the applicable Pricing Supplement. The applicable Pricing Supplement describes the terms that apply specifically to the Notes offered, including any changes to the terms specified herein.

GENERAL TERMS

1. Types of Notes

Single Name Notes are linked to the credit risk of a single Reference Entity. First-to-Default Notes are linked to the credit risk of a basket of Reference Entities; the occurrence of a Credit Event Determination Date in relation to any one of such Reference Entities will affect the entire nominal or notional amount of a First-to-Default Note as if such Note were a Single Name Note with respect to such Reference Entity. Linear Basket Notes are linked to the credit risk of a basket of Reference Entities, with a portion of the nominal or notional amount of each Note, as described under “*Linear Basket Notes*” below, being at risk to each such Reference Entity. Tranche Notes are linked to the credit risk of a basket of Reference Entities; such Notes will incur principal writedowns to the extent that Credit Event Determination Dates in relation to such Reference Entities result in Loss Amounts that exceed, in the aggregate, the applicable Tranche Subordination Amount. Other types of Notes may be issued from time to time and will be described in detail in the applicable Pricing Supplement.

2. Reference Entity(s)

The applicable Pricing Supplement will specify one or more Reference Entities. The Notes are exposed to the credit of the specified Reference Entity or Reference Entities as described in the applicable Pricing Supplement. If a Credit Event Determination Date occurs in relation to a Reference Entity during the relevant Notice Delivery Period, the Notes will be subject to redemption, settlement or reduction of principal in accordance with “*Redemption following Credit Event Determination Date*” below. A Reference Entity may be replaced by one or more Successors as described under “*Successor Reference Entity*” below.

3. Reference Obligation(s)

A Reference Obligation is an obligation of a Reference Entity (which may be indirect, by way of a guarantee or an equivalent arrangement). The Reference Obligation will be an Obligation and a Deliverable Obligation unless otherwise specified. The seniority of the Reference Obligation is also taken into account in determining the application of the “Not Subordinated” Obligation Characteristic and Deliverable Obligation Characteristic. The Calculation Agent may designate Substitute Reference Obligations as described under “*Substitute Reference Obligations*” below.

4. Calculation Agent

The Calculation Agent in its sole discretion will make all determinations relating to the Notes. Absent manifest error, all determinations of the Calculation Agent will be final and binding on the Issuer and the Noteholders, without any liability on the part of the Calculation Agent.

In exercising its rights and discretion related to the Notes (including making certain determinations, selections or elections), the Calculation Agent (in its sole discretion) may rely on the determinations of any Credit Derivatives Determinations Committees, including as to the occurrence of any Credit Event, Potential Failure to Pay, Potential Repudiation/Moratorium, Credit Event Determination Date or Succession Event, as to the determination of any Deliverable Obligations and as to the identification of any Successor Reference Entity or Substitute Reference Obligation (each such term as defined below). The Calculation Agent will have no liability to the Issuer, the Noteholders or any other person in relation to such reliance or otherwise.

5. Final Payment

As a final payment on the applicable Redemption Date, the Noteholder will receive the amount due and payable or deliverable to it (if any) as specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the amounts payable or deliverable as a final payment (if any) under the Notes have been specified for the Notional Amount per Note.

6. Payment at Redemption and Notice Prior to Payment

The final payment of the amount due to a Holder of a Note at Redemption will be made to the Holder in whose name the Note is registered in the security register of the Issuer on the applicable Redemption Date in immediately available funds. If in certificated form, the final payment will be made upon surrender of the Note at the office or agency of the Paying Agent (as defined in the Offering Memorandum), maintained for that purpose in the Borough of Manhattan, The City of New York, or at such other paying agency as the Issuer may determine.

The Issuer will provide a written notice to the Trustee and to the Depository (as defined in the Indenture), no later than at 10:30 a.m. (New York time) on the day immediately prior to the applicable Redemption Date (but if such day is not a Business Day, prior to the close of business on the Business Day preceding the applicable Redemption Date), of the amount of cash or securities to be delivered with respect to the stated Notional Amount of each Note, and deliver such cash or securities to the Trustee for delivery to the Holders on the applicable Redemption Date.

Unless otherwise specified in the Pricing Supplement, all calculations with respect to the payment or delivery, if any, on the applicable Redemption Date to a Holder will be rounded to the nearest hundredth, with five one thousandth rounded upward (e.g., 0.465 would be rounded up to 0.47), and all amounts paid or delivered on the Notional Amount of a Note will be rounded to the nearest cent, with one-half cent rounded upward.

7. Note Provisions to Control

If the terms described in this Product Supplement are different or inconsistent with those described in the Offering Memorandum, the terms described in this Product Supplement will govern the Notes. If the terms described in the applicable Pricing Supplement are different or inconsistent with those described herein or in the Offering Memorandum, the terms described in the applicable Pricing Supplement will govern the Notes.

8. Defined Terms

All capitalized terms used herein shall have the meaning set forth in the section entitled “*Definitions*” below. All terms used in a Note, which are defined in the Indenture and not otherwise defined herein, have the meanings assigned to them in the Indenture.

REDEMPTION AND DEFERRAL OF MATURITY

1. Redemption at scheduled maturity

If a Credit Event Determination Date (as described in “*Credit Event Determination Date*” below) in respect of any Reference Entity does not occur on or prior to the last day of the Notice Delivery Period, the Notes are not redeemed early as specified under “*Additional Disruption Events*” below, and the maturity of the Notes is not deferred in accordance with “*Extension of maturity*” below, then each Note will be redeemed by the Issuer with a cash payment to the Noteholder equal to the Notional Amount of such Note on the Scheduled Maturity Date specified in the applicable Pricing Supplement.

2. Extension of maturity

If a Credit Event Determination Date in respect of any Reference Entity has not occurred on or prior to the Scheduled Credit Protection Period End Date but the Calculation Agent determines in its sole discretion that the Notice Delivery Period will be extended so as to expire after the Scheduled Maturity Date, then the Calculation Agent will send a notice (an “**Extension Notice**”) to the Paying Agent in order to defer the maturity of the Notes.

In such case, if a Credit Event Determination Date does not occur on or prior to the last day of the Notice Delivery Period, as extended, then the Notes will be redeemed at the amount specified in “*Redemption at scheduled maturity*” on the earlier of (i) the date falling five (5) Business Days following the expiry of the Notice Delivery Period and (ii) the Final Stated Maturity Date.

3. Redemption following Credit Event Determination Date

Subject to “*Credit Event Determination Date – Credit Event Notice after Restructuring Credit Event*”, “*Linear Basket Notes*” and “*Tranche Notes*” below, if a Credit Event Determination Date occurs (or, if the Calculation Agent so elects, is subsequently deemed by a Credit Derivatives Determinations Committee to have occurred) during the Notice Delivery Period, then the Notes will be redeemed in accordance with the following.

(a) **Auction Settlement**

If the applicable Pricing Supplement specifies Auction Settlement as the Settlement Method in relation to a Reference Entity, then following a Credit Event Determination Date and unless a Fallback Settlement Event occurs, each Note shall be redeemed by the Issuer with the payment of the Auction Settlement Amount to the Noteholders on a date (the “**Auction Settlement Date**”) that is either (i) the date specified, if any, in the applicable Pricing Supplement, or (ii) a date selected by the Calculation Agent and falling not later than ten (10) Business Days following the date on which market credit default swaps are settled in accordance with and on the basis of the “Auction Final Price” established by means of the relevant Auction.

(b) **Fallback Settlement**

If the Calculation Agent, in its sole discretion, determines that no relevant Auction Final Price will be determined in relation to the relevant Reference Entity, including following abandonment or cancellation of any auction or if the Calculation Agent elects not to treat any concurrent auction as an Auction for such purpose or if no related Credit Event Resolution Request Date has occurred within three (3) Business Days of the occurrence of a Credit Event Determination Date (any such event or election, a “**Fallback Settlement Event**”), the Notes shall be redeemed in accordance with the Fallback Settlement Method specified in the applicable Pricing Supplement.

(c) **Cash Settlement**

If the applicable Pricing Supplement specifies Cash Settlement as the Settlement Method in relation to a Reference Entity, or if a Fallback Settlement Event has occurred in respect of any Notes and the applicable Pricing Supplement specifies Cash Settlement as the Fallback Settlement Method, then such Notes will be redeemed by the payment by the Issuer to the Noteholders of the Cash Settlement Amount on a date (the “**Cash Settlement Date**”) that is either (i) the date specified, if any, in the applicable Pricing Supplement, or (ii) a date selected by the Calculation Agent and falling not later than ten (10) Business Days following the date on which the related Final Price is determined under the applicable Pricing Supplement.

(d) **Physical Settlement**

If the applicable Pricing Supplement specifies Physical Settlement as the Settlement Method, or if a Fallback Settlement Event occurs and the applicable Pricing Supplement specifies Physical Settlement as the applicable Fallback Settlement Method, then the Notes will be redeemed by physical delivery by the Issuer to the Noteholders in accordance with “*Physical Settlement*” below.

4. Suspension of obligations

If a Credit Event Resolution Request Date occurs in relation to a Reference Entity, then the obligations of the Issuer in relation to the Notes (including any obligation to deliver any notices, pay any interest, principal or settlement amount or to make any delivery) shall be, and remain, suspended until the Business Day following the earlier of (a) the day falling sixty (60) Business Days following such Credit Event Resolution Request Date and (b) the date on which ISDA subsequently publicly announces that the

relevant Credit Derivatives Determinations Committee has resolved either that (i) an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity (and if so, the date of occurrence of such event) or (ii) it will not make a determination as to such matters. The Calculation Agent will provide notice of such suspension to the Paying Agent, as soon as reasonably practicable after a Credit Event Resolution Request Date. However, any failure or delay by the Calculation Agent in providing such notice will not affect the validity or effect of such suspension. No interest shall accrue on any payments which are suspended in accordance with the above.

5. Payment upon an event of default

In case an event of default with respect to the Notes shall have occurred and be continuing, the amount declared due and payable for each Note upon any acceleration of the Notes will be an amount equal to the cost of having a qualified financial institution, as described below, expressly assume all payment and other obligations with respect to the Notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to the Noteholders with respect to the Notes. Such cost will equal the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking.

During the default quotation period for the Notes (described below), either the Trustee and/or the Issuer, acting in good faith and in a commercially reasonable manner, may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. Once any such quotations are obtained in accordance with the foregoing, each of the Issuer and the Trustee must notify each other in writing of the quotations that they have received. The cost will equal the lowest—or if there is only one, the only—quotation obtained, and as to which notice is so given, during the default quotation period. If either the Issuer or Trustee should object, on reasonable grounds, to the quotation obtained by the other party, such party shall notify the other party in writing of those grounds within two (2) Business Days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the amount due and payable.

The default quotation period is the period beginning on the day the Notes are accelerated and ending on the third (3rd) Business Day after that day, unless (i) no quotation of the kind referred to above is obtained, or (ii) every quotation obtained is objected to as described above. If either of these two events occurs, the default quotation period will continue until the third (3rd) Business Day after the first Business Day on which prompt notice of a quotation that is not objected to is given as described above. In any event, if the default quotation period and the subsequent two (2) Business Day objection period have not ended before the Scheduled Credit Protection Period End Date, then the amount due and payable upon acceleration will be determined in accordance with this Product Supplement and the relevant Pricing Supplement as if the event of default had not occurred.

