



**FINAL TERMS DATED 7 DECEMBER 2009**

## **EXANE FINANCE**

as Issuer

Issue of 20,000 Forex Wave EUR/USD Zertifikat (the “Certificates”)  
indexed to shares (class B) in the FX Wave Fund FLtd

pursuant to the debt securities issue programme of Exane Finance  
unconditionally and irrevocably guaranteed by  
**EXANE DERIVATIVES**

Series No.: 3938

Tranche No.: 1

Issue price: EUR 1,000 per Certificate  
Maturity Date: undated perpetual Certificates with no fixed maturity

An application has been made for the Certificates  
to be admitted to trading on the regulated market and listed on Luxembourg Stock Exchange

### **EXANE LIMITED**

as Underwriter

#### **Risk Warning Notice**

*The Issuer draws the attention of investors to the fact that the Certificates are specialised financial instruments designed for investors familiar with this type of instrument and, consequently the investors should have sufficient knowledge and experience of financial and business matters to evaluate the merits and the risks of investing in a particular Certificate as well as access to, and knowledge of, appropriate analytical tools to assess such merits and risks in the context of their financial situation. Certain Certificates are not an appropriate investment for investors who are unsophisticated with respect to the applicable funds or formulas, or redemption or other rights or options. Investors should have sufficient financial resources to bear the risks of an investment in the Certificates. For a more detailed description of the risks associated with any investment in the Certificates, investors should read the section of the Base Prospectus headed “Risk Factors”. Moreover, because of the nature of these instruments, the value of the Certificates could fluctuate significantly and result, under certain circumstances, in the partial or total loss of the initial investment.*

## PART A – CONTRACTUAL TERMS

Unless otherwise required by the context, the terms and expressions used and not expressly defined in these Final Terms shall have the same meaning as in the Securities Conditions set forth in the Base Prospectus dated 4 December 2009.

The Base Prospectus constitutes a base prospectus for the purposes of the Prospectus Directive and the relevant implementing measures in Luxembourg. The present document constitutes the Final Terms of the Certificates described herein for the purpose of article 5.4 of the Prospectus Directive and the relevant implementing measures in Luxembourg.

The Final Terms must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus and the Final Terms are available on the website of Exane ([www.exane.com](http://www.exane.com)). The Base Prospectus and the Final Terms are also available for consultation and copies may be obtained at the registered office of the Principal Paying Agent, of the Luxembourg Paying Agent and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### GENERAL PROVISIONS

<b>1. Issuer:</b>	Exane Finance
<b>2. Guarantor:</b>	Exane Derivatives (Moody's A3 / S&P : A-)
<b>3. Calculation Agent:</b>	Exane Derivatives
<b>4. Principal Paying Agent:</b>	Exane SA
<b>5. Settlement Confirmation Agent:</b>	Not Applicable
<b>6. Multi Underlying Asset Certificates:</b>	Not Applicable
<b>7. Type(s) of Underlying Assets</b>	
<b>Underlying Asset(s) Fund(s)</b>	Applicable
(i) Underlying Asset(s):	Shares in the FX Wave Fund Ltd
(ii) Class:	Class B
(iii) Source of the Underlying Asset(s)' price:	Not Applicable
(iv) Price for the Underlying Asset(s) which is material in establishing the price of the Certificate:	Not Applicable
(v) ISIN code:	VGG3705W1041
(vi) Management Company:	FX Wave GmbH
(vii) Custodian:	Interactive Brokers (UK) Ltd (acting also as prime broker)
(viii) Maximum Subscription Fees:	0%
(ix) Maximum Redemption Fees:	0%

	(x) Other information:	Bank: Fortis Bank (the Netherlands) NV
<b>8.</b>	<b>Settlement Currency or Currencies:</b>	Euro (EUR)
<b>9.</b>	<b>Issue Size</b>	20,000 Certificates
	(i) Series:	EUR 20,000,000
	(ii) Tranche:	EUR 20,000,000
<b>10.</b>	<b>Nominal Value:</b>	EUR 1,000 per Certificate
<b>11.</b>	<b>Issue Price:</b>	EUR 1,000 per Certificate
<b>12.</b>	<b>Net Proceeds:</b>	EUR 20,000,000
<b>13.</b>	<b>Issue Date:</b>	8 December 2009
<b>14.</b>	<b>Maturity Date:</b>	The Certificates are undated perpetual and have no fixed maturity date, but may be called at the option of the Issuer or of the Holder under certain circumstances as described below (see Part A(31) and Part A(32))
<b>15.</b>	<b>Settlement Date:</b>	Optional Settlement Date
<b>16.</b>	<b>Listing and Admission to trading:</b>	Luxembourg Stock Exchange
<b>17.</b>	<b>Rating of the Certificates:</b>	Not Applicable
<b>18.</b>	<b>Duration of Trading:</b>	Not Applicable
<b>19.</b>	<b>Minimum Trading Number:</b>	10 Certificates minimum
<b>20.</b>	<b>Settlement Basis:</b>	Settlement linked to a Fund
<b>21.</b>	<b>Change in Interest Base or Settlement Base:</b>	Not Applicable
<b>22.</b>	<b>Put or Call Option:</b>	Settlement Option at the Issuer's discretion or Settlement Option at the Holders' discretion
<b>23.</b>	(i) Series no.:	3938
	(ii) Tranche no.:	1
<b>24.</b>	<b>Status of the Certificates:</b>	Unsubordinated
<b>25.</b>	<b>Governing Law:</b>	The Certificates shall be governed by French law and shall be construed in accordance with French law.
<b>26.</b>	<b>Jurisdiction:</b>	Any claim against the Issuer or the Guarantor in respect of the Certificates must be brought before the competent courts within the jurisdiction of the Paris Court of Appeal. The Issuer elects domicile at the registered offices of the Guarantor for any instrument, formality or procedure filed against it or to which it is a party in respect of the Certificates.

## PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNT

27. **Additional guarantee in the form of a pledge of financial instruments account:** Not Applicable

## PROVISIONS CONCERNING THE SETTLEMENT

28. **Final Settlement Amount** Not Applicable – please refer to Part A(31) and Part A(32)

29. **Early Settlement Amount**

Early Settlement Amount(s) paid in the event of early termination (Condition 8) and/or method for calculating this amount (if required or if different from what is stipulated in the Conditions):

Yes: Condition 8

30. **Automatic Early Settlement:** Not Applicable

31. **Settlement Option at the Issuer's discretion:** Applicable

(i) **Optional Settlement Date(s):** One calendar month following the Optional Valuation Date.

(ii) **Optional Valuation Date(s):** The Valuation Date which falls immediately after the day which is six calendar months after the Issuer Exercise Notice Date (as defined in Part (31)(v) below).

where:

“**Valuation Date**” means a day as of which the net asset value of the Fund is calculated, i.e. the last business day in the United Kingdom, the Netherlands and Switzerland of each week as set out in the Fund's private placement memorandum

- (iii) Optional Settlement Amount and, if applicable, the method for calculating this(these) methods:

On the Optional Settlement Date, each Holder will receive an Optional Settlement Amount calculated in Euros as follows:

$$\text{EUR } 1,000 \times \frac{\text{FNAV}}{\text{INAV}} \times (1 - \text{Fees})^{\text{nb years}}$$

where:

“**nb years**” means the exact number of calendar days between the Issue Date and the Optional Valuation Date divided by 365.

“**INAV**” means the actual price paid by Exane Derivatives for the execution of its subscription order on the basis of the official net asset value of the Fund calculated as of the Initial Fixing Date, expressed in EUR.

“**Initial Fixing Date**” means 11 December 2009.

“**FNAV**” means the actual price paid by Exane Derivatives for the execution of its redemption order on the basis of the official net asset value of the Fund calculated as of the Optional Valuation Date, expressed in EUR.

“**Fees**” are equal to 1.50%.