For the purpose of determining the amount due and payable upon acceleration, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that time has outstanding debt obligations with a stated maturity of one (1) year or less from the date of issue and rated either (i) A-1 or higher by S&P or any other comparable rating then used by that rating agency, or (ii) P-1 or higher by Moody's or any other comparable rating then used by that rating agency.

PHYSICAL SETTLEMENT

1. Application

The provisions in this section will apply following the occurrence of a Credit Event Determination Date in relation to any Reference Entity under the terms of the Notes if the applicable Pricing Supplement states that Physical Settlement applies (including following the occurrence of a Fallback Settlement Event).

2. Notice of Physical Settlement

- (a) The Calculation Agent will deliver to the Paying Agent a notice (a “**Notice of Physical Settlement**”) in relation to any Note within thirty (30) calendar days of any applicable Credit Event Determination Date (or, if Physical Settlement applies following the occurrence of a Fallback Settlement Event, within thirty (30) calendar days of such event), specifying the

Deliverable Obligations that the Issuer anticipates it will Deliver or cause to be Delivered in redemption of the Notes, and the anticipated date of such Delivery.

If the Calculation Agent fails to deliver a Notice of Physical Settlement in relation to any Note in such thirty (30) calendar day period, such Note shall be redeemed as set forth herein on the Scheduled Maturity Date.

- (b) If the Notice of Physical Settlement specifies any Deliverable Obligations which are not eligible for Delivery via any clearing system through which the Notes are cleared, as at the date of such notice, the Notice of Physical Settlement will also contain a statement notifying Noteholders that they must complete and return to the relevant clearing system a blocking instruction (or any other documentation requested by the Issuer in order to comply with securities laws or other transfer restrictions applicable to any Deliverable Obligation) in relation to the Notes held by them within thirty (30) Business Days of delivery of the Notice of Physical Settlement.

If any Noteholder fails to properly complete and deliver a blocking instruction (or any other documentation requested by the Issuer in order to comply with securities laws or other transfer restrictions applicable to any Deliverable Obligation), the Calculation Agent and/or the Issuer may determine in its sole and absolute discretion whether to waive the requirement to deliver a blocking instruction (or such other documentation).

- (c) The Calculation Agent may amend or correct the Notice of Physical Settlement relating to any Note at any time up to and including the date on which any Deliverable Obligation is Delivered, by notifying the Trustee of such amendment or correction.
- (d) Upon delivery of the Notice of Physical Settlement, any obligation of the Issuer to redeem or otherwise settle the Notes by way of cash payment will be extinguished in full and the Issuer's sole obligation in relation to the Notes will be:
 - (i) to Deliver or cause to be Delivered the Deliverable Obligations specified in the Notice of Physical Settlement (as amended and corrected from time to time); or
 - (ii) to pay cash in lieu of Delivery of the Deliverable Obligations in the event that the Issuer is unable to make such Delivery due to a Physical Settlement Disruption Event.

3. Delivery of Entitlements

- (a) In relation to each Note, the Issuer will:
 - (i) Deliver or cause to be Delivered Deliverable Obligations with an outstanding principal balance (excluding accrued but unpaid interest) in an aggregate amount (converted, if applicable, into the Specified Currency of the Notes, at the rate selected by the Calculation Agent and specified in the Notice of Physical Settlement) at least equal to the Notional Amount of such Note, rounded down to the nearest whole unit of each Deliverable Obligation, as reduced by a principal amount of Deliverable Obligations having a market value (as determined by the Calculation Agent in its sole discretion) equal to a pro rata proportion of the sum of any fees, costs, duties or taxes incurred by the Issuer or any of its affiliates in effecting such Delivery; and
 - (ii) where the Deliverable Obligations are rounded down to the nearest whole unit of each Deliverable Obligation as described in paragraph (i) above, pay to the holder an amount per Note equal to the value of that fraction of the Deliverable Obligations rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted, if applicable, into the Specified Currency of the Notes, at a rate selected by the Calculation Agent).
- (b) In relation to each Note, the Issuer will Deliver to Noteholders any Deliverable Obligations of the Reference Entity specified in the Notice of Physical Settlement on or before the Initial Credit Event Delivery Redemption Date or, if less than all of such Deliverable Obligations are

Delivered by the Initial Credit Event Delivery Redemption Date, on or before the applicable Delivery Cut-off Date.

- (c) If the Calculation Agent determines, in its sole discretion, that it is impossible or illegal to Deliver any Deliverable Obligation specified in a Notice of Physical Settlement, or a consent required for Delivery has not been obtained, the Issuer will, in lieu of Delivering such Deliverable Obligation, pay an amount per Note equal to the pro rata proportion of the market value of such Undelivered Deliverable Obligations in cash on a date no later than the tenth (10th) Business Day after the value of all such Undelivered Deliverable Obligations has been determined by the Calculation Agent.

4. Delivery Disruptions

If, in relation to any Noteholder, a Physical Settlement Disruption Event occurs, then:

- (a) on or prior to the Initial Credit Event Delivery Redemption Date, the Issuer will Deliver to the relevant Noteholder any of the relevant Deliverable Obligations which it is possible and legal for it to Deliver and for which each relevant clearing system has received a completed blocking instruction (or any other documentation requested by the Issuer in order to comply with securities laws or other transfer restrictions applicable to any Deliverable Obligation) sufficiently in advance of the Initial Credit Event Delivery Redemption Date;
- (b) as soon as practicable thereafter, the Issuer shall Deliver to the Noteholders any Undelivered Deliverable Obligations specified in the Notice of Physical Settlement which it is subsequently possible and legal for it to Deliver and in respect of which each relevant clearing system has received a blocking instruction (or any other documentation requested by the Issuer in order to comply with securities laws or other transfer restrictions applicable to any Deliverable Obligation); and
- (c) if any Deliverable Obligations specified in the Notice of Physical Settlement have not been Delivered as of the relevant Delivery Cut-off Date, then “*Partial Cash Settlement in lieu of Delivery of Deliverable Obligations*” below will apply to such Deliverable Obligations.

5. Partial Cash Settlement in lieu of Delivery of Deliverable Obligations

If this provision applies, the Calculation Agent will determine the value of each Undelivered Deliverable Obligation, and each Note will be redeemed as though Cash Settlement were the applicable Settlement Method.

For such purpose:

- (a) the “Valuation Date” will be a date selected by the Calculation Agent falling not later than the fifth (5th) Business Day following the applicable Delivery Cut-off Date;
- (b) the Notional Amount of each Note shall be the outstanding principal balance of such Undelivered Deliverable Obligations relating to each such Note; and
- (c) the Calculation Agent shall seek bid quotations for Valuation Obligations having an aggregate outstanding principal balance equal to the aggregate outstanding principal balance of the Undelivered Deliverable Obligations.

CREDIT-LINKED INTEREST PROVISIONS

The following provisions apply in relation to any Notes which are interest-bearing.

Notwithstanding anything to the contrary in the Offering Memorandum but subject to the provisions of “*Linear Basket Notes*” and “*Tranche Notes*” below:

- (a) interest will cease to accrue on the Notes on the interest payment date immediately preceding any Credit Event Determination Date; and

- (b) no interest will accrue after the Scheduled Maturity Date even if the payment of the outstanding principal amount, Auction Settlement Amount or Cash Settlement Amount, as applicable, occurs after such date or if the Notes are redeemed by Physical Settlement after such date.

If the redemption of the Notes is deferred as set out in “*Physical Settlement – 4. Delivery Disruptions*” above, the accrual of interest on the Notes will be suspended for the period from and including the interest payment date immediately preceding the date of delivery of the applicable Extension Notice. If no Credit Event Determination Date subsequently occurs during the Notice Delivery Period, suspended interest will be reinstated and paid on the date on which the Notes are finally redeemed.

CREDIT EVENTS AND RELATED PROVISIONS

The Credit Events which are applicable to a Reference Entity will be specified in the applicable Pricing Supplement. The Credit Event that is the subject of a Credit Event Notice does not have to be continuing as at the date of such notice or at any subsequent time.

The Calculation Agent’s decision as to whether a Credit Event has occurred with respect to a Reference Entity will be made without regard to whether or not such occurrence arises directly or indirectly from, or is subject to a defense based upon:

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

The Calculation Agent may in its sole discretion rely on the determinations of any Credit Derivatives Determinations Committee as to whether any Credit Event has occurred and the date of such occurrence, but it is not obliged to do so.

CREDIT EVENT DETERMINATION DATE

1. Credit Event Notice

As a condition to the redemption of the Notes following the occurrence of a Credit Event, the Calculation Agent must deliver to the Paying Agent a Credit Event Notice during the Notice Delivery Period. Unless the Credit Event Notice cites a DC Credit Event Announcement with respect to the referenced Credit Event or unless the applicable Pricing Supplement specifies that Publicly Available Information is not applicable in relation to the relevant Reference Entity, such notice must be accompanied by a copy, or a description in reasonable detail, of the Publicly Available Information that reasonably confirms the facts relevant to the determination that a Credit Event described in the Credit Event Notice has occurred. The requirement for Publicly Available Information, if applicable, shall be deemed satisfied by the delivery of a certificate signed by an authorized signatory of the Calculation Agent, the Issuer or one of their affiliates which certifies the occurrence of such event in a circumstance where any of the Calculation Agent, the Issuer and/or their affiliates is aware of such occurrence in its capacity as trustee, fiscal agent, administrative agent, calculation agent, clearing agent, paying agent, facility agent, agent bank or any other agent performing other similar functions for an Obligation, a lender or holder of the Obligation with respect to which a Credit Event has occurred or a counterparty under any transaction with the Reference Entity or an affiliate thereof.

2. Credit Event Notice after Restructuring Credit Event

If “Partial Exercise following Restructuring” is specified as applicable to a Reference Entity in the applicable Pricing Supplement, then, upon the occurrence of a Credit Event Determination Date in respect of a Restructuring Credit Event in respect of which “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation” is specified as applicable in such Pricing Supplement, the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the “**Partial Exercise Amount**”) that is less than the outstanding principal amount of the Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions herein shall be deemed to apply to the Partial Exercise Amount only and each Note shall be redeemed in part (such redeemed or settled part being equal to the Partial Exercise Amount).

For clarification, (i) the principal or notional amount of each such Note not so redeemed or settled in part shall remain outstanding and (if applicable) interest shall accrue on such outstanding amount in accordance with the remaining terms of the Notes, (ii) the provisions herein shall apply to such amount outstanding in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (iii) in the case of First-to-Default Notes, once a Credit Event Notice with respect to a Restructuring Credit Event has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring Credit Event.

If the provisions of this subsection apply, on redemption of part of each such Note, such Note or, if the Notes are represented by a global instrument, such global instrument, shall be endorsed to reflect such partial redemption.

TERMS RELATED TO RESTRUCTURING

1. Restructuring Maturity Limitation and Fully Transferable Obligation

If “Restructuring Maturity Limitation and Fully Transferable Obligation” is specified in the applicable Pricing Supplement as being applicable to a Reference Entity and Restructuring is the only Credit Event specified in relation to that Reference Entity in a Credit Event Notice delivered by the Calculation Agent, then any Deliverable Obligation must also be an obligation which:

- (a) is a Fully Transferable Obligation; and
- (b) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

2. Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation

If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation” is specified as applicable to a Reference Entity in the applicable Pricing Supplement and Restructuring is the only Credit Event specified in relation to that Reference Entity in a Credit Event Notice delivered by the Calculation Agent, then any Deliverable Obligation must also be an obligation which:

- (a) is a Conditionally Transferable Obligation; and
- (b) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

OBLIGATIONS AND DELIVERABLE OBLIGATIONS

1. Generally

Certain Credit Events (e.g., Failure to Pay and Restructuring) will only be treated as such if, among other things, they occur in relation to Obligations.

Following the occurrence of a Credit Event Determination Date, if Physical Settlement applies to the Notes (including following the occurrence of a Fallback Settlement Event), the Issuer will Deliver Deliverable Obligations of the Reference Entity(s). Where Auction Settlement applies, then Deliverable

Obligations will form the basis of the auction(s) sponsored by ISDA in relation to the relevant Reference Entity. If Cash Settlement applies, the Calculation Agent will, as applicable, seek quotations in relation to Valuation Obligations for the purpose of determining the applicable Final Price.

2. Obligation Categories

The Obligation Category applicable to a Reference Entity will be specified in the applicable Pricing Supplement from among the following: (i) Payment, (ii) Borrowed Money, (iii) Reference Obligations Only, (iv) Bond, (v) Loan and (vi) Bond or Loan.

3. Obligation Characteristics

The Obligation Characteristics applicable to a Reference Entity will be specified in the applicable Pricing Supplement from among the following: (i) Not Subordinated, (ii) Specified Currency, (iii) Not Sovereign Lender, (iv) Not Domestic Currency, (v) Not Domestic Law, (vi) Listed and (vii) Not Domestic Issuance; provided that no Obligation Characteristics shall apply if the Obligation Category is Reference Obligations Only.

4. Deliverable Obligation Categories

The Deliverable Obligation Category applicable to a Reference Entity will be specified in the applicable Pricing Supplement from among the following; (i) Payment, (ii) Borrowed Money, (iii) Reference Obligations Only, (iv) Bond, (v) Loan and (vi) Bond or Loan.

5. Deliverable Obligation Characteristics

The Deliverable Obligation Characteristics applicable to a Reference Entity will be specified in the applicable Pricing Supplement from among the following: (i) Not Subordinated, (ii) Specified Currency, (iii) Not Sovereign Lender, (iv) Not Domestic Currency, (v) Not Domestic Law, (vi) Listed, (vii) Not Domestic Issuance, (viii) Not Contingent, (ix) Assignable Loan, (x) Consent Required Loan, (xi) Direct Loan Participation, (xii) Transferable, (xiii) Maximum Maturity, (xiv) Accelerated or Matured and (xv) Not Bearer; provided that no Deliverable Obligation Characteristics shall apply if the Deliverable Obligation Category is Reference Obligations Only.

If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category for the Deliverable Obligations and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics for the Deliverable Obligations, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and such Loan need not satisfy all such Deliverable Obligation Characteristics.

Notwithstanding anything else herein, no obligation will be a Deliverable Obligation if Delivery of such obligation to a Noteholder would require or cause that Noteholder to assume, or would subject that Noteholder to, any obligation, liability or commitment to lend additional funds (including any outstanding contingent commitment) (in each case other than (i) immaterial, nonpayment obligations and any assignment or transfer fee in respect of loans and (ii) obligations arising under customary provisions in respect of borrowed money, including but not limited to requirements that the holders thereof indemnify or reimburse a trustee, administrative or fiscal agent or similar person or entity for costs, liabilities or expenses and customary pro rata sharing provisions requiring any amount received by a lender through payment, set-off or otherwise other than through the procedures set forth in the relevant loan documentation to be shared with other lenders).

6. Qualifying Guarantee

In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

- (a) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.

- (b) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Pricing Supplement from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Pricing Supplement, (i) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (ii) the laws of England and the laws of the State of New York shall not be a Domestic Law.
- (c) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Pricing Supplement from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (d) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (e) The terms “outstanding principal balance” and “Due and Payable Amount”, when used in connection with Qualifying Guarantees are to be interpreted to be the then “outstanding principal balance” or “Due and Payable Amount”, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

SUCCESSOR REFERENCE ENTITY

1. Generally

In order to identify the relevant Successor(s) to a Reference Entity upon the occurrence of a Succession Event, the Calculation Agent will determine, as soon as reasonably practicable after it becomes aware of such Succession Event (but no earlier than fourteen (14) calendar days after the legally effective date of such Succession Event), and with effect from the legally effective date of such Succession Event, whether the relevant thresholds set forth in the definition of “Successor” have been met.

In calculating the percentages used to determine whether the relevant thresholds have been met, the Calculation Agent will use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information.

Where (i) a Reference Obligation has been specified in the applicable Pricing Supplement, (ii) one or more Successors to the Reference Entity have been identified and (iii) any one or more such Successors have not assumed the Reference Obligation, a Substitute Reference Obligation will be determined in accordance with “*Substitute Reference Obligations*” below.

Notwithstanding the above, the Calculation Agent may in its sole discretion rely on the determination of any Credit Derivatives Determinations Committee as to whether any Successor has been identified in relation to any Reference Entity but is not obliged to do so.

2. First-to-Default Notes

In respect of any First-to-Default Notes:

- (a) if “Substitution” is specified as being not applicable in the applicable Pricing Supplement, where any Reference Entity (the “**Surviving Reference Entity**”) (other than a Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity referenced in such Notes (the “**Legacy Reference Entity**”) pursuant to a Succession Event, such Surviving Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity; and

- (b) if “Substitution” is specified as being applicable in the applicable Pricing Supplement, where a Surviving Reference Entity would be a Successor to any other Legacy Reference Entity pursuant to a Succession Event:
 - (i) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and
 - (ii) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity.

3. Multiple Successors

Subject to the provisions of “*Linear Basket Notes*” and “*Tranche Notes*” below, where more than one Successor has been identified, and where unless otherwise specified in the relevant Pricing Supplement, the Notes shall be deemed, for the purpose of determining the payment, delivery and other obligations of the Issuer, to have divided into the same number of notional Notes as there are Successors. Each such notional Note shall reference a Successor and (if applicable) shall have a Notional Amount or an outstanding principal amount equal to the Notional Amount or outstanding principal amount of such Note immediately prior to the relevant Succession Event, divided by the number of Successors.

MONOLINE INSURER AS REFERENCE ENTITY

If a Reference Entity in the applicable Pricing Supplement is a Monoline Insurer, then the following provisions will apply with respect to such Reference Entity:

1. Obligation and Deliverable Obligation

Clause (i) of the definition of “Obligation” and clause (i) of the definition of “Deliverable Obligation” are hereby amended by adding “or Qualifying Policy” after (a) “or as provider of a Qualifying Affiliate Guarantee” and (b) “as provider of any Qualifying Guarantee”.

2. Terms applicable to Qualifying Policies

In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, clause (i) of the definition of “Deliverable Obligation” will apply, with references to “Qualifying Guarantee”, “Underlying Obligation” and “Underlying Obligor” deemed to include the “Qualifying Policy”, the “Insured Instrument” and the “Insured Obligor”, respectively, except that:

- (a) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms “obligation” and “obligor” as used herein in respect of such an Insured Instrument shall be construed accordingly;
- (b) references in the definitions of “Assignable Loan” and “Consent Required Loan” to “guarantor” and “guaranteeing” shall be deemed to include “insurer” and “insuring”, respectively;
- (c) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Pricing Supplement;
- (d) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Pricing Supplement and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
- (e) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “Outstanding Principal Balance” shall mean the

outstanding Certificate Balance and “maturity”, as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

3. Not Contingent

An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.

4. Deliver

For the purposes of the definition of “Deliver”, “Deliver” with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognized custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and “Delivery” and “Delivered” will be construed accordingly.

5. Provisions for Determining a Successor

The definition of “succeed” is hereby amended by adding “or insurer” after “or guarantor”.

6. Substitute Reference Obligation

The second paragraph of “*Substitute Reference Obligations*” below and sub-clause (i)(c) thereof is hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”. For the purposes of clause (ii) of the definition of “Reference Obligation Termination”, references to “Qualifying Guarantee” and “Underlying Obligation” shall be deemed to include “Qualifying Policy” and “Insured Instrument”, respectively.

7. Restructuring

- (a) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, clauses (i) to (v), inclusive, of the definition of “Restructuring” are hereby amended to read as follows:

“(i) a reduction in the rate or amount or the Instrument Payments in sub-clause (i)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;

(ii) a reduction in the amount of the Instrument Payments described in sub-clause (i)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;

(iii) a postponement or other deferral of a date or dates for either (x) the payment or accrual of the Instrument Payments described in sub-clause (i)(x) of the definition thereof or (y) the payment of the Instrument Payments described in clause (i)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;

(iv) a change in the ranking in priority of payment of (x) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (y) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to

include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or

(v) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Specified Currency.”

(b) The penultimate paragraph of the definition of “Restructuring” is hereby amended by adding “or, in the case of a Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy” after “Reference Entity”.

(c) The definition of “Restructuring” is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

“For purposes of this definition and if a Reference Entity in the applicable Pricing Supplement is a Monoline Insurer, the term “Obligation” shall be deemed to include Insured Instruments for which such Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to a Reference Entity in the definition of “Restructuring” shall be deemed to refer to the Insured Obligor and the reference to such Reference Entity in clauses (a) to (c), inclusive, shall continue to refer to the Reference Entity.”

8. Fully Transferable Obligation and Conditionally Transferable Obligation

In the event that “Restructuring Maturity Limitation and Fully Transferable Obligation” and/or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation” is specified as applying in the applicable Pricing Supplement and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition. References in the definition of “Conditionally Transferable Obligation” to “guarantor” and “guaranteeing” shall be deemed to include “insurer” and “insuring”, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “final maturity date”, as such term is used in the definitions of “Restructuring Maturity Limitation Date” and “Conditionally Transferable Obligation”, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

9. Other Provisions

For purposes of sub-clause (i)(b) of the definition of “Deliverable Obligation” and the definitions of “Credit Event” and “Deliver”, references to “Underlying Obligation” and “Underlying Obligor” shall be deemed to include “Insured Instruments” and “Insured Obligor”, respectively.

SUBSTITUTE REFERENCE OBLIGATIONS

In the event that (i) a Reference Obligation is redeemed in whole or (ii) a Reference Obligation Termination has occurred, the Calculation Agent will identify one or more Substitute Reference Obligations to replace such Reference Obligation.