- |        |   |  |
|--------|---|--|
| (iv)   | Partial Settlement:   | Not Applicable   |
| (v)    | Option Exercise Date(s):  | Any Business Day after the sixth anniversary of the Issue Date (the “ <b>Issuer Exercise Notice Date</b> ”). |
| (vi)   | Description of any other option of the Issuer:                            | Not Applicable   |
| (vii)  | Notice period (if different from the period specified in the Conditions): | Not Applicable   |
| (viii) | Cash Settlement and/or Physical Settlement:                               | Cash settlement only   |
| (xi)   | Other applicable provisions or conditions:                                | Not Applicable   |

**32. Settlement Option at the Holder’s discretion:**

Applicable

- |     |                              |  |
|-----|------------------------------|--|
| (i) | Optional Settlement Date(s): | One calendar month following the Optional Valuation Date |
|-----|------------------------------|--|

- (ii) Optional Valuation Date(s): The Valuation Date which falls immediately after the day which is six calendar months after the Investor Exercise Notice Date (as defined in Part (32)(iii) below).
- where:
- “**Valuation Date**” means a day as of which the net asset value of the Fund is calculated, i.e. the last business day in the United Kingdom, the Netherlands and Switzerland of each week as set out in the Fund’s private placement memorandum
- (ii) Optional Settlement Amount and, if applicable, the method for calculating this(these) methods: On the Optional Settlement Date, each Holder will receive an Optional Settlement Amount calculated in Euros as follows:
- $$\text{EUR } 1,000 \times \frac{\text{FNAV}}{\text{INAV}} \times (1 - \text{Fees})^{\text{nb years}}$$
- where:
- “**nb years**” means the exact number of calendar days between the Issue Date and the Optional Valuation Date divided by 365.
- “**INAV**” means the actual price paid by Exane Derivatives for the execution of its subscription order on the basis of the official net asset value of the Fund calculated as of the Initial Fixing Date, expressed in EUR.
- “**Initial Fixing Date**” means 11 December 2009.
- “**FNAV**” means the actual price paid by Exane Derivatives for the execution of its redemption order on the basis of the official net asset value of the Fund calculated as of the Optional Valuation Date, expressed in EUR.
- “**Fees**” are equal to 1.50%.
- (iii) Option Exercise Date(s): Subject to the Minimum Exercise Amount (as described in Part A(32)(vii)), a notice for the partial settlement of the Certificates may be sent by each Holder on any Business Day after the sixth anniversary of the Issue Date (the “**Investor Exercise Notice Date**”).
- (iv) Description of any other option of the Holder: Not Applicable
- (v) Notice period (if different from the period specified in the Conditions): Not Applicable
- (vi) Cash Settlement and/or Physical Settlement: Cash Settlement only

(vii) Other applicable provisions or conditions:

“**Minimum Exercise Amount**” means 100 Certificates or, if less, the entire remaining number of Certificates held by the Holder.

#### MARKET DISRUPTION AND ADJUSTMENTS

33. **Other provisions concerning market disruption and adjustments** Applicable – please refer to the Appendix hereto
34. **Capitalised fair market value**
- IBOR rate: 3-month EURIBOR

#### PROVISIONS CONCERNING THE INTEREST (IF ANY) TO BE PAID

35. **Interest Commencement Date:** Not Applicable
36. **Ex-Date :** Not Applicable
37. **Stipulations concerning Fixed Rate Certificates:** Not Applicable
38. **Stipulations concerning Floating Rate Certificates:** Not Applicable
39. **Stipulations governing the Interest on Certificates referenced to a formula** Not Applicable
40. **Late payment interest in the event of Late Payment or delivery (Condition 7(E)):** EONIA rate

#### PLACEMENT

41. **Name of Underwriter:** Exane Limited  
20 St. James's Street – London SW1A 1ES – United Kingdom
42. **Additional selling restrictions:** Not Applicable

#### PRACTICAL INFORMATION

43. **Central depository:** Euroclear France  
115, rue Réamur – 75002 Paris – France
44. **ISIN code** FR0010832428
45. **Common code:** 047255767
46. **Telekurs code and other code(s):** 10804333
47. **Name and address of the Paying Agent(s):** Not Applicable

#### OTHER GENERAL PROVISIONS GOVERNING THE CERTIFICATES

48. **Form of the Certificates:** Certificates in book-entry form (*dématérialisés*)
- (i) **Form of the Certificates:** Holder
- (ii) **Registrar** Not Applicable