The Substitute Reference Obligation shall be one or more Obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in relation to a Reference Entity in the applicable Pricing Supplement, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

(a) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that:

- (i) ranks *pari passu* (or, if no such obligation exists, then, at the Calculation Agent's option, an Obligation that ranks senior) in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligations and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date);
- (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Issuer under the Notes; and
- (iii) is an Obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in relation to a Reference Entity in the applicable Pricing Supplement, as provider of a Qualifying Guarantee).

The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

- (b) If more than one specific Reference Obligation is identified as a Reference Obligation, any Reference Obligation Termination has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation, any Reference Obligation Termination has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (d) If:
 - (i) more than one specific Reference Obligation is identified as a Reference Obligation, any Reference Obligation Termination has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or
 - (ii) only one specific Reference Obligation is identified as a Reference Obligation, any Reference Obligation Termination has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the expiry of the Credit Protection Period.
- (e) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different obligation.

The Calculation Agent may in its sole discretion rely on the determinations of any Credit Derivatives Determinations Committee, including without limitation, in relation to whether circumstances have occurred that require a Substitute Reference Obligation to be identified and/or any Substitute Reference Obligation.

PROVISIONS RELATING TO CONVERTIBLE, EXCHANGEABLE AND ACCRETING OBLIGATIONS

With respect to any Accreting Obligation, “outstanding principal balance” means the accreted amount thereof.

With respect to any Convertible or Exchangeable Obligation that is not an accreting obligation, “outstanding principal balance” shall exclude any amount that may be payable under the terms of such Obligation in respect of the value of the Equity Securities for which such Obligation is convertible or exchangeable.

LINEAR BASKET NOTES

As described in the applicable provisions below, Linear Basket Notes are linked to the credit risk of a basket of Reference Entities, with a portion of the nominal or notional amount of each Note being at risk to each such Reference Entity. The following provisions apply in relation to Linear Basket Notes.

For the purposes of Linear Basket Notes, references herein relating to redemption and settlement or the cessation of interest accrual or the payment or non-payment of interest or additional amounts and to the determination of Successor and Substitute Reference Obligations shall apply separately with respect to each Reference Entity in respect of a fraction of the Notional Amount of the relevant Note equal to the Reference Entity Weighting of such Reference Entity.

To the extent that the Calculation Agent identifies more than one Successor in relation to a Reference Entity, then the Reference Entity Weighting applicable to each Successor shall equal the Reference Entity Weighting of the relevant Reference Entity immediately prior to the Succession Event, divided by the number of Successors identified by the Calculation Agent.

Linear Basket Notes that are redeemed by Cash Settlement or Auction Settlement shall be redeemed by payment, in respect of each Note of an amount equal to (i) the aggregate of the Reference Entity Notional Amounts per Note applicable to each Reference Entity in relation to which a Credit Event Determination Date has not occurred during the Notice Delivery Period, and (ii) the aggregate of the Auction Settlement Amounts or Cash Settlement Amounts, as applicable, calculated in relation to each Reference Entity in relation to which a Credit Event Determination Date has occurred during the Notice Delivery Period. Such amount shall be payable (a) in the case of Linear Basket Notes in respect of which “Deferred Settlement” is specified as not applicable in the applicable Pricing Supplement, on each date on which payment would fall due in relation to any Reference Entity, applying the redemption and settlement provisions hereof as they would apply to a Single Name Note referencing such Reference Entity and (b) in the case of Linear Basket Notes in respect of which “Deferred Settlement” is specified as applicable in the applicable Pricing Supplement, on the later of the Scheduled Maturity Date and the last date on which payment would fall due in relation to any Reference Entity, applying the redemption and settlement provisions hereof as they would apply to a Single Name Note referencing such Reference Entity.

If the provisions of this subsection apply, on redemption of part of each such Note, such Note or, if the Notes are represented by a global instrument, such global instrument, shall be endorsed to reflect such partial redemption.

TRANCHE NOTES

As described in the applicable provisions below, Tranche Notes are linked to the credit risk of a basket of Reference Entities and will incur principal writedowns to the extent that Credit Event Determination Dates in relation to such Reference Entities result in Loss Amounts that exceed the applicable Tranche Subordination Amount. The following provisions apply in relation to Tranche Notes.

To the extent that the Calculation Agent identifies more than one Successor in relation to a Reference Entity, then the Reference Entity Weighting applicable to each Successor shall equal the Reference Entity Weighting of the relevant Reference Entity immediately prior to the Succession Event, divided by the number of Successors identified by the Calculation Agent.

Tranche Notes shall be redeemed by payment in respect of each Note of an amount equal to the excess, if any, of the Tranche Notional Amount per Note above the Aggregate Loss Amount per Note. Such amount shall be payable on the later of the Scheduled Maturity Date or, if a Credit Event Determination

Date has occurred during the Notice Delivery Period, the last date on which payment would fall due in relation to any Reference Entity if Cash Settlement or Auction Settlement, as specified in the applicable Pricing Supplement for purposes of determining Loss Amounts, applies in respect of such Reference Entity and the corresponding Credit Event Determination Date.

If a Credit Event Determination Date occurs and the Calculation Agent determines in its sole discretion that such Credit Event Determination Date may result in an increment to the Aggregate Loss Amount, then the accrual of interest from and including the interest payment date preceding such Credit Event Determination Date will be suspended on a portion of the Tranche Notional Amount equal to the Reference Entity Notional Amount of the Reference Entity with respect to which such Credit Event Determination Date has occurred; provided that following the determination of the Loss Amount in respect of such Credit Event Determination Date, if such Loss Amount has not resulted in an increment to the Aggregate Loss Amount, then such suspended interest shall be reinstated and paid on the 5th Business Day following the determination of such Loss Amount; provided, further, that if such Loss Amount has resulted in an increment to the Aggregate Loss Amount, then interest on the portion of the Tranche Notional Amount equal to such increment to the Aggregate Loss Amount shall be deemed to have ceased accruing on the interest payment date preceding such Credit Event Determination Date and no interest on such portion shall thereafter accrue on the Notes, but any suspended interest in excess of the interest on such portion shall be reinstated and paid on the 5th Business Day following the determination of such Loss Amount.

ADDITIONAL DISRUPTION EVENTS

Following the determination by the Calculation Agent that an Additional Disruption Event has occurred, the Issuer in its sole and absolute discretion may take the action described in (a) or (b) below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms herein and/or the applicable Pricing Supplement to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (b) give notice to Holders and redeem all, but not less than all, of the Notes at an amount per Note determined by the Calculation Agent, which, on the due date for the redemption of such Note, shall represent the fair market value of such Note and shall have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer to make the payments in respect of such Note which would, but for such early redemption, have fallen due after the relevant early redemption date. In respect of Notes bearing interest, the early redemption amount, as determined by the Calculation Agent in accordance with this paragraph shall include any accrued interest to (but excluding) the relevant early redemption date and apart from any such interest included in the early redemption amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer in respect of such redemption.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Trustee, stating the occurrence of the Additional Disruption Event and giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

AMENDMENTS

The Calculation Agent may, without obtaining the consent of or consulting with the Noteholders or any other person, from time to time and at any time in its sole and absolute discretion, adjust the terms of the Notes described in this Product Supplement and the applicable Pricing Supplement in accordance with any industry protocol or convention published by ISDA with respect to credit derivative transactions and/or the operation or application of determinations by the Credit Derivatives Determinations Committees if and to the extent that the Calculation Agent determines that such protocol or convention would amend the terms of outstanding credit derivatives transactions that have a trade date that coincides with (or is earlier than) the Issue Date of the Notes and are of a type comparable to the credit-linked provisions of the Notes.

Definitions

“Accelerated or Matured” means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the date on which the relevant Deliverable Obligation is Delivered or valued will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

“Accreted Amount” means, with respect to an Accreting Obligation, an amount equal to (i) the sum of (a) the original issue price of such Obligation and (b) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (ii) any cash payments made by the obligor thereunder that, under the terms of such Obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in clause (i)(b) above), in each case calculated as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the date on which such Obligation is delivered or valued for the purposes of the Notes, as the case may be. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for purposes of clause (i)(b) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semiannual bond equivalent basis using the original issue price of such Obligation and the amount payable at the scheduled maturity of such Obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or the applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of a Convertible or Exchangeable Obligation, any amount that may be payable under the terms of such Obligation in respect of the value of the Equity Securities for which such Obligation is convertible or exchangeable.

“Accreting Obligations” means any Obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (i) payment of such additional amount is subject to contingency or determined by reference to a formula or index, or (ii) periodic cash interest is also payable.

“Additional Disruption Event” means any of Change in Law, Hedging Disruption, and/or Increased Cost of Hedging, in each case if specified in the applicable Pricing Supplement.

“Aggregate Loss Amount” means, as of any date of determination, with respect to Tranche Notes, the lesser of:

- (i) the Tranche Notional Amount; and
- (ii) the amount, if any, by which (x) the aggregate of the Loss Amounts for all Reference Entities in respect of which a Credit Event Determination Date has occurred exceeds (y) the Tranche Subordination Amount.

“Aggregate Notional Amount” means an amount specified as such in the applicable Pricing Supplement; provided that, with respect to the Program, such amount shall not exceed \$6,000,000,000 in the aggregate.

“Assignable Loan” means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent; as a Deliverable Obligation Characteristic, "Assignable Loan" only applies to Deliverable Obligations that are Loans (and shall only be relevant to the

extent that Loans are covered by the Obligation Category or, as applicable, Deliverable Obligation Category specified in the applicable Pricing Supplement).

“Attachment Point” means, in respect of Tranche Notes, the number (expressed as a percentage of the Reference Portfolio Notional Amount) specified in the applicable Pricing Supplement.

“Auction” means an auction sponsored by ISDA in relation to market standard credit default swaps referencing Obligations of the Reference Entity. If multiple concurrent auctions are conducted in relation to senior Obligations and subordinated Obligations of the Reference Entity, the Calculation Agent shall select the auction which is relevant for the purposes of the Notes. If, where "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" are specified as applicable to the relevant Reference Entity in the applicable Pricing Supplement, multiple concurrent auctions are conducted in relation to such transactions having different maturities, the Calculation Agent shall select the auction which is relevant for the purposes of the Notes. Such auction shall be the auction for which the eligible Deliverable Obligations are substantially identical to the Deliverable Obligations which would be determined under the terms of the Notes or, at the election of the Calculation Agent, any such auction for which the eligible Deliverable Obligations are more limited than the Deliverable Obligations which would be determined under the terms of the Notes.

“Auction Final Price” means the price of the Deliverable Obligations of the relevant Reference Entity, expressed as a percentage determined pursuant to the Auction.

“Auction Settlement Amount” means an amount per Note equal to the product of (i) the Auction Final Price and (ii) the Notional Amount of each Note.

“Auction Settlement Date” means a date selected by the Calculation Agent in accordance with *“Description of the Notes – Redemption following Credit Event Determination Date – Auction Settlement”* herein.

“Bankruptcy”, with respect to a Reference Entity, means any of the following events:

- (i) the Reference Entity is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) the Reference Entity becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) the Reference Entity makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) the Reference Entity institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either:
 - (a) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (b) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof;
- (v) the Reference Entity has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

- (vi) the Reference Entity seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) the Reference Entity has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or
- (viii) the Reference Entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified above.

“Best Available Information” means:

- (i) in the case of a Reference Entity that files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information that assumes the relevant Succession Event has occurred or that provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination with respect to a Successor, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity that does not file with its primary securities regulator or primary stock exchange, and that does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the discretion of the Calculation Agent to allow it to determine the successor Reference Entity, if any. Information that is made available more than fourteen (14) calendar days after the legally effective date of the Succession Event will not constitute Best Available Information.

“Bond” means any obligation of a type included in Borrowed Money that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to loans), certificated debt security or other debt security and will not include any other type of Borrowed Money.

“Bond or Loan” means any obligation that is either a Bond or a Loan.

“Borrowed Money” means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of Borrowed Money (which term will include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

“Cash Settlement Amount” means an amount per Note equal to the product of (a) the Final Price and (b) the Notional Amount of such Note.

“Cash Settlement Date” means a date selected by the Calculation Agent in accordance with *“Description of the Notes – Redemption following Credit Event Determination Date – Cash Settlement”* herein.

“Certificate Balance” means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

“Change in Law” means that, on or after the Issue Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of

any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (a) it has become illegal to hold, acquire or dispose of any relevant asset, hedge or related trading position or (b) the Issuer and/or any of its affiliates or agents will incur a materially increased cost in performing the obligations of the Issuer in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“Conditionally Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Deliverable Obligation or such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the date of Delivery of such Deliverable Obligation or the Valuation Date, as applicable, for the relevant Reference Entity, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

“Consent Required Loan” means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such loan) or any agent; as a Deliverable Obligation Characteristic, "Consent Required Loan" only applies to Deliverable Obligations that are Loans (and shall only be relevant to the extent that Loans are covered by the Obligation Category and/or Deliverable Obligation Category specified in relation to the relevant Reference Entity in the applicable Pricing Supplement).

“Convertible Obligation” means any Obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such Obligation or a trustee or similar agent acting for the benefit only of holders of such Obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

“Credit Derivatives Determinations Committees” means the committees established ISDA for the purposes of making certain determinations in connection with credit derivative transactions, as more fully described in the DC Rules.

“Credit Event” means any of the following events occurring with respect to a Reference Entity or any Obligation: Obligation Acceleration, Obligation Default, Failure to Pay, Repudiation/Moratorium, Bankruptcy or Restructuring.

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

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

A Credit Event need not be continuing on the Credit Event Determination Date.

“Credit Event Backstop Date” means, unless otherwise specified in the applicable Pricing Supplement, the day 60 calendar days prior to (a) the Credit Event Resolution Request Date or (b) the date on which the Credit Event Notice is delivered by the Calculation Agent to the Paying Agent during the Notice Delivery Period.

“Credit Event Determination Date” means the date on which the Calculation Agent delivers a Credit Event Notice in relation to a Reference Entity during the Notice Delivery Period; provided that if a DC Credit Event Announcement is made, the Credit Event Determination Date will be the relevant Credit Event Resolution Request Date unless the Calculation Agent otherwise elects in the Credit Event Notice.

“Credit Event Notice” means a notice delivered by the Calculation Agent to the Paying Agent during the Notice Delivery Period that contains a description in reasonable detail of the facts relevant to a determination that a Credit Event has occurred during the Credit Protection Period.

“Credit Event Resolution Request” means a notice to ISDA requesting that a Credit Derivatives Determination Committee be convened to resolve the matters specified in *“Description of the Notes – Suspension of obligations”* herein.

“Credit Event Resolution Request Date” means, with respect to a Credit Event Resolution Request, the date publicly announced by ISDA to be the date which the relevant Credit Derivatives Determinations Committee resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such resolutions.

“Credit Protection Period”, with respect to a Reference Entity, starts at 12:01 a.m. on the Credit Event Backstop Date and ends at 11:59 p.m. Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the applicable Pricing Supplement), Tokyo time) on the latest of:

- (i) the Scheduled Credit Protection Period End Date (without adjustment for non-Business Days);
- (ii) the Grace Period Extension Date if (a) “Grace Period Extension” is specified as applicable in relation to the relevant Reference Entity in the applicable Pricing Supplement; (b) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the last day of the Credit Protection Period; and (c) a Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m. Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the applicable Pricing Supplement), Tokyo time) on the last day of the Credit Protection Period; and
- (iii) the Repudiation/Moratorium Evaluation Date if (a) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the date set forth in (i) above and (b) the Calculation Agent determines that a Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium has occurred at or prior to 11:59 p.m. Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the applicable Pricing Supplement), Tokyo time) on the date set forth in (i) above.

“DC Credit Event Announcement” means a public announcement by ISDA that, following a Credit Event Resolution Request made during the Notice Delivery Period, a Credit Derivatives Determinations Committee has resolved that an event that constitutes an applicable Credit Event has occurred with respect to such Reference Entity during the Credit Protection Period.

“DC Rules” means the ISDA Credit Derivatives Determinations Committees Rules (July 11, 2011 Version), as amended.

“Dealer” means a dealer (other than the Issuer and its affiliates unless otherwise specified in the applicable Pricing Supplement) in obligations of the type of obligation(s) for which Quotations are to be obtained, as selected by the Calculation Agent.

“Default Requirement” has the meaning specified in the applicable Pricing Supplement.

“Deliver” means to deliver, novate, transfer, assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defense (other than a counterclaim or defense based on the accepted exemptions) or right of set off by or of the reference entity or, as applicable, an Underlying Obligor); provided that (i) to the extent that the Deliverable Obligations consist of Direct Loan Participations, “Deliver” means to create (or procure the creation) of a participation in favor of the Noteholder, (ii) to the extent that the Deliverable Obligations consist of Qualifying Guarantees, “Deliver” means to deliver both the Qualifying Guarantee and the Underlying Obligation and (iii) if deliveries of a Deliverable Obligation can be settled through Euroclear or Clearstream, as the case may be, “Deliver” means to settle such Deliverable Obligation in accordance with the applicable procedures of Euroclear or Clearstream, as the case may be. “Delivery” and “Delivered” shall be construed accordingly. In the case of a Loan, delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for delivery of such Loan at that time (as determined by the Calculation Agent in a commercially reasonable manner).

Notwithstanding the previous sentence, in the case of a Loan, delivery may be effected using the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee resolves to approve for such purpose or the Calculation Agent determines is appropriate for such purpose) that the relevant Credit Derivatives Determinations Committee resolves or the Calculation Agent determines constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee resolves or the Calculation Agent determines is appropriate. Each Noteholder is deemed to further agree that compliance by the Issuer with the provisions of any such documentation, shall, without further action, constitute, Delivery for purposes of this definition (to the extent that such documentation contains provisions describing how delivery should be effected) and the Issuer shall be under no obligation to Deliver such Loan to a Noteholder unless the relevant Noteholder executes, and/or complies with the provisions of any such documentation. If any Noteholder does not execute and/or do not comply with the provisions of any such documentation, the Issuer shall redeem the relevant proportion of the Notes in accordance with *“Description of the Notes – Partial Cash Settlement in lieu of Delivery of Deliverable Obligations”*.

“Deliverable Obligation” means:

- (i) an obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in the applicable Pricing Supplement, as provider of any Qualifying Guarantee) that is described by the Deliverable Obligation Category and satisfies each of the Deliverable Obligation Characteristics specified in relation to such Reference Entity in the applicable Pricing Supplement on the date of delivery or the Valuation Date or the date of the Final List (as defined in the DC Rules), as applicable that (a) is payable in an amount equal to its outstanding principal balance, (b) is not subject to any counterclaim, defense (other than a counterclaim or defense described at clauses (i) to (iv) of the definition of “Credit Event”) or right of set off by or of the Reference Entity or any applicable Underlying Obligor; and (c) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date on which such obligation is Delivered or the relevant Valuation Date or the date of the Final List, as applicable, of immediate assertion or demand by or on behalf of the holder or holders against the relevant Reference Entity for an amount at least equal to the outstanding principal balance being

Delivered or valued apart from the giving of any notice of nonpayment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

- (ii) the Reference Obligation specified in the applicable Pricing Supplement in relation to the relevant Reference Entity, provided that, if such Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights described in clauses (i) and (ii) of the definition of “Not Contingent” have not been exercised (or such exercise has been effectively rescinded) on or before the date on which the Reference Obligation is Delivered or valued for the purposes of the Notes;
- (iii) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, the Deliverable Obligations will also include any Sovereign Restructured Deliverable Obligation (unless otherwise excluded in the applicable Pricing Supplement) that satisfies the conditions set forth in sub-clauses (a) to (c) of clause (i) above; and
- (iv) any other obligation of the Reference Entity specified as a Deliverable Obligation in the applicable Pricing Supplement.

“**Delivery Cut-off Date**” means (i) where an event specified in clause (i) of the definition of Physical Settlement Disruption Event has occurred, the thirtieth (30th) calendar day after the Initial Credit Event Delivery Redemption Date or (ii) where an event specified in clause (ii), (iii) or (iv) of the definition of Physical Settlement Disruption Event has occurred, the sixty-fifth (65th) Business Day after the Initial Credit Event Delivery Redemption Date.

“**Delivery Date**” means the date that Delivery by the Issuer to Noteholders of any Deliverable Obligations of the Reference Entity specified in a Notice of Physical Settlement is effected.

“**Detachment Point**” means, in respect of Tranche Notes, the number (expressed as a percentage of the Reference Portfolio Notional Amount) specified in the applicable Pricing Supplement.

“**Direct Loan Participation**” means a Loan in respect of which, pursuant to a participation agreement, the Issuer or a third party is capable of creating, or procuring the creation of, a contractual right in favor of the Noteholder that provides the Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan that are received by such participation seller, any such agreement to be entered into between the Noteholder and either the Issuer or any of its affiliates (to the extent the Issuer or any of its affiliates are then a lender or member of the relevant lending syndicate) or such third party (to the extent it is then a lender or member of the relevant lending syndicate); as a Deliverable Obligation Characteristic, “Direct Loan Participation” only applies to Deliverable Obligations that are Loans (and shall only be relevant to the extent that Loans are covered by the Obligation Category or, as applicable, the Deliverable Obligation Category specified in relation to the relevant Reference Entity in the applicable Pricing Supplement).

“**Eligible Transferee**” means:

- (i) any:
 - (a) bank or other financial institution;
 - (b) insurance or reinsurance company;
 - (c) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in clause (a)(i) below); and
 - (d) registered or licensed broker or dealer (other than a natural person or proprietorship), provided, however, in each case that such entity has total assets of at least US\$500,000,000 (or the equivalent in the relevant currency);

- (ii) an affiliate of an entity specified in the preceding clause (i);
- (iii) each of a corporation, partnership, proprietorship, organization, trust or other entity:
 - (a) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralized debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least US\$100,000,000 (or the equivalent in the relevant currency); or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least US\$100,000,000 (or the equivalent in the relevant currency);
 - (b) that has total assets of at least US\$500,000,000 (or the equivalent in the relevant currency); or
 - (c) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in clauses (i), (ii), (iii)(b) or (iv) of this definition; and
- (iv) a Sovereign, Sovereign Agency or Supranational Organization.