- |   |   |
|---|---|
| <b>49. Additional Financial Market(s):</b>  | Not Applicable  |
| <b>50. Information concerning Partly Paid-up Certificates:</b>                              | Not Applicable  |
| <b>51. Information concerning Certificates with Settlement by Instalments:</b>              | Not Applicable  |
| <b>52. Stipulations concerning redenomination, changes in Nominal Value and convention:</b> | Not Applicable  |
| <b>53. Language:</b>  | The French version of the Securities Conditions will be the binding language in relation to this issue. |
| <b>54. Fees:</b>  | Not Applicable  |
| <b>55. Other special terms or conditions:</b>   | Not Applicable  |

#### **PUBLIC OFFER(S)**

- |                        |   |
|------------------------|---|
| <b>Public Offer(s)</b> | Applicable  |
| <b>Member State(s)</b> | The Securities will be offered to the public in Germany   |
| <b>Notification</b>    | The <i>Commission de Surveillance du Secteur Financier</i> , which is the Luxembourg competent authority for the purpose of the Prospective Directive and the relevant implementing measures in Luxembourg has been requested to provide BAFIN ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> ) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive and the relevant implementing measures in Luxembourg. |

#### **LISTING APPLICATION AND ADMISSION TO TRADING**

Application has been made by the Issuer (or on his behalf) for the Certificates to be admitted to trading on the regulated market and listed on the official list of the Luxembourg Stock Exchange with effect from 8 December 2009.

#### **TERMS AND CONDITIONS OF THE OFFER**

- |  |                |
|--|----------------|
| Conditions to which the offer is subject:  | None           |
| Total amount of the issue/offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: | EUR 20,000,000 |
| Time period, including any possible amendments, during which the offer will be open and description of the applicable process:   | Not Applicable |
| Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:   | Not Applicable |
| Minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest):   | Not Applicable |
| Method and time limits for paying up the securities and for delivery of the securities:  | Not Applicable |

Description of the manner and date in which results of the offer are to be made to the public: [www.exane.com/exaneissues](http://www.exane.com/exaneissues)

The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights not exercised: Not Applicable

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: Not Applicable

#### **MATERIAL CHANGES SINCE THE MOST RECENT ANNUAL FINANCIAL STATEMENTS**

Subject to the information contained herein, no material changes in the assets and liabilities, financial position and profits and losses of the Issuer or Guarantor have occurred since the close of the last financial year or the balance sheet date of the interim financial statements.

#### **RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published, no facts have been omitted which would render the reproduced inaccurate or misleading.

The Issuer

The Guarantor

Lionel ASSOUN  
Responsable de l'Ingénierie

Bertrand LÉONARD  
Chief Operating Officer – Exane Group

## PART B – OTHER INFORMATION

### 1. Statement of Pledge

Not Applicable

### 2. Acknowledgement of Pledge

Not Applicable

### 3. Performance of the Underlying Asset of the Certificates, explanation of effect on value of investment and associated risks and other information concerning the Underlying Asset

Information about the Underlying Asset can be found on Bloomberg. A copy of the Fund's private placement memorandum may be obtained at the office of the Calculation Agent, as specified herebelow.

Information about the past and future performance and the volatility of the Underlying Asset can be obtained from the Calculation Agent:

Exane Derivatives - 16, avenue Matignon - 75008 Paris - France

Contact: Cherifa Attou

Email: [mo\\_derives\\_structures@exane.com](mailto:mo_derives_structures@exane.com)

Telephone: + 33 (0)1 42 99 25 13

Facsimile: + 33 (0)1 56 69 01 38

### 4. Third Party Information

Information contained in the Final Terms that is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

### 5. Offer

The Certificates are offered to the public in Germany

### 6. Conflicts of Interests of natural and legal persons involved in the Issue / Offer

So far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.

### 7. Reasons for the Offer, estimated net proceeds

- |                              |  |
|------------------------------|--|
| (i) Reasons for the offer:   | See "Use of Proceeds" wording in Base Prospectus |
| (ii) Estimated net proceeds: | Not Applicable                                   |
| (iii) Indication of Yield:   | Not Applicable                                   |

### 8. Placing and Underwriting

This issue is not subject to the payment of a fee.

### 9. Secondary Market

On a daily basis, under normal market conditions, Exane Derivatives plans to contribute an offer price on Reuters EXANEDERIV & Bloomberg EXANE (quotations including accrued interests if any).

Bid price will not be contributed on the above media but will be quoted by Exane Derivatives upon request on a weekly basis and under normal market conditions. Bid price will be calculated as the offer price minus 1% and minus the Repurchase Fee if applicable.

Certificate purchases or sales will be executed on the basis of the net asset value of the Fund next available to Exane Derivatives for a subscription or redemption order of Fund shares sent by Exane Derivatives on the day following the receipt by Exane Derivatives of the Certificate purchase or sale order as the case may be (the “**Reference Net Asset Value**”).

The Certificate’s offer or bid price will be adjusted to reflect the Reference Net Asset Value.

A Repurchase Fee will be deducted to the Bid price, with the following schedule:

<b>Year</b>	<b>Repurchase Fee</b>
1	3%
2	2%
3	1%

## 10. Tax treatment in Germany

### ❖ Certificates held as private asset

#### *Taxation of Interest Income*

Under German tax law, payment of interest on the Certificates to person who are tax residents of Germany (including persons whose residence, habitual abode, statutory seat or place of management is located in Germany, a “German Holder”) and who held the Note as a private asset is subject to German income tax as capital income in the meaning of § 20 German Tax Income. From year 2009, a final taxation (*Abgeltungssteuer*) is charged on capital income at an amount of 25% plus 5.5% solidarity surcharge (*Solidaritätszuschlag*) thereon, resulting in a total final taxation of 26.375%. Taxable base is the received interest without any deduction of expenses actually incurred. The total capital income of the individual will be deducted by a personal annual exemption (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,601 for married couples filing their tax return jointly).

The personal income tax liability regarding the capital income is, in principle, settled by the tax withheld. If no withholding tax was charged on the payment of the interest, the German Holder will have to include this interest income in its tax return. The final taxation will then be charged by way of assessment. The German Holder may also apply for assessment of the capital income based on the general rules if the personal income tax rate of the German Holder is lower than the final taxation rate. In such assessment, the withholding tax will be credited.

#### *Withholding Tax on Interest Income*

If the Notes are held in a custodial account maintained by a German Holder with a German branch of a German or foreign bank or financial institution (a “**German Disbursing Agent**”), which pays or credits the interest, a 25% withholding tax (*Kapitalertragsteuer*) on interest payments, plus a 5.5% solidarity surcharge (*Solidaritätszuschlag*) thereon, will be levied, resulting in a total withholding tax charge of 26.375% on the gross amount of interest paid. Accrued interest paid by German Holder upon the purchase of the Certificates may be set-off against the amount of interest income received by such German Holder and, under certain circumstances, may reduce the amount subject to withholding tax.

If the Holder of a Certificate is an individual to whom income from the Certificates constitutes income from a capital investment and such Certificate Holder has filed a certificate of exemption (*Freistellungsauftrag*) with the German Disbursing Agent, no tax will be withheld by the German Disbursing Agent to the extent that the interest income derived from the Certificates together with other investment administered by the German Disbursing Agent does not exceed the maximum exemption amount shown on this certificate. Similarly, no tax will be withheld if the Certificate Holder submits to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

### *Disposal or Redemption of the Notes*

Capital gains resulting from the disposal or redemption of Notes (or, as the case may be, from the payment at maturity if the Certificates) realised by individual German Holders holding the Certificates as private assets are taxable as capital gains. They are also subject to the final taxation (*Abgeltungsteuer*) at an amount of 25% plus 5.5% solidarity surcharge (*Solidaritätszuschlag*) thereon, resulting in a total final taxation of 26.375%.

Base for this taxation is the capital gain, which is in general the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. The taxable capital gains from the Certificates issued in a currency other than Euro also include any currency gains (and losses). In case of a physical settlement of certain Certificates which grant the Issuer or the individual Certificate Holder the right to opt for a physical delivery of a predetermined number of underlying securities instead of a (re)payment in cash, generally no taxable gain may result, because the acquisition costs of the Certificates are regarded as acquisition costs of the underlying securities received by the individual Certificate Holder upon physical settlement. Therefore, only losses can arise from the deduction of directly related expenses.