“Enabling Obligation” means an outstanding Deliverable Obligation that (i) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (ii) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

“Equity Securities” means:

- (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such Obligation or depositary receipts representing those equity securities of the issuer of such Obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such Obligation or depositary receipts representing those equity securities of a person other than the issuer of such Obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

“Exchangeable Obligation” means any Obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such Obligation or a trustee or similar agent acting for the benefit only of holders of such Obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such Obligation).

“Extension Notice” means a notice sent by the Calculation Agent to the Paying Agent pursuant to *“Description of the Notes – Extension of maturity”* herein.

“Failure to Pay” means, after the expiration of any applicable Grace Period and after the satisfaction of any conditions precedent to the commencement of the Grace Period, the Reference Entity fails to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement specified in the applicable Pricing Supplement (or, if none is specified, US\$1,000,000 or the equivalent in the relevant currency) under one or more Obligations, in accordance with the terms of such Obligations at the time of the failure.

“Fallback Settlement Event” means an event or election made by the Calculation Agent pursuant to *“Description of the Notes – Redemption following Credit Event Determination Date – Fallback Settlement”* herein.

“Final Price” means the price, expressed as a percentage, which the Calculation Agent determines in relation to the selected Valuation Obligation(s) as follows:

- (i) If “Fixed Recovery” is specified as applicable in the applicable Pricing Supplement, the Final Price shall be the percentage specified therein.
- (ii) If “Fixed Recovery” is not specified as applicable in the applicable Pricing Supplement:
 - (a) On any Business Day selected by the Calculation Agent during the period commencing on (and including) the Credit Event Determination Date and ending on (and including) the Valuation Date, and, if necessary, on one or more of the succeeding five (5) Business Days, at or about the Valuation Time, the Calculation Agent shall attempt to obtain quotations in respect of each selected Valuation Obligation from five or more Dealers in obligations such as the selected Valuation Obligations, as selected by the Calculation Agent in its discretion.
 - (b) The Calculation Agent shall seek bid quotations for Valuation Obligations having an aggregate outstanding principal amount which is in aggregate at least equal to the aggregate outstanding principal amount of the Notes.
 - (c) If at least two Full Quotations are available on the same Business Day in relation to a Valuation Obligation, the Final Price of the relevant Valuation Obligation will be determined by using the highest bid Full Quotation obtained. If the Calculation Agent is unable to obtain two or more such Full Quotations in relation to the relevant Valuation Obligation on the same Business Day within five (5) Business Days of the Valuation Date, then the Final Price for such Valuation Obligation will be an amount determined by the Calculation Agent in its commercially reasonable discretion.
 - (d) If any quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable at maturity, such quotation will instead be expressed as a percentage of the Valuation Obligation Balance for purposes of determining the Final Price.
 - (e) If there is more than one Selected Valuation Obligation, then the Final Price will be the average of the Final Prices determined in relation to each such obligation, each such price being weighted by reference to the amount of each such obligation valued for such purpose.

“Final Stated Maturity Date” means the date falling two (2) years after the Scheduled Maturity Date specified in the applicable Pricing Supplement.

“First-to-Default Note” means a Note for which “Type of Credit Linked Notes” is specified as “First-to-Default” in the applicable Pricing Supplement.

“Fitch” means Fitch Ratings or any successor to the rating business thereof.

“Full Quotation” means, with respect to a selected Valuation Obligation, each firm quotation, expressed as a percentage, obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of such Valuation Obligation equal to the related Valuation Obligation Balance.

“Fully Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Fully Transferable

Obligation, such determination shall be made as of date of Delivery of such Deliverable Obligation or, as applicable, the Valuation Date for the relevant Reference Entity, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

“Governmental Authority” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organization of a Reference Entity.

“Grace Period” means, with respect to any Obligation:

- (i) subject to clauses (ii) and (iii) below, the applicable Grace Period with respect to payments under such Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if “Grace Period Extension” is specified as applicable in the applicable Pricing Supplement, a Potential Failure to Pay has occurred on or prior to the last day of the Credit Protection Period and the applicable Grace Period cannot, by its terms, expire on or prior to the last day of the Credit Protection Period, the Grace Period shall be deemed to be the lesser of such Grace Period and the period specified in such Pricing Supplement or, if no period is specified, thirty (30) calendar days; and
- (iii) if, as of the date as of which an Obligation is issued or incurred, no Grace Period with respect to payments or a Grace Period with respect to payments of less than three (3) Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three (3) Grace Period Business Days will be deemed to apply to that Obligation; provided that, unless “Grace Period Extension” is specified as applicable in relation to the relevant Reference Entity in the applicable Pricing Supplement, such deemed Grace Period shall expire no later than the last day of the Credit Protection Period.

“Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified in the jurisdiction of the currency in which the Obligation is denominated.

“Grace Period Extension Date” means if (i) “Grace Period Extension” is specified as applicable in the applicable Pricing Supplement and (ii) a Potential Failure to Pay occurs on or prior to the last day of the Credit Protection Period (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the applicable Pricing Supplement), Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified as applicable in the applicable Pricing Supplement, Grace Period Extension shall not apply.

“Hedging Disruption” means that the Issuer and/or any of its affiliates or agents is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity, price, credit or other risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its affiliates or agents would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity, price, credit or other risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, 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 the Issuer and/or any of its affiliates or agents shall not be deemed an Increased Cost of Hedging.

“Initial Credit Event Delivery Redemption Date” means the thirty-fifth (35th) Business Day (or, if later, the last day of the period which has the longest number of Business Days for settlement in accordance with the then current market practice of such Deliverable Obligation as determined by the Calculation Agent in its sole discretion) following the delivery of a Notice of Physical Settlement.

“Instrument Payments” means (i) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (ii) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (i) and (ii) (A) determined without regard to limited recourse or reduction provisions of the type described in *“Description of the Notes – Monoline Insurer as Reference Entity – Not Contingent”* and (B) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

“ISDA” means the International Swaps and Derivatives Association, Inc. or any successor thereto.

“Issue Date” means, with respect to any Note, its date of issue, as specified in the applicable Pricing Supplement.

“Latest Maturity Restructured Bond or Loan” means a Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan.

“Limitation Date” means the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **“2.5-year Limitation Date”**), 5 years (the **“5-year Limitation Date”**), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the **“20-year Limitation Date”**), as applicable. Limitation Dates shall not be subject to adjustment for non-Business Days unless the applicable Pricing Supplement specifies that Limitation Dates will be adjusted in accordance with a specified Business Day Convention.

“Linear Basket Note” means a Note for which “Type of Credit Linked Notes” is specified as “Linear Basket” in the applicable Pricing Supplement.

“Listed” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange. **“Listed”** is an Obligation Characteristic that only applies to Bonds (to the extent that Bonds are covered by the Obligation Category or Deliverable Obligation Category, as applicable, specified in relation to the relevant Reference Entity in the applicable Pricing Supplement).

“Loan” means any obligation of a type included in Borrowed Money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and will not include any other type of Borrowed Money.

“Loss Amount” means, in respect of Tranche Notes, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between 100% and the Final Price or the Auction Final Price, as applicable, subject to a minimum of zero.

“Maximum Maturity” means an obligation that has a remaining maturity from the Initial Credit Event Delivery Redemption Date or, if applicable, the Valuation Date, of not greater than the period specified in the applicable Pricing Supplement.

“Modified Eligible Transferee” means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

“Modified Restructuring Maturity Limitation Date” means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in

circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. With respect to Notes for which "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable for the relevant Reference Entity in the applicable Pricing Supplement and for which the Scheduled Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only. Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (i) the 2.5-year Limitation Date and no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Monoline Insurer" means the entities (i) listed in the Monoline Insurer Reference Entities document published by ISDA on August 31, 2010 which Current Reference Entity Name (as such term is defined in such document) is ACA Financial Guaranty Corporation, Ambac Assurance Corporation, Assured Guaranty Corp., CDC IXIS Financial Guaranty North America, Inc, Financial Guaranty Insurance Company (FGIC), Assured Guaranty Municipal Corp., MBIA Insurance Corporation, Radian Asset Assurance Inc., Syncora Guarantee Inc. or any Successor or (ii) added to the list of sub-paragraph (i) above by any document published by ISDA which would modify and/or cancel and replace the Monoline Insurer Reference Entities document.

"Moody's" means Moody's Investors Service Inc. or any successor to the rating business thereof.

"Multiple Holder Obligation" means an Obligation that (i) at the time of the event that constitutes the Restructuring Credit Event is held by more than three holders that are not affiliates of each other; and (ii) except in the case of Bonds, with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to 66 2/3% is required to consent to the event that constitutes the Restructuring Credit Event.

"Not Bearer" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system; as an Obligation Characteristic, "Not Bearer" only applies to Deliverable Obligations that are Bonds (and shall only be relevant to the extent that Bonds are covered by the Obligation Category, or as applicable, the Deliverable Obligation Category specified in relation to the relevant Reference Entity in the applicable Pricing Supplement).

"Not Contingent" means any obligation having as of the date on which the relevant Deliverable Obligation is Delivered or valued and all times thereafter an outstanding principal balance that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation are "Not Contingent" if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (i) to convert or exchange such Obligation or (ii) to require the issuer to purchase or redeem such obligation (if the relevant issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the date on which the relevant Deliverable Obligation is Delivered or valued.

"Not Domestic Currency" means, unless otherwise specified in the applicable Pricing Supplement, any obligation that is payable in any currency other than the lawful currency and any successor currency of (i) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (ii) the jurisdiction in which the Reference Entity is organized, if the Reference Entity is not a Sovereign. In no event shall such domestic currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

"Not Domestic Issuance" means any obligation other than an obligation that was, at the time such obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale

primarily in the domestic market of the relevant Reference Entity; for the purposes of the immediately preceding clause, any obligation that is registered or qualifies for sale outside the domestic market of the relevant Reference Entity (regardless of whether it is also registered and qualified for sale within the domestic market of the Reference Entity) will be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

“Not Domestic Law” means any obligation that is not governed by the laws of (i) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (ii) the jurisdiction of organization of the relevant Reference Entity, if such Reference Entity is not a Sovereign.

“Not Sovereign Lender” means any obligation that is not primarily owed to a Sovereign or Supranational Organization, including, without limitation, obligations generally referred to as “Paris Club debt”.

“Not Subordinated” means an obligation that is Not Subordinated to (i) the most senior Reference Obligation in priority of payment or (ii) if no Reference Obligation is specified in the applicable Pricing Supplement in relation to the relevant Reference Entity, any unsubordinated Borrowed Money obligation of the Reference Entity provided that, if any of the events set forth under “*Description of the Notes – Substitute Reference Obligations*” have occurred with respect to all of the Reference Obligations or if the last paragraph of the definition of “Successor” applies with respect to the Reference Obligation (each, a **“Prior Reference Obligation”**) and no Substitute Reference Obligation has been identified for any of the prior Reference Obligations at the time of the determination of whether an obligation satisfies the Not Subordinated Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, Not Subordinated shall mean an Obligation that would not have been subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the Not Subordinated Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable shall be determined as of the date as of which such Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date.