Capital losses in respect of the Certificates held as a private asset may only be set-off against capital income within the same financial year and in subsequent years. However, if losses result from Certificates held in a custodian account maintained by a German Disbursing Agent, initially the German Disbursing Agent will take these losses into account when calculating the withholding tax. In case that the losses cannot be compensated in the current year, the losses will be set off against the income of the subsequent year. Upon request of the German Holders the German Disbursing Agent will provide a certificate of all losses, which could not be set off during the current year within the custodial account. This certificate enables the German Holder to claim a deduction within the assessment of capital income.

### *Withholding tax on disposal or redemption of the Certificates*

Like the treatment of interest income a withholding tax at an amount of 25% plus a 5.5% solidarity surcharge (*Solidaritätszuschlag*) thereon (in total 26.375%) will be levied on capital gains from disposal or redemption of the Certificates, if the Certificate is held in a custodial account maintained by a German Disbursing Agent. A withholding tax will not be charged if a German Holder has provided a certificate of exemption (*Freistellungsauftrag*) or a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) to the German Disbursing Agent.

Base to this taxation is again the difference between the proceeds from the disposal or redemption after the deduction of expenses directly related to the disposal and the cost of acquisition. However, in the case the Certificates have not been kept in a custodial account with the same German Disbursing Agent since the time of acquisition, upon the disposal, redemption or repayment withholding applies to 30% of the disposal proceeds, unless the current Disbursing Agent has been notified of the actual acquisition costs of the Certificates by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EC Council Directive 2003/48/EC. Furthermore, the special provision for a physical settlement of certain Certificates applies for the purposes of the withholding. Therefore, in principle, redemption accompanied by physical settlement may not result in a withholding tax.

### *Certificates held as business assets of by a corporate body*

If the Certificates are held as business assets or by a corporate body all income received from the Certificates (interest as well as capital gains) is subject to German income tax or German corporate income tax. The income from the Certificates will be taxed by the German Certificate Holder individual tax rate. The income tax or the corporate income tax is not settled by the tax withheld. Withholding tax and the solidarity surcharge thereon might be credited as prepayments against the German Holder's final tax liability for German personal or income tax purposes and the respective solidarity surcharge or, if in excess of such final tax liability, refunded upon application.

If the Certificates are held in a German business establishment for trade purposes, interest income derived from the Certificates will also be subject to trade tax on income, which is a municipal tax levied at an

effective tax rate of currently 12% to 20% depending on the trade tax factor applied by the relevant municipality.

The taxation of the investment in the Certificates might be calculated on an accruals basis. The income might therefore be taxed before the German Holder receives a payment from the Certificates.

In general, withholding tax will be deducted in accordance to the same provisions like the withholding with respect to the Certificates held as private assets. Generally, the withholding tax on capital gains will not apply under certain circumstances if the Certificates are held by a tax resident corporate. That also applies to Certificates held by an individual or by a partnership as part of the business assets as far as the German Holder provides the German Disbursing Agent with a certificate of the character of the Certificates as business assets.

#### ❖ German Tax Non-Residents

Income derived from the Certificates by persons who are not tax residents of Germany (“**Non-German Holders**”) is in general exempt from German income or corporate income taxation, and no withholding tax shall be withheld (even if the Certificates are held by a German Disbursing Agent), provided (i) the Certificates are not held as business assets of a German permanent establishment of the Non-German Holder, including a permanent representative, or fixed base of the Certificate Holder, (ii) the income derived from the Certificates does not otherwise constitute German source of income (such as income from the letting and leasing of certain German situs property), (iii) the Certificates or coupons are not presented for payment at the offices of a German branch of a German or foreign bank or financial services institution, that do not hold in custody or manages the Certificates, in an over-the-counter-transaction (*Tafelgeschäft*) by a person who is not a foreign bank or a financial services institution and, (iv) in the event that the Certificates are held in a custodial account maintained by a German Disbursing Agent, the Certificate Holder complies with the applicable procedural rules under German law and provides evidence of the fact that the Certificates are not subject to taxation in Germany. Unjustified retained withholding tax shall be refunded upon request to the Local Tax Office (*Finanzamt*) to whom the withholding tax was paid.

If the interest is subject to German taxation (for example, if the Certificates are held as business assets of a German permanent establishment of a Non-German Holder), such holder is subject to a tax treatment similar to that described above under the caption “German Tax Residents”. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

## 11. Holder’s representations

By purchasing the Certificates, each Holder represents:

- (a) it has sufficient knowledge and experience and has taken such professional advice and has independently obtained such information as it thinks necessary to make its own evaluation of the merits and risks involved in purchasing the Certificates and in making an investment of this type;
- (b) it understands that the Optional Settlement Amount will be dependent upon the performance of the Underlying(s) (as defined in Part B), which contains substantial credit and interest rate risks;
- (c) it understands and agrees that the Issue Price may include an amount related to hedging arrangements entered into by the Issuer and a member of its group and the Certificates may be re-sold in the future at prices which may be greater or less than such price;
- (d) it understands that since the entity acting as Calculation Agent is the Guarantor, potential conflicts of interest may exist between the Guarantor in its capacity as the Calculation Agent, on the one hand, and the Holders on the other; and
- (e) it acknowledges that, in acting hereunder, the Calculation Agent is acting as agent of the Issuer and such entity shall not thereby assume any obligations towards or relationship of agency or trust for or with the Holders.

## APPENDIX

(This Appendix forms part of the Final Terms to which they are attached)

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### ADDITIONAL ADJUSTMENT EVENTS

#### 1. Modification to the Principles of adjustments applicable to the Certificates

The Condition 5(F)(1) is cancelled and replaced as follows:

“If certain events defined below affecting an Underlying Asset (an "Event") occur, the Calculation Agent may, as regards Certificates whose Effective Date of the Event is simultaneous with or prior to the Valuation Date in the case of Cash Settlement and/or in the case of Physical Settlement, continue to execute its obligations, subject to any adjustments deemed necessary by the Calculation Agent who shall implement, at its own discretion, one of the following methods for the purpose of protecting the rights of the Holders:

- (a) the method implemented by the Related Market (if applicable), or any other competent authority (the “**Related Market Method**”),
- (b) the methods described in paragraphs F(2) *et seq.*, which incorporate the modifications of the Affected Underlying Asset or its Substitution (the “**Calculation Agent Method**”).

In the event where the Calculation Agent determines that the Related Market Method or the Calculation Agent Method is technically impossible to implement or inappropriate, it may proceed to any other adjustment that it deems necessary. So far as non-French Underlying Assets are concerned, the methods described in paragraphs F(2) *et seq.* may equally be modified to be compliant with local business practices and/or local regulations.

Conversely, the Issuer may decide to terminate its obligations by providing notice in accordance with Condition 5(F)(9) of the fair market value of the Certificates, as determined by the Calculation Agent (the “**Redemption Method**”). The Holders will receive the amount in Euros based on the fair market value of the Certificates on the Termination Date.

Where the “**Termination Date**” means the 13 June 2016 if the Effective Date falls on or before 13 May 2016 or else the date which is one calendar month after the Effective Date if the Effective Date falls after 13 May 2016.

Moreover, the Calculation Agent may also decide to proceed to any adjustment it deems necessary in accordance with the methods described above, in the event where a Market Disruption Event occurs and is continuing after five consecutive Trading Days or five consecutive Business Days, as the case may be. Conversely, the Issuer may decide to terminate its obligations.

Any adjustment made by the Calculation Agent will take effect for all valuation dates occurring after the Event.”

#### 2. Modification to the Methods for executing certain adjustments in a Fund

- *For the purpose of this issue, the preamble of Condition 5(F)(4)(xx) is cancelled and replaced as follows:*

“(xx) *Other events*

The Calculation Agent may proceed with the Substitution of the relevant Unit, should any other event, in the reasonable opinion of the Calculation Agent, affect the value or the risk profile of the relevant Units, increase or be likely to increase the risk profile of the Issuer or of Exane Derivatives as the Issuer’s hedging party.”

- ***For the purpose of this issue, Condition 5(F)(4) is completed by the following Conditions 5(F)(4)(xxi)***

*“(xxi) Due Diligence*

The Calculation Agent may proceed with the Substitution of the relevant Unit, in the event the outcome of a due diligence performed by or for the benefit of Exane Derivatives is deemed negative in the sole discretion of the Calculation Agent.”

*“(xxii) Re-characterisation of the tax treatment of the Certificates*

The Calculation Agent may proceed with the Substitution of the relevant Unit, should any event lead or may lead to a re-characterisation of the tax treatment of the Certificates in the hands of the Holders.”