“Noteholder” means, with respect to any Note, the person whose name appears in the security register of the Issuer as the registered holder of such Note.

“Notice Delivery Period” means the period from and including the Issue Date to and including the later of:

- (i) the last day of the Credit Protection Period;
- (ii) if the Calculation Agent considers in its discretion that a Credit Event may have occurred or will or is likely to occur in relation to a Reference Entity or prior to the last day of the Credit Protection Period, then the Notice Delivery Period shall be extended so as to expire fourteen (14) calendar days after such date; and
- (iii) if a Credit Derivatives Determinations Committee has not resolved any matter in connection with the Reference Entity by the end of the Notice Delivery Period, the Notice Delivery Period will instead expire on the date falling fourteen (14) calendar days following the date on which the relevant Credit Derivatives Determinations Committee resolves (or resolves not to resolve) such matter (provided that such date falls no later than sixty (60) Business Days after the relevant Credit Event Resolution Request Date);

provided that the Notice Delivery Period will expire no later than the Final Stated Maturity Date.

“Obligation” means (i) an obligation of a Reference Entity that, as of the date a Credit Event occurred, is described by the Obligation Category and satisfies the applicable Obligations Characteristics, in each case as specified in the applicable Pricing Supplement; (ii) each Reference Obligation specified in the applicable Pricing Supplement in relation to such Reference Entity (unless specified as an “Excluded Obligation”) and (iii) any other obligation of the Reference Entity specified as such in the applicable Pricing Supplement.

“Obligation Acceleration” means that one or more Obligations in an aggregate amount of not less than the Default Requirement specified in the specified Pricing Supplement (or if none is specified, US\$10,000,000 or the equivalent in the relevant currency) have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

“Obligation Default” means that one or more Obligations in an aggregate amount of not less than the Default Requirement specified in the applicable Pricing Supplement (or if none is specified, US\$10,000,000 or the equivalent in the relevant currency) have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

“Payment” means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

“Payment Requirement” has the meaning specified in the applicable Pricing Supplement.

“Physical Settlement Disruption Event” means, in relation to any Noteholder, the occurrence of any of the following:

- (i) due to an event beyond the Issuer's control, it is impossible or illegal for the Issuer to Deliver, or for such Noteholder to accept Delivery of, a Deliverable Obligation specified in the Notice of Physical Settlement on the Initial Credit Event Delivery Redemption Date (including, without limitation, failure of the relevant clearance system or due to any law, regulation or court order, but excluding due to market conditions);
- (ii) a consent required to Deliver any Deliverable Obligation has not been obtained;
- (iii) the Issuer has not received from any hedging counterparty for any reason any obligations equivalent to the Deliverable Obligations specified in the Notice of Physical Settlement; or
- (iv) the Noteholder(s) of such Note has failed to properly complete and return a blocking instruction or any other documentation requested by the Issuer in order to comply with securities laws or other transfer restrictions applicable to any Deliverable Obligation, and the Issuer (in its sole discretion) has not waived such requirement.

“Potential Failure to Pay” means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement specified in the applicable Pricing Supplement (or, if none is specified, US\$1,000,000 or in each case, the equivalent in the relevant currency) under one or more Obligations, without regard to any Grace Period or conditions precedent to the commencement of any Grace Period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

“Potential Repudiation/Moratorium” means that an authorized officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement specified in the applicable Pricing Supplement (or if none is specified, US\$10,000,000 or the equivalent in the relevant currency) or (b) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement specified in the applicable Pricing Supplement (or, if none, US\$10,000,000 or the equivalent in the relevant currency).

“Public Source” means each of Bloomberg Service, Dow Jones Telerate Service, Reuters Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and any successor publications), the main source(s) of business news in the country in

which the relevant Reference Entity is organized, any other internationally recognized published or electronically displayed news sources and any other sources specified in the applicable Pricing Supplement.

“Publicly Available Information” means information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in a Credit Event Notice has occurred and which:

- (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Calculation Agent, the Issuer or any of their affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Calculation Agent, the Issuer or any of their affiliates is acting in the capacity as a trustee, fiscal agent, administrative agent, calculation agent, clearing agent, paying agent, facility agent, agent bank or any other agent performing other similar functions for an Obligation, a lender or holder of the Obligation with respect to which a Credit Event has occurred or a counterparty under any transaction with the Reference Entity or an affiliate thereof;
- (ii) is information received from or published by (a) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity that is a Sovereign) or (b) a lender, holder, trustee, fiscal agent, administrative agent, calculation agent, clearing agent, paying agent, facility agent, agent bank or any other agent performing other similar functions for an Obligation;
- (iii) is information contained in any petition or filing instituting a proceeding, described in the definition of the Bankruptcy Credit Event, against or by a Reference Entity; or
- (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body;

provided that if the Calculation Agent, the Issuer or an affiliate of the Issuer is (a) the sole source of information and (b) a trustee, fiscal agent, administrative agent, calculation agent, clearing agent, paying agent, facility agent, agent bank or any other agent performing other similar functions for an Obligation or a lender or a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent or the Issuer shall be only required to deliver a certificate to the Paying Agent signed by a managing director (or other person with a substantively equivalent title), certifying the occurrence of a Credit Event with respect to such Obligation.

In relation to any information of the type described in clauses (ii), (iii) and (iv) above, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state the following information: with respect to a Qualifying Affiliate Guarantee, the percentage of voting shares owned, directly or indirectly, by the Reference Entity; that the occurrence of such event has met the currency amount thresholds specified in certain Credit Events; that the occurrence of such event is the result of exceeding any applicable Grace Period; or that the occurrence of such event has met the subjective criteria specified in the definition of certain Credit Events.

“Qualifying Affiliate Guarantee” means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of an entity whose outstanding voting shares were at the date of issuance of the Qualifying Guarantee, more than 50 percent owned, directly or indirectly, by the Reference Entity.

“Qualifying Guarantee” means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an Underlying Obligation by the relevant Underlying Obligor; provided that Qualifying

Guarantees exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of such Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

“Qualifying Policy” means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in *“Description of the Notes – Monoline Insurer as Reference Entity”*) (the **“Insured Instrument”**) for which another party (including a special purpose entity or trust) is the obligor (the **“Insured Obligor”**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

“Reference Entity” means an entity specified as such in the applicable Pricing Supplement or any Successor Reference Entity as determined in accordance with *“Description of the Notes – Successor Reference Entity”* herein.

“Reference Entity Notional Amount” means, with respect to any Reference Entity of a Linear Basket Note or a Tranche Note, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount.

“Reference Entity Weighting” means, with respect to any Reference Entity of a Linear Basket Note or a Tranche Note, the proportion specified as such in the applicable Pricing Supplement, which shall be adjusted upon the occurrence of a Succession Event pursuant to *“Description of the Notes – Linear Basket Notes”* and *“– Tranche Notes”*.

“Reference Obligation” means, in relation to any Reference Entity, the obligation specified as such in the applicable Pricing Supplement and any Substitute Reference Obligations determined in accordance with *“Description of the Notes – Additional Provisions for Reference Obligations”* herein.

“Reference Obligation Termination” means the occurrence of any of the following, as determined by the Calculation Agent in its sole discretion: (i) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments); (ii) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms; or (iii) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity.

“Reference Obligations Only” means any obligation that is a Reference Obligation and (if specified as an Obligation Category) no Obligation Characteristics or (if specified as a Deliverable Obligation Category) Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only.

“Reference Portfolio Notional Amount” means (i) in respect of Tranche Notes, an amount equal to the Aggregate Notional Amount divided by the difference between the Detachment Point and the Attachment Point and (ii) in respect of Linear Basket Notes, an amount equal to the Aggregate Notional Amount.

“Relevant Obligations” means, for the purpose of determining a Successor, the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity that succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among

entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

“Replacement Reference Entity” means an entity identified by the Calculation Agent:

- (i) that is in the same industry classification group as the Surviving Reference Entity as determined by the Calculation Agent with reference to the industry classification groups as published by Moody’s or S&P or any other rating agency as the Calculation Agent shall determine;
- (ii) that has a bid-side credit spread (at the time the Calculation Agent identifies such entity), no greater than 110% (or as otherwise specified in the applicable Pricing Supplement) of the relevant Surviving Reference Entity at the same time (the **“Credit Spread Requirement”**) in each case based on the most liquid maturity for related credit default swap transactions:
 - (a) on market standard terms for the relevant entity as at the time of such determination;
 - (b) in respect of a floating rate payer calculation amount equal to at least 50 percent but not more than 100 percent of the aggregate outstanding principal amount of the Notes; and
 - (c) with a term equal to the period from and including the date of determination to and including the Scheduled Maturity Date (the **“Remaining Term”**), provided that if the Calculation Agent, having used reasonable endeavors, cannot obtain quotations from at least three Dealers, in respect of the Remaining Term, the term for the purposes of this clause (c) shall be five (5) years.

The bid-side credit spreads or the offer-side credit spreads, as applicable for the purpose of the Credit Spread Requirement shall be the unweighted arithmetic mean of the spread quotations obtained by the Calculation Agent from at least three Dealers, as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

- (iii) that is principally traded in the credit derivative market in respect of the same geographical region as the relevant Surviving Reference Entity, as determined by the Calculation Agent acting in good faith and a commercially reasonable manner; and
- (iv) that is not an affiliate of any other Reference Entity, the Issuer or the Calculation Agent both immediately prior to and following the relevant Succession Event,

provided that if the Calculation Agent determines that it is unable to identify an entity satisfying the requirements in (i) to (iv) within thirty (30) Business Days of it becoming aware of the relevant Succession Event, the Calculation Agent may select another entity which satisfies (iv) above as the Replacement Reference Entity.

“Repudiation/Moratorium” means the occurrence of both of the following events:

- (i) a Potential Repudiation/Moratorium; and
- (ii) a Failure to Pay, determined without regard to the amount of the failure, or a Restructuring, determined without regard to the amount involved, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

“Repudiation/Moratorium Evaluation Date” means, if a Potential Repudiation/Moratorium occurs on or prior to the last day of the Credit Protection Period:

- (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (60) calendar days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date); and

- (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) calendar days after the date of such Potential Repudiation/Moratorium.

“Restructured Bond or Loan” means an Obligation that is a Bond or a Loan and in respect of which the relevant Restructuring has occurred.

“Restructuring” means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement specified in the applicable Pricing Supplement (or, if none is specified, US\$10,000,000 or the equivalent in the relevant current), the occurrence of any one or more of the following events in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (a) the payment or accrual of interest or (b) the payment of principal or premium;
- (iv) a change in the ranking or priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency other than (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (b) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either “AAA” or higher assigned to it by S&P, “Aaa” or higher assigned to it by Moody’s or “AAA” or higher assigned to it by Fitch.

However, none of the following will be a Restructuring:

- (a) the payment in euros of interest or principal in relation to a Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (b) the occurrence of, agreement to or announcement of any of the events described in clauses (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (c) the occurrence of, agreement to or announcement of any of the events described in clauses (i) to (v) above under this definition of “Restructuring” due to circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of this definition, the term “Obligation” will include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in relation to the relevant Reference Entity in the applicable Pricing Supplement, as provider of any Qualifying Guarantee. In the case of a Qualifying Affiliate Guarantee, Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the first paragraph of this definition (including clauses (i) through (v)) shall be deemed to refer to the Underlying Obligor and

references to the Reference Entity in the second paragraph of this definition (including clauses (a) through (c)) will continue to refer to the Reference Entity.

Unless “Multiple Holder Obligation” is specified as not applicable in the applicable Pricing Supplement, then notwithstanding anything to the contrary in this definition, the occurrence of, agreement to or announcement of any of the events described in the first paragraph of this definition (including clauses (i) through (v)) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

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

“**Restructuring Maturity Limitation Date**” means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of a Latest Maturity Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date, and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. In the event that the Scheduled Maturity Date is later than: (i)(a) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any; or (b) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists; or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

“**S&P**” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies Inc. or any successor to the rating business thereof.

“**Scheduled Credit Protection Period End Date**” means the date falling two (2) Business Days prior to the Scheduled Maturity Date specified in the applicable Pricing Supplement.

“**Scheduled Maturity Date**” has the meaning specified in the applicable Pricing Supplement.

“**Settlement Date**” means the Auction Settlement Date, the Cash Settlement Date or the Delivery Date (or, if less than all of such Deliverable Obligations are Delivered by the Initial Credit Event Delivery Redemption Date, the applicable Delivery Cut-off Date), as applicable.

“**Settlement Method**” has the meaning specified in the applicable Pricing Supplement.

“**Single Name Note**” means a Note for which “Type of Credit Linked Notes” is specified as “Single Name” in the applicable Pricing Supplement.

“**Sovereign**” means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limitation, the central bank) thereof.

“**Sovereign Agency**” means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

“**Sovereign Restructured Deliverable Obligation**” means an obligation of a Sovereign Reference Entity (i) in respect of which a Restructuring Credit Event has occurred and a related Credit Event Notice has been delivered, and (ii) belonging to the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Pricing Supplement as applicable to the Deliverable Obligations, in each case immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring Credit Event without regard to whether such obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring Credit Event.

“**Specified Currency**” means an obligation that is payable in any of the currencies specified for this purpose in the applicable Pricing Supplement provided that if no currency is so specified, Specified Currency shall mean any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and

the United States of America and the euro (and any successor currency to any of the aforementioned currencies), which currencies shall be referred to collectively as the “**Standard Specified Currencies**”).

“**Subordination**” means, with respect to an obligation (the “**Subordinated Obligation**”) and another obligation of the Reference Entity to which such obligation is being compared (the “**Senior Obligation**”), a contractual, trust, or similar arrangement providing that (i) upon the liquidation, dissolution, reorganization or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

“**Substitute Reference Obligation**” means an Obligation that replaces a Reference Obligation pursuant to “*Description of the Notes – Substitute Reference Obligations*” herein.

“**succeed**” means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, Obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, Obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for such Relevant Obligations (or, as applicable, Obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to the Relevant Obligations (or, as applicable, Obligations). The determinations of the Calculation Agent with respect to a Successor will be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of bonds for which Relevant Obligations have been exchanged.

“**Succession Event**” means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, such term shall not include an event (a) in which the holders of Obligations of the Reference Entity exchange such Obligations for the Obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (b) if the applicable Pricing Supplement states that the “**Succession Event Backstop Date**” is applicable, with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date applicable to the relevant Reference Entity (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the applicable Pricing Supplement), Tokyo time)).

“**Succession Event Backstop Date**” means:

- (i) for purposes of any event which constitutes a Succession Event as determined by a resolution of the relevant Credit Derivatives Determinations Committee with respect to whether or not a Succession Event has occurred, the date that is ninety (90) calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the applicable Pricing Supplement), Tokyo time)); or
- (ii) otherwise, the date that is ninety (90) calendar days prior to the earlier of

- (a) the date on which the Calculation Agent determines that a Succession Event has occurred; and
- (b) the Succession Event Resolution Request Date if (1) the conditions to convening a Credit Derivatives Determinations Committee to resolve whether a Succession Event has occurred (and, if so, the date of such occurrence) are satisfied in accordance with the DC Rules; and (2) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters.

The Succession Event Backstop Date shall not be subject to adjustment for non-Business Days.

“Succession Event Resolution Request Date” means, with respect to a notice to ISDA delivered in accordance with the DC Rules, requesting that a Credit Derivatives Determinations Committee be convened to resolve:

- (i) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and
- (ii) if the relevant Credit Derivatives Determinations Committee resolves that such event has occurred:
 - (a) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event; or
 - (b) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee resolves to be the date on which such notice is effective.

“Successor” means, in relation to any Reference Entity, the entity or entities determined by the Calculation Agent as set forth below:

- (i) If the relevant Reference Entity is a Sovereign, the successor(s) of a Reference Entity will be any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the Obligations of such Reference Entity.
- (ii) If the relevant Reference Entity is not a Sovereign, the successor(s) of a Reference Entity will be the entity or entities, if any, determined by the Calculation Agent in the following manner:
 - (a) if an entity directly or indirectly succeeds to 75% or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
 - (b) if only one entity directly or indirectly succeeds to more than 25% (but less than 75%) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25% of the Relevant Obligations of the Reference Entity remains with the Reference Entity, the entity that succeeds to more than 25% of the Relevant Obligations will be the sole Successor;
 - (c) if more than one entity each directly or indirectly succeeds to more than 25% of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25% of the Relevant Obligations of the Reference Entity remains with the Reference Entity, the entities that succeed to more than 25% of the Relevant Obligations of the Reference Entity will each be a Successor;
 - (d) if one or more entities each directly or indirectly succeeds to more than 25% of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25% of the Relevant Obligations of the Reference Entity remains with the Reference Entity, each such entity and the Reference Entity will each be a Successor;

- (e) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25% of the Relevant Obligations of the Reference Entity and such Reference Entity continues to exist, there will be no Successor and the relevant Reference Entity will not be changed in any way as a result of such Succession Event; and
- (f) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25% of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity that succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities that succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

“Supranational Organization” means any entity or organization established by treaty or other arrangement between two or more sovereigns or the sovereign agencies of two or more sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

“Tranche Note” means a Note for which “Type of Credit Linked Notes” is specified as “Tranche” in the applicable Pricing Supplement.

“Tranche Notional Amount” means, with respect to Tranche Notes, the Aggregate Notional Amount of the Notes on the Issue Date or such other amount specified as such in the applicable Pricing Supplement.

“Tranche Subordination Amount” means, with respect to Tranche Notes, the Reference Portfolio Notional Amount multiplied by the Attachment Point.

“Transferable” means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the Securities Act (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

As a Deliverable Obligation Characteristic, "Transferable" only applies to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the Deliverable Obligation Category specified in relation to the relevant Reference Entity in the applicable Pricing Supplement).

“Undelivered” means, with respect to any Deliverable Obligation, not Delivered.

“Underlying Obligation” means, with respect to a Qualifying Guarantee, the obligation that the applicable Reference Entity is guaranteeing.

“Underlying Obligor” means the obligor of an Underlying Obligation; provided that for the avoidance of doubt, a Reference Entity shall not be an Underlying Obligor with respect to the obligation it is guaranteeing under any Qualifying Guarantee.

“Valuation Date” means, with respect to any Credit Event Determination Date, the date that is sixty (60) Business Days thereafter.

“Valuation Obligation” means each obligation selected for valuation by the Calculation Agent on or prior to the Valuation Date for the purposes of settlement of the Notes, being obligations which are capable of being Deliverable Obligations of the relevant Reference Entity on the date of selection.

“Valuation Obligation Balance” means with respect to a selected Valuation Obligation, an amount in the currency of denomination of that Valuation Obligation specified as such by the Calculation Agent on the Business Day immediately preceding the Valuation Date, provided that the Calculation Agent shall not specify an amount that is less than the equivalent of US\$500,000 (all as determined by the Calculation Agent on the Business Day immediately preceding the Valuation Date, acting in a commercially reasonable manner).

“Valuation Time” means, with respect to any selected Valuation Obligation, the time at which, in the determination of the Calculation Agent, the market for such Valuation Obligation is likely to be most liquid.

SUPPLEMENTAL PLAN OF DISTRIBUTION

As described in the section of the Offering Memorandum entitled “Plan of Distribution,” we, either ourselves or through one or more of our Dealers (which may include SGAS), will enter into one or more arrangements with agents, underwriters, or dealers (each of such Dealers and such agents, underwriters, or dealers, a “**Distributor**” and collectively, the “**Distributors**”), whereby each Distributor will distribute the Notes. Such distributions may occur on or subsequent to the Issue Date. Each Distributor will be entitled to receive a commission (the “**Distributor Commission**”) for the Notes distributed by such Distributor on or after the Issue Date, as specified in more detail in the applicable Pricing Supplement. Distributor Commission will therefore be embedded in the price you pay for Notes. The Distributors may reoffer the Notes to other dealers who will sell the Notes. Each such dealer engaged by a Distributor, or further engaged by a dealer to whom each such Distributor reoffers the Notes, will be entitled to a portion of the Distributor Commission payable to such Distributor. The Distributor Commission may vary from dealer to dealer and not all dealers will be entitled to the same amount of Distributor Commission, even if such dealers are distributing the same Notes.

The Issuer has agreed to indemnify the Distributors against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Distributors may be required to make in respect thereof.

The offering of the Notes will be conducted in compliance with any applicable requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc.

To the extent that the total Aggregate Notional Amount of the Notes being offered by this Product Supplement and the applicable Pricing Supplement is not purchased by investors in the offering for the Notes, one or more of our affiliates has agreed to purchase the unsold portion, and to hold such Notes.

Please note that information herein and in the applicable Pricing Supplement about the Pricing Date, Issue Date, Issue Price to the public and net proceeds to the Issuer relates only to the initial sale of the Notes. If you have purchased the Notes in a secondary market transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

No offers, sales or deliveries of Notes, or distribution of this Product Supplement, the applicable Pricing Supplement or the Offering Memorandum or any other offering material relating to Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on us or any Distributor.

For information on selling restrictions in specific jurisdictions in which Notes will be sold, see the Offering Memorandum.

If we, the applicable Dealer or any of our or its respective affiliates provides a secondary market, we, such dealer or such affiliate will determine the secondary market prices in our or its sole discretion. Any market-making price quoted by us, the applicable Dealer or any of our or its affiliates will be net of all or a portion of any commission paid or allowance made to the Distributors.

Conflicts of Interest

SGAS, one of the potential selling agents in the offerings of Notes, is an affiliate of ours and, as such, has a “conflict of interest” in these offerings within the meaning of FINRA Rule 5121. Consequently, the offerings are being conducted in compliance with the provisions of FINRA Rule 5121. SGAS is not permitted to sell Notes in any offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

CERTAIN ERISA CONSIDERATIONS

For a discussion of the benefit plan investor consequences related to the Notes, see “*Benefit Plan Investor Considerations*” in the Offering Memorandum